



COSMOS TECHNOLOGY INTERNATIONAL BERHAD

(Registration no.: 201901017221 (1326549-P))
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT

FOR THE FIRST QUARTER ENDED 31 JULY 2024

COSMOS TECHNOLOGY INTERNATIONAL BERHAD

(Registration no.: 201901017221 (1326549-P))

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 JULY 2024

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FIRST QUARTER ENDED 31 JULY 2024 ⁽¹⁾

	<i>Note</i>	<u>Current Quarter</u>		<u>Cumulative Quarter</u>	
		Unaudited 31.07.2024 RM'000	(Restated) Unaudited 31.07.2023 RM'000	Unaudited 31.07.2024 RM'000	(Restated) Unaudited 31.07.2023 RM'000
<u>Continuing operations</u>					
Revenue	A9	4,311	4,240	4,311	4,240
Cost of sales		<u>(2,693)</u>	<u>(2,799)</u>	<u>(2,693)</u>	<u>(2,799)</u>
Gross profit		1,618	1,441	1,618	1,441
Other income		242	149	242	149
Administrative expenses		(1,102)	(741)	(1,102)	(741)
Selling and distribution expenses		<u>(150)</u>	<u>(89)</u>	<u>(150)</u>	<u>(89)</u>
Profit from operations		608	760	608	760
Finance costs		<u>(3)</u>	<u>(20)</u>	<u>(3)</u>	<u>(20)</u>
Profit before taxation from continuing operations	B5	605	740	605	740
Taxation	B6	<u>(183)</u>	<u>(197)</u>	<u>(183)</u>	<u>(197)</u>
Profit after taxation from continuing operations		422	543	422	543
<u>Discontinued operation</u>					
Profit from discontinued operation for the financial period		<u>24</u>	<u>202</u>	<u>24</u>	<u>202</u>
Profit for the financial period		<u>446</u>	<u>745</u>	<u>446</u>	<u>745</u>
Other comprehensive income		-	-	-	-
Total comprehensive income for the financial period		<u>446</u>	<u>745</u>	<u>446</u>	<u>745</u>

COSMOS TECHNOLOGY INTERNATIONAL BERHAD

(Registration no.: 201901017221 (1326549-P))

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 JULY 2024

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FIRST QUARTER ENDED 31 JULY 2024 ⁽¹⁾

	<u>Current Quarter</u>		<u>Cumulative Quarter</u>	
	<u>Unaudited</u> <u>31.07.2024</u>	<u>(Restated)</u> <u>Unaudited</u> <u>31.07.2023</u>	<u>Unaudited</u> <u>31.07.2024</u>	<u>(Restated)</u> <u>Unaudited</u> <u>31.07.2023</u>
<i>Note</i>	RM'000	RM'000	RM'000	RM'000
Profit attributable to:				
Equity holders of the Company from				
- Continuing operations	422	543	422	543
- Discontinued operation	24	202	24	202
	<u>446</u>	<u>745</u>	<u>446</u>	<u>745</u>
Total comprehensive income for the financial period attributable to:				
Equity holders of the Company				
- Continuing operations	422	543	422	543
- Discontinued operation	24	202	24	202
	<u>446</u>	<u>745</u>	<u>446</u>	<u>745</u>
Basic/diluted earnings per share (sen) ⁽²⁾				
	<i>B9</i>			
- Continuing operations	0.16	0.21	0.16	0.21
- Discontinued operation	0.01	0.08	0.01	0.08
	<u>0.17</u>	<u>0.29</u>	<u>0.17</u>	<u>0.29</u>

Notes:

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income is disclosed in Note A1 and should be read in conjunction with the audited consolidated financial statements for the financial year ended 30 April 2024 and the accompanying explanatory notes attached to this interim financial report.
- (2) Basic and diluted earnings per share is calculated based on the weighted average number of issued ordinary shares in the Company ("Shares") (as shown in Note B9).

COSMOS TECHNOLOGY INTERNATIONAL BERHAD

(Registration no.: 201901017221 (1326549-P))

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 JULY 2024

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 JULY 2024⁽¹⁾

	<i>Note</i>	Unaudited As at 31.07.2024 RM'000	Audited As at 30.4.2024 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment		13,539	23,269
Total non-current assets		<u>13,539</u>	<u>23,269</u>
Current assets			
Inventories		5,794	13,382
Trade and other receivables		4,389	13,523
Other current assets		311	1,100
Tax recoverable		-	741
Fixed deposits with licensed banks, cash and bank balances		9,253	15,285
Total current assets		<u>19,747</u>	<u>44,031</u>
Assets held for sale		<u>33,365</u>	<u>-</u>
TOTAL ASSETS		<u>66,651</u>	<u>67,300</u>
EQUITY AND LIABILITIES			
Equity			
Share capital		35,779	35,779
Retained earnings		17,716	17,270
TOTAL EQUITY		<u>53,495</u>	<u>53,049</u>
Non-current liabilities			
Borrowings	<i>B7</i>	-	1,063
Lease liabilities	<i>B8</i>	182	2,491
Deferred tax liabilities		3	171
Total non-current liabilities		<u>185</u>	<u>3,725</u>
Current liabilities			
Trade and other payables		2,898	5,068
Borrowings	<i>B7</i>	32	4,106
Lease liabilities	<i>B8</i>	63	1,322
Provision of taxation		43	30
Total current liabilities		<u>3,036</u>	<u>10,526</u>
Liabilities held for sale		<u>9,935</u>	<u>-</u>
TOTAL LIABILITIES		<u>13,156</u>	<u>14,251</u>
TOTAL EQUITY AND LIABILITIES		<u>66,651</u>	<u>67,300</u>
NET ASSETS PER SHARE (sen)⁽²⁾		20.86	20.68

COSMOS TECHNOLOGY INTERNATIONAL BERHAD

(Registration no.: 201901017221 (1326549-P))

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 JULY 2024

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 JULY 2024⁽¹⁾

Notes:

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Financial Position is disclosed in Note A1 and should be read in conjunction with the audited consolidated financial statements for the financial year ended 30 April 2024 and the accompanying explanatory notes attached to this interim financial report.
- (2) Net assets per share is computed based on the number of shares of 256,501,300 shares.

COSMOS TECHNOLOGY INTERNATIONAL BERHAD

(Registration no.: 201901017221 (1326549-P))

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 JULY 2024

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FIRST QUARTER ENDED 31 JULY 2024 ⁽¹⁾

	<u>Non-distributable</u> Share capital RM'000	<u>Distributable</u> Retained Earnings RM'000	Total equity RM'000
<u>Unaudited - 3 months ended 31 July 2024</u>			
Balance as at 1 May 2024	35,779	17,270	53,049
Profit for the financial year	-	446	446
Balance as at 31 July 2024	35,779	17,716	53,495
<u>Unaudited - 3 months ended 31 July 2023</u>			
Balance as at 1 May 2023	35,779	14,975	50,754
Profit for the financial period	-	745	745
Balance as at 31 July 2023	35,779	15,720	51,499

Note:

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Changes in Equity is disclosed in Note A1 and should be read in conjunction with the audited consolidated financial statements for the financial year ended 30 April 2024 and the accompanying explanatory notes attached to this interim financial report.

COSMOS TECHNOLOGY INTERNATIONAL BERHAD

(Registration no.: 201901017221 (1326549-P))

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 JULY 2024

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FIRST QUARTER ENDED 31 JULY 2024 ⁽¹⁾

<i>Note</i>	Unaudited As at 31.07.2024 RM'000	Unaudited As at 31.07.2023 RM'000
Cash flows from operating activities		
Profit before taxation		
- Continuing operations	605	740
- Discontinued operation	32	302
Adjustments for:		
Depreciation of property, plant and equipment	479	437
Depreciation of right-of-use assets	-	36
Finance costs	117	149
Interest income	(88)	(93)
Unrealised foreign exchange gain	-	105
Operating profit before working capital changes	1,145	1,676
Increase in inventories	(1,144)	(1,201)
Decrease in trade and other receivables	1,836	4,329
(Increase)/decrease in other current assets	(1,262)	1,150
Decrease in trade and other payables	(1,369)	(304)
Decrease in bills payable	(1,026)	(246)
Cash (used in)/generated from operations	(1,820)	5,404
Interest paid	(50)	(58)
Tax paid	(236)	(501)
Net cash (used in)/generated from operating activities	(2,106)	4,845
Cash flows from investing activities		
Purchase of property, plant and equipment	(387)	(2,668)
Interest received	88	93
Net cash used in investing activities	(299)	(2,575)
Cash flows from financing activities		
Increase in fixed deposits pledged to licensed banks	(125)	(57)
Fixed deposit interest pledged	(44)	-
Lease liabilities interest paid	(52)	(70)
Repayment of obligation under lease liabilities	(325)	(350)
Term loan interest paid	(15)	(21)
Drawdown of term loans	336	-
Repayment of term loans	(13)	(181)
Net cash used in financing activities	(238)	(679)
Net (decrease)/increase in cash and cash equivalents	(2,643)	1,591
Currency translation reserves	-	(1)
Cash and cash equivalents at beginning of the period	13,203	17,762
Cash and cash equivalents at end of the period	10,560	19,352

COSMOS TECHNOLOGY INTERNATIONAL BERHAD

(Registration no.: 201901017221 (1326549-P))

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 JULY 2024

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FIRST QUARTER ENDED 31 JULY 2024⁽¹⁾ (CONT'D)

	Unaudited As at 31.07.2024 RM'000	Unaudited As at 31.07.2023 RM'000
Cash and cash equivalents at end of the period consist of:		
Cash and bank balances	3,284	3,520
Fixed deposits placed with licensed bank	5,969	8,624
	<u>9,253</u>	<u>12,144</u>
Fixed deposits pledged to licensed banks	(924)	(896)
	<u>8,328</u>	<u>11,248</u>
Assets held for sale	2,232	8,104
	<u>10,560</u>	<u>19,352</u>

Notes:

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Cash Flows is disclosed in Note A1 and should be read in conjunction with the audited consolidated financial statements for the financial year ended 30 April 2024 and the accompanying explanatory notes attached to this interim financial report.

COSMOS TECHNOLOGY INTERNATIONAL BERHAD

(Registration no.: 201901017221 (1326549-P))

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 JULY 2024

PART A: EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD (“MFRS”) 134 - INTERIM FINANCIAL REPORTING

A1. Basis of Preparation

The interim financial report of Cosmos Technology International Berhad (“COSMOS” or the “Company”) and its subsidiaries (the “Group”) is unaudited and have been prepared in accordance with the requirements of the Malaysian Financial Reporting Standard (“MFRS”) 134: Interim Financial Reporting and Appendix 9B of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad.

This interim financial report should be read in conjunction with the audited consolidated financial statements for the financial year ended 30 April 2024 and the accompanying explanatory notes attached to this interim financial report.

A2. Significant Accounting Policies

(a) MFRSs that have been issued and effective

The following new and revised MFRSs issued by MASB, have been adopted, and the adoptions do not have any or significant impact to the financial statements:

Title		Effective Date
MFRS 17:	Insurance Contracts	1 January 2023
Amendments to MFRS 17:	Insurance Contracts	1 January 2023
Amendments to MFRS 101:	Presentation of Financial Statements	1 January 2023 (Withdrawn upon application of MFRS 18)
Amendments to MFRS 108:	Accounting Policies, Changes in Accounting Estimates and Errors	1 January 2023
Amendments to MFRS 112:	Income Taxes	1 January 2023

(b) MFRSs that have been issued and effective for financial period beginning on 1 January 2024 and onwards

The following new and revised MFRSs issued by MASB have not been adopted by the Group. The adoptions are not expected to have any or significant impact to the financial statements:

Title		Effective Date
Amendments to MFRS 7:	Financial Instruments: Disclosures	1 January 2024
Amendments to MFRS 16:	Leases	1 January 2024
Amendments to MFRS 101:	Presentation of Financial Statements	1 January 2024
Amendments to MFRS 107:	Statement of Cash Flows	1 January 2024
Amendments to MFRS 121:	The Effects of Changes in Foreign Exchange Rates	1 January 2025
MFRS 18:	Presentation and Disclosure in Financial Statements	1 January 2027
MFRS 19:	Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to MFRS 10:	Consolidated Financial Statements	Deferred
Amendments to MFRS 128:	Investments in Associates and Joint Ventures	Deferred

COSMOS TECHNOLOGY INTERNATIONAL BERHAD

(Registration no.: 201901017221 (1326549-P))

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 JULY 2024

A3. Auditors' Report on Preceding Annual Financial Statements

The audited consolidated financial statements of the Group for the financial year ended 30 April 2024 was not subject to any qualification.

A4. Seasonal or Cyclical Factors

The business operations of the Group were not materially affected by any seasonal or cyclical factors during the current financial quarter under review.

A5. Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group during the current financial quarter under review.

A6. Material Changes in Estimates and Judgements

There were no material changes in accounting estimates and judgements that have a material effect on the current financial quarter under review.

A7. Debts and Equity Securities

There was no issuance, cancellation, repurchase, resale or repayment of debt and equity securities during the current financial quarter under review.

A8. Dividend Paid

There were no dividends paid during the current financial quarter under review.

COSMOS TECHNOLOGY INTERNATIONAL BERHAD

(Registration no.: 201901017221 (1326549-P))

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 JULY 2024

A9. Segmental Information

The results of the Continuing Operations are as follows:

(a) Revenue segmented by business activities, products and services

	<u>Current Quarter</u>		<u>Cumulative Quarter</u>	
	Unaudited 31.07.2024 RM'000	(Restated) Unaudited 31.07.2023 RM'000	Unaudited 31.07.2024 RM'000	(Restated) Unaudited 31.07.2023 RM'000
Distribution	4,311	4,240	4,311	4,240
	<u>4,311</u>	<u>4,240</u>	<u>4,311</u>	<u>4,240</u>

(b) Revenue segmented by geographical locations

In presenting information on the basis of geographical segments, segment revenue is based on geographical location of customers.

	<u>Current Quarter</u>		<u>Cumulative Quarter</u>	
	Unaudited 31.07.2024 RM'000	(Restated) Unaudited 31.07.2023 RM'000	Unaudited 31.07.2024 RM'000	(Restated) Unaudited 31.07.2023 RM'000
Malaysia	4,311	4,240	4,311	4,240
	<u>4,311</u>	<u>4,240</u>	<u>4,311</u>	<u>4,240</u>

	<u>Current Quarter</u>	
	Unaudited 31.07.2024 RM'000	(Restated) Unaudited 31.07.2023 RM'000
Results		
Distribution	366	611
Other income	242	149
Profit from operations	<u>608</u>	<u>760</u>
Finance costs	(3)	(20)
Profit before taxation	<u>605</u>	<u>740</u>
Taxation	(183)	(197)
Profit after taxation for the period	<u><u>422</u></u>	<u><u>543</u></u>

COSMOS TECHNOLOGY INTERNATIONAL BERHAD

(Registration no.: 201901017221 (1326549-P))

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 JULY 2024

A9. Segmental Information (Cont'd)

The results of the Discontinued Operation are as follows:

(a) Revenue segmented by business activities, products and services

	<u>Current Quarter</u>		<u>Cumulative Quarter</u>	
	Unaudited 31.07.2024 RM'000	(Restated) Unaudited 31.07.2023 RM'000	Unaudited 31.07.2024 RM'000	(Restated) Unaudited 31.07.2023 RM'000
Manufacturing	1,403	6,849	1,403	6,849
	<u>1,403</u>	<u>6,849</u>	<u>1,403</u>	<u>6,849</u>

(b) Revenue segmented by geographical locations

In presenting information on the basis of geographical segments, segment revenue is based on geographical location of customers.

	<u>Current Quarter</u>		<u>Cumulative Quarter</u>	
	Unaudited 31.07.2024 RM'000	Unaudited 31.07.2023 RM'000	Unaudited 31.07.2024 RM'000	Unaudited 31.07.2023 RM'000
Malaysia	1,080	1,835	1,080	1,835
United States of America	323	5,014	323	5,014
	<u>1,403</u>	<u>6,849</u>	<u>1,403</u>	<u>6,849</u>

	<u>Current Quarter</u>	
	Unaudited 31.07.2024 RM'000	(Restated) Unaudited 31.07.2023 RM'000
Results		
Manufacturing	112	353
Other income	34	77
Profit from operations	<u>146</u>	<u>430</u>
Finance costs	(114)	(128)
Profit before taxation	<u>32</u>	<u>302</u>
Taxation	(8)	(100)
Profit after taxation for the period	<u>24</u>	<u>202</u>

COSMOS TECHNOLOGY INTERNATIONAL BERHAD

(Registration no.: 201901017221 (1326549-P))

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 JULY 2024

A10. Capital Commitments

Save as below, there were no material capital commitments as at the date of this unaudited interim financial report.

	As at 31.07.2024
	RM'000
Authorised and contracted for discontinued operation:	
Property, plant and equipment -	<u>336</u>

A11. Valuation of Property, Plant and Equipment

There was no valuation of property, plant and equipment in the current financial quarter under review.

A12. Contingent Assets and Liabilities

There were no material contingent assets and liabilities as at the end of the unaudited interim financial period.

A13. Changes in Composition of the Group

There were no material changes in the composition of the Group during the current financial quarter under review.

A14. Related Party Transaction

There were no material related party transactions during the current financial quarter under review.

A15. Material Subsequent Events to the Interim Financial Period – Discontinued Operation and assets/liabilities classified as held for sale

On 13 September 2024, Cosmos has entered into a Share Sales Agreement with Loyal Fame Sdn Bhd in relation to the disposal of 100% equity interest in MCI ETech Sdn Bhd (formerly known as Marc Conleth Industries Sdn Bhd) for a total cash consideration of RM12,310,000.

COSMOS TECHNOLOGY INTERNATIONAL BERHAD

(Registration no.: 201901017221 (1326549-P))

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 JULY 2024

PART B: EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE ACE MARKET LISTING REQUIREMENTS OF BURSA SECURITIES

B1. Review of Performance for the Current Quarter Ended 31 July 2024 ("Q1FY2025") as compared to the Preceding Year's Corresponding Quarter Ended 31 July 2023 ("Q1FY2024")

	Q1FY2025 RM'000	Q1FY2024 RM'000	Variance	
			RM'000	%
Revenue				
Distribution	4,311	4,240	71	1.7
Manufacturing – Discontinued Operation	1,403	6,849	(5,446)	(79.5)
	5,714	11,089	(5,375)	(48.5)
Gross profit	1,965	2,853	(888)	(31.1)
Gross profit margin (%)	34.4	25.7	N/A	N/A
Profit before taxation ("PBT")				
Distribution	605	740	(135)	(18.2)
Manufacturing – Discontinued Operation	32	302	(270)	(89.4)
	637	1,042	(405)	(38.9)

In Q1FY2025, the Group recorded revenue amounting to RM5.7 million, marking a decrease of RM5.4 million as compared to the revenue of RM11.1 million recorded in Q1FY2024. The decline was due to the decrease in demand from the manufacturing segment which recorded a decrease from RM6.8 million in Q1FY2024 to RM1.4 million in Q1FY2025. During the period, the distribution segment experienced marginal growth with revenue increasing from RM4.2 million in Q1FY2024 to RM4.3 million in Q1FY2025.

The gross profit has decreased by 31.1%, while the gross profit margin has increased from 25.7% to 34.4% despite the decrease in revenue in Q1FY2025 as compared to Q1FY2024. This is mainly due to the higher revenue contributed by distribution segment in Q1FY2025 is higher as compared to Q1FY2024 which has a higher gross profit margin. The revenue generated from distribution segment represents 75.4% of the total revenue in Q1FY2025 (Q1FY2024: 38.2%).

The Group PBT has decreased by RM0.4 million from RM1.0 million in Q1FY2024 to RM0.6 million in Q1FY2025. The decrease in PBT is in tandem with the decrease of revenue and gross profit as explained above.

N/A - Not applicable

COSMOS TECHNOLOGY INTERNATIONAL BERHAD

(Registration no.: 201901017221 (1326549-P))

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 JULY 2024

B2. Review of Performance for Current Quarter Ended 31 July 2024 ("Q1FY2025") with the Immediate Preceding Quarter Ended 30 April 2024 ("Q4FY2024")

	Q1FY2025 RM'000	Q4FY2024 RM'000	Variance	
			RM'000	%
Revenue				
Distribution	4,311	4,577	(266)	(5.8)
Manufacturing – Discontinued Operation	1,403	3,189	(1,786)	(56.0)
	5,714	7,766	(2,052)	(26.4)
Gross profit	1,965	2,103	(138)	(6.6)
Gross profit margin (%)	34.4	27.1	N/A	N/A
PBT				
Distribution	605	575	30	5.2
Manufacturing – Discontinued Operation	32	(134)	166	123.9
	637	441	196	44.4

In Q1FY2025, the Group recorded revenue amounting to RM5.7 million, marking a decrease of RM2.1 million as compared to the revenue of RM7.8 million recorded in Q4FY2024. The decrease in revenue was mainly due to the decrease in demand from the manufacturing segment, which decreased from RM3.2 million in Q4FY2024 to RM1.4 million in Q1FY2025.

The gross profit has decreased by 6.6%, while the gross profit margin has increased from 27.1% to 34.4% despite the decrease in revenue in Q1FY2025 as compared to Q4FY2024. This is mainly due to the higher revenue contributed by distribution segment in Q1FY2025 which has a higher gross profit margin. The revenue generated from distribution segment represents 75.4% of the total revenue in Q1FY2025 (Q4FY2024: 58.9%).

The Group PBT recorded an increase of RM0.2 million from RM0.4 million in Q4FY2024 to RM0.6 million in Q1FY2025 which was mainly due to the additional incentive scheme introduced by Siemens Malaysia in July 2024, which has contributed RM0.1 million in the distribution segment as other income, and decrease in exhibition expenses and carriage outwards expenses by approximately RM0.1 million.

N/A - Not applicable

COSMOS TECHNOLOGY INTERNATIONAL BERHAD

(Registration no.: 201901017221 (1326549-P))

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 JULY 2024

B3. Commentary on Prospects

The Group will maintain its focus on the distribution segment especially when the government is emphasising the importance of reducing non-revenue water (“NRW”) levels, which have presented favourable opportunities for the Group.

With the Group’s specialisation in distributing and servicing Siemens’ electromagnetic flowmeters, Lacroix data loggers, and other water management solutions, the Group is well-positioned to benefit from the anticipated increase in capital expenditure within the water sector. Furthermore, the Group also intends to expand its product offerings particularly on fluid products which designed to address the NRW issues. With the expansion of its product portfolio, the Group seeks to offer its consumers a diverse selection of solutions that cater to their specific needs and preferences in NRW reduction.

The Group also intends to broaden its product range to include distribution of smart water meters for household usage in view of the rise in water tariffs. This strategic plan will help the Group to tap into new opportunities in the domestic sector while continuing to leverage its industrial expertise.

Overall, the management remains cautiously optimistic and shall proactively manage any challenges the Group may face in the future.

B4. Profit Forecast and Profit Guarantee

The Group has not issued any profit forecast or profit guarantee in any form of public documentation and announcement during the current financial quarter under review.

B5. Profit before Taxation from Continuing Operations

	<u>Current Quarter</u>		<u>Cumulative Quarter</u>	
	Unaudited	(Restated) Unaudited	Unaudited	(Restated) Unaudited
	31.07.2024	31.07.2023	31.07.2024	31.07.2023
	RM’000	RM’000	RM’000	RM’000
Profit before taxation is arrived at after charging:				
Auditors’ remuneration				
- current period	15	15	15	15
Depreciation of property, plant and equipment	113	75	113	75
Finance cost				
- term loan interest	*	19	*	19
- lease liabilities interest	3	1	3	1
and crediting:				
Interest income	86	93	86	93
Realised foreign exchange gain	2	1	2	1

* Denotes amount below RM1,000

COSMOS TECHNOLOGY INTERNATIONAL BERHAD

(Registration no.: 201901017221 (1326549-P))

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 JULY 2024

B6. Income tax expense

	<u>Current Quarter</u>		<u>Cumulative Quarter</u>	
	Unaudited 31.07.2024 RM'000	(Restated) Unaudited 31.07.2023 RM'000	Unaudited 31.07.2024 RM'000	(Restated) Unaudited 31.07.2023 RM'000
Current tax expense:				
- current financial period	183	197	183	197
Effective tax rate	30.2%	26.6%	30.2%	26.6%
Statutory tax rate	24.0%	24.0%	24.0%	24.0%

Income tax expense is recognised based on management's best estimation. The Group's consolidated effective tax rates for the current quarter and financial year ended 31 July 2024 were higher than the Malaysian's statutory tax rate mainly due to certain expenses not deductible under tax legislation.

B7. Borrowings

	Unaudited As at 31.07.2024 RM'000	Audited As at 30.04.2024 RM'000
Current		
Bank overdraft (secured)	-	685
Bills payable (secured)	-	3,371
Term loan (secured)	32	50
	<u>32</u>	<u>4,106</u>
Non-current		
Term loan (secured)	-	1,063
	<u>-</u>	<u>1,063</u>
Total borrowings	<u>32</u>	<u>5,169</u>

COSMOS TECHNOLOGY INTERNATIONAL BERHAD

(Registration no.: 201901017221 (1326549-P))

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 JULY 2024

B8. Lease liabilities

	Unaudited As at 31.07.2024 RM'000	Audited As at 30.04.2024 RM'000
Current	63	1,322
Non-current	182	2,491
Total lease liabilities	245	3,813

Lease liabilities of RM245,000 (as at 30 April 2024: RM3,813,000) are effectively secured.

B9. Earnings per share ("EPS")

	<u>Current Quarter</u>		<u>Cumulative Quarter</u>	
	Unaudited 31.07.2024	Unaudited 31.07.2023	Unaudited 31.07.2024	Unaudited 31.07.2023
Profits attributable to equity holders of the Company (RM'000)				
- Continuing operations	422	543	422	543
- Discontinued operation	24	202	24	202
	<u>446</u>	<u>745</u>	<u>446</u>	<u>745</u>
Weighted average number of shares used in computation of basic EPS	256,501,300	256,501,300	256,501,300	256,501,300
Basic/diluted earnings attributable to equity holders of the Company (Malaysian sen)				
- Continuing operations	0.16	0.21	0.16	0.21
- Discontinued operation	0.01	0.08	0.01	0.08
	<u>0.17</u>	<u>0.29</u>	<u>0.17</u>	<u>0.29</u>

Note:

(1) There are no dilutive instruments as at the end of the financial period.

B10. Material Litigation

The Group was not engaged in any material litigation as at the date of this unaudited interim financial report.

COSMOS TECHNOLOGY INTERNATIONAL BERHAD

(Registration no.: 201901017221 (1326549-P))

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 JULY 2024

B11. Dividend

The Board is not recommending any dividend for the current quarter under review.

B12. Derivative financial instruments

As at 31 July 2024, the Group does not have any derivative financial instruments.

B13. Status of corporate proposals

On 13 September 2024, Cosmos has announced that it proposed to undertake a proposed disposal of 1,000,000 ordinary shares in MCI ETech Sdn Bhd (formerly known as Marc Conleth Industries Sdn Bhd) (“**MCI**”), representing 100% equity interest in MCI, for a total consideration of RM12,310,000, to be satisfied by cash (“**Proposed Disposal**”), subject to the approval of the shareholders of Cosmos being obtained for the Proposed Disposal at the EGM to be convened.

As at the date of this unaudited interim financial report, the approval of the shareholders of Cosmos has yet to be obtained for the Proposed Disposal.

**BY ORDER OF THE BOARD
COSMOS TECHNOLOGY INTERNATIONAL BERHAD
18 SEPTEMBER 2024**