



**COSMOS TECHNOLOGY INTERNATIONAL BERHAD**

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

**INTERIM FINANCIAL REPORT**

**FOR THE SECOND QUARTER ENDED 31 OCTOBER 2024**

# COSMOS TECHNOLOGY INTERNATIONAL BERHAD

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

(Incorporated in Malaysia)

## INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 31 OCTOBER 2024

### UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE SECOND QUARTER ENDED 31 OCTOBER 2024 <sup>(1)</sup>

	<i>Note</i>	<u>Current Quarter</u>		<u>Cumulative Quarter</u>	
		<b>Unaudited 31.10.2024 RM'000</b>	<b>(Restated) Unaudited 31.10.2023 RM'000</b>	<b>Unaudited 31.10.2024 RM'000</b>	<b>(Restated) Unaudited 31.10.2023 RM'000</b>
<b><u>Continuing operations</u></b>					
Revenue	A9	5,022	3,571	9,333	7,811
Cost of sales		<u>(3,096)</u>	<u>(2,061)</u>	<u>(5,789)</u>	<u>(4,860)</u>
<b>Gross profit</b>		1,926	1,510	3,544	2,951
Other income		522	301	764	450
Administrative expenses		(998)	(818)	(2,100)	(1,559)
Selling and distribution expenses		<u>(192)</u>	<u>(202)</u>	<u>(342)</u>	<u>(291)</u>
Profit from operations		1,258	791	1,866	1,551
Finance costs		<u>(3)</u>	<u>(18)</u>	<u>(6)</u>	<u>(38)</u>
<b>Profit before taxation from continuing operations</b>	B5	1,255	773	1,860	1,513
Taxation	B6	<u>(350)</u>	<u>(245)</u>	<u>(533)</u>	<u>(442)</u>
<b>Profit after taxation from continuing operations</b>		905	528	1,327	1,071
<b><u>Discontinued operation</u></b>					
(Loss)/profit from discontinued operation for the financial period		<u>(3,153)</u>	<u>253</u>	<u>(3,129)</u>	<u>455</u>
<b>Profit for the financial period</b>		<u>(2,248)</u>	<u>781</u>	<u>(1,802)</u>	<u>1,526</u>
Other comprehensive income		-	-	-	-
Total comprehensive income for the financial period		<u>(2,248)</u>	<u>781</u>	<u>(1,802)</u>	<u>1,526</u>

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	<u>Current Quarter</u>		<u>Cumulative Quarter</u>	
	<u>Unaudited</u> <u>31.10.2024</u>	<u>(Restated)</u> <u>Unaudited</u> <u>31.10.2023</u>	<u>Unaudited</u> <u>31.10.2024</u>	<u>(Restated)</u> <u>Unaudited</u> <u>31.10.2023</u>
<i>Note</i>	RM'000	RM'000	RM'000	RM'000
Profit attributable to:				
Equity holders of the Company from				
- Continuing operations	905	528	1,327	1,071
- Discontinued operation	(3,153)	253	(3,129)	455
	<u>(2,248)</u>	<u>781</u>	<u>(1,802)</u>	<u>1,526</u>
Total comprehensive income for the financial period attributable to:				
Equity holders of the Company				
- Continuing operations	905	528	1,327	1,071
- Discontinued operation	(3,153)	253	(3,129)	455
	<u>(2,248)</u>	<u>781</u>	<u>(1,802)</u>	<u>1,526</u>
Basic/diluted earnings per share (sen) <sup>(2)</sup>				
	<i>B9</i>			
- Continuing operations	0.35	0.21	0.51	0.42
- Discontinued operation	(1.23)	0.10	(1.22)	0.18
	<u>(0.88)</u>	<u>0.31</u>	<u>(0.71)</u>	<u>0.60</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

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(Incorporated in Malaysia)

## INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 31 OCTOBER 2024

### UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 OCTOBER 2024<sup>(1)</sup>

	<i>Note</i>	Unaudited As at 31.10.2024 RM'000	Audited As at 30.04.2024 RM'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		13,425	23,269
<b>Total non-current assets</b>		<u>13,425</u>	<u>23,269</u>
<b>Current assets</b>			
Inventories		5,937	13,382
Trade and other receivables		5,183	13,523
Other current assets		308	1,100
Tax recoverable		-	741
Fixed deposits with licensed banks, cash and bank balances		10,883	15,285
<b>Total current assets</b>		<u>22,311</u>	<u>44,031</u>
<b>Assets held for sale</b>		<u>28,615</u>	<u>-</u>
<b>TOTAL ASSETS</b>		<u><b>64,351</b></u>	<u><b>67,300</b></u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital		35,779	35,779
Retained earnings		15,468	17,270
<b>TOTAL EQUITY</b>		<u>51,247</u>	<u>53,049</u>
<b>Non-current liabilities</b>			
Borrowings	<i>B7</i>	-	1,063
Lease liabilities	<i>B8</i>	169	2,491
Deferred tax liabilities		3	171
<b>Total non-current liabilities</b>		<u>172</u>	<u>3,725</u>
<b>Current liabilities</b>			
Trade and other payables		4,252	5,068
Borrowings	<i>B7</i>	-	4,106
Lease liabilities	<i>B8</i>	59	1,322
Provision of taxation		223	30
<b>Total current liabilities</b>		<u>4,534</u>	<u>10,526</u>
<b>Liabilities held for sale</b>		<u>8,398</u>	<u>-</u>
<b>TOTAL LIABILITIES</b>		<u>13,104</u>	<u>14,251</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><b>64,351</b></u>	<u><b>67,300</b></u>
<b>NET ASSETS PER SHARE (sen)<sup>(2)</sup></b>		19.98	20.68

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## **INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 31 OCTOBER 2024**

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 OCTOBER 2024<sup>(1)</sup>**

### **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

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## INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 31 OCTOBER 2024

### UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SECOND QUARTER ENDED 31 OCTOBER 2024 <sup>(1)</sup>

	<u>Non-distributable</u> Share capital RM'000	<u>Distributable</u> Retained Earnings RM'000	Total equity RM'000
<b><u>Unaudited - 6 months ended 31 October 2024</u></b>			
Balance as at 1 May 2024	35,779	17,270	53,049
Loss for the financial period	-	(1,802)	(1,802)
<b>Balance as at 31 October 2024</b>	<b>35,779</b>	<b>15,468</b>	<b>51,247</b>
<b><u>Unaudited - 6 months ended 31 October 2023</u></b>			
Balance as at 1 May 2023	35,779	14,975	50,754
Profit for the financial period	-	1,526	1,526
<b>Balance as at 31 October 2023</b>	<b>35,779</b>	<b>16,501</b>	<b>52,280</b>

**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.

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## INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 31 OCTOBER 2024

### UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE SECOND QUARTER ENDED 31 OCTOBER 2024 <sup>(1)</sup>

<i>Note</i>	Unaudited As at 31.10.2024 RM'000	Unaudited As at 31.10.2023 RM'000
<b>Cash flows from operating activities</b>		
Profit before taxation		
- Continuing operations	1,860	1,514
- Discontinued operation	(3,121)	633
Adjustments for:		
Depreciation of property, plant and equipment	950	904
Depreciation of right-of-use assets	-	45
Finance costs	248	292
Interest income	(157)	(185)
Unrealised foreign exchange gain	-	(115)
Operating profit before working capital changes	(220)	3,088
Decrease/(increase) in inventories	30	(2,092)
Decrease in trade and other receivables	4,129	2,600
(Increase)/decrease in other current assets	(2,388)	423
Decrease in trade and other payables	(147)	(4,052)
Decrease in bills payable	(2,069)	(376)
Cash used in from operations	(665)	(409)
Interest paid	(116)	(108)
Tax paid	(496)	(995)
<b>Net cash used in operating activities</b>	(1,277)	(1,512)
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(555)	(2,957)
Interest received	157	185
<b>Net cash used in investing activities</b>	(398)	(2,772)
<b>Cash flows from financing activities</b>		
Increase in fixed deposits pledged to licensed banks	(250)	(115)
Fixed deposit interest pledged	(14)	-
Lease liabilities interest paid	(99)	(145)
Repayment of obligation under lease liabilities	(655)	(872)
Term loan interest paid	(33)	(39)
Drawdown of term loans	504	-
Repayment of term loans	(57)	(337)
<b>Net cash used in financing activities</b>	(604)	(1,508)
<b>Net decrease in cash and cash equivalents</b>	(2,279)	(5,792)
Currency translation reserves	-	53
Cash and cash equivalents at beginning of the period	13,203	17,762
<b>Cash and cash equivalents at end of the period</b>	10,924	12,023

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## INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 31 OCTOBER 2024

### UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE SECOND QUARTER ENDED 31 OCTOBER 2024<sup>(1)</sup> (CONT'D)

	Unaudited As at 31.10.2024 RM'000	Unaudited As at 31.10.2023 RM'000
<b>Cash and cash equivalents at end of the period consist of:</b>		
Cash and bank balances	4,873	2,249
Fixed deposits placed with licensed bank	6,010	8,670
	<u>10,883</u>	<u>10,919</u>
Fixed deposits pledged to licensed banks	(931)	(903)
	<u>9,952</u>	<u>10,016</u>
Assets held for sale	972	2,007
	<u>10,924</u>	<u>12,023</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.



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## INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 31 OCTOBER 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
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
Amendments to MFRS 1:	First-time Adoption of Malaysian Financial Reporting Standards	1 January 2026
Amendments to MFRS 7:	Financial Instruments: Disclosure	1 January 2026
Amendments to MFRS 9:	Financial Instruments	1 January 2026
Amendments to MFRS 10:	Consolidated Financial Statement	1 January 2026
Amendments to MFRS 107:	Statement of Cash Flows	1 January 2026
MFRS 18:	Presentation and Disclosure in Financial Statements	1 January 2027

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Title		Effective Date
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

### 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.

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## INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 31 OCTOBER 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 31.10.2024 RM'000	(Restated) Unaudited 31.10.2023 RM'000	Unaudited 31.10.2024 RM'000	(Restated) Unaudited 31.10.2023 RM'000
Distribution	5,022	3,571	9,333	7,811
	<u>5,022</u>	<u>3,571</u>	<u>9,333</u>	<u>7,811</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 31.10.2024 RM'000	(Restated) Unaudited 31.10.2023 RM'000	Unaudited 31.10.2024 RM'000	(Restated) Unaudited 31.10.2023 RM'000
Malaysia	5,022	3,571	9,333	7,811
	<u>5,022</u>	<u>3,571</u>	<u>9,333</u>	<u>7,811</u>

	<u>Current Quarter</u>	
	Unaudited 31.10.2024 RM'000	(Restated) Unaudited 31.10.2023 RM'000
<b>Results</b>		
Distribution	736	490
Other income	522	301
<b>Profit from operations</b>	<u>1,258</u>	<u>791</u>
Finance costs	(3)	(18)
<b>Profit before taxation</b>	<u>1,255</u>	<u>773</u>
Taxation	(350)	(245)
<b>Profit after taxation for the period</b>	<u>905</u>	<u>528</u>

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## INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 31 OCTOBER 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 31.10.2024 RM'000	(Restated) Unaudited 31.10.2023 RM'000	Unaudited 31.10.2024 RM'000	(Restated) Unaudited 31.10.2023 RM'000
Manufacturing	426	4,375	1,829	11,224
	<u>426</u>	<u>4,375</u>	<u>1,829</u>	<u>11,224</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 31.10.2024 RM'000	Unaudited 31.10.2023 RM'000	Unaudited 31.10.2024 RM'000	Unaudited 31.10.2023 RM'000
Malaysia	5	1,521	1,085	3,356
United States of America	421	2,854	744	7,868
	<u>426</u>	<u>4,375</u>	<u>1,829</u>	<u>11,224</u>

	<u>Current Quarter</u>	
	Unaudited 31.10.2024 RM'000	(Restated) Unaudited 31.10.2023 RM'000
<b>Results</b>		
Manufacturing	(3,031)	130
Other income	5	328
<b>(Loss)/profit from operations</b>	<u>(3,026)</u>	<u>458</u>
Finance costs	(127)	(126)
<b>(Loss)/profit before taxation</b>	<u>(3,153)</u>	<u>332</u>
Taxation	-	(79)
<b>(Loss)/profit after taxation for the period</b>	<u>(3,153)</u>	<u>253</u>

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### A10. Capital Commitments

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

	<b>As at 31.10.2024</b>
	<b>RM'000</b>
<b>Authorised and contracted for discontinued operation:</b>	
Property, plant and equipment	<u>168</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) (“MCI”) for a total cash consideration of RM12,310,000.

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## INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 31 OCTOBER 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 October 2024 ("Q2FY2025") as compared to the Preceding Year's Corresponding Quarter Ended 31 October 2023 ("Q2FY2024")

	Q2FY2025 RM'000	Q2FY2024 RM'000	Variance	
			RM'000	%
<b>Revenue</b>				
Continuing operations - Distribution	5,022	3,571	1,451	40.6
Discontinued operation - Manufacturing	426	4,375	(3,949)	(90.3)
	5,448	7,946	(2,498)	(31.4)
<b>Profit before taxation ("PBT")</b>				
Continuing operations - Distribution	1,255	773	482	62.4
Discontinued operation - Manufacturing	(3,153)	332	(3,485)	(1,049.7)
	(1,898)	1,105	(3,003)	(271.8)

The Group reclassified related assets and liabilities under manufacturing segment as assets held for sale. As such, the quarter results had been presented separately between continuing operations and discontinued operation.

#### **Continuing operations - Distribution**

The distribution segment experienced growth in Q2FY2025, with the revenue recorded at RM5.0 million, marking an increase of RM1.4 million as compared to RM3.6 million in Q2FY2024. This growth was primarily attributed to the completion of projects that had been delayed in the previous periods.

PBT for the current quarter has increased to RM1.3 million from RM0.8 million recorded in the corresponding quarter of the preceding year, this increase aligns with the increase in revenue as explained above.

#### **Discontinued operation - Manufacturing**

The manufacturing segment recorded a significant decline in performance in Q2FY2025, with the revenue recorded at RM0.4 million, marking a decrease of RM4.0 million as compared to RM4.4 million in Q2FY2024. The decline was primarily attributable to a significant reduction in demand from the manufacturing segment.

Manufacturing segment shifted its PBT from a profit of RM0.3 million in Q2FY2024 to a loss of RM3.2 million in Q2FY2025, the decline was attributed to the decline in revenue and inventory written-off.

*N/A - Not applicable*

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## INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 31 OCTOBER 2024

### B2. Review of Performance for Current Quarter Ended 31 October 2024 ("Q2FY2025") with the Immediate Preceding Quarter Ended 31 July 2024 ("Q1FY2025")

	Q2FY2025 RM'000	Q1FY2025 RM'000	Variance	
			RM'000	%
<b>Revenue</b>				
Continuing operations - Distribution	5,022	4,311	711	16.5
Discontinued operation - Manufacturing	426	1,403	(977)	(69.6)
	5,448	5,714	(266)	(4.7)
<b>PBT</b>				
Continuing operations - Distribution	1,255	605	650	107.4
Discontinued operation - Manufacturing	(3,153)	32	(3,185)	(9,953.1)
	(1,898)	637	(2,535)	(398.0)

#### **Continuing operations - Distribution**

The distribution segment experienced growth in Q2FY2025, with the revenue recorded at RM5.0 million, marking an increase of RM0.7 million as compared to RM4.3 million in Q1FY2025. This growth was primarily attributed to the completion of projects that had been delayed in the previous periods.

PBT for the current quarter has increased to RM1.3 million from RM0.6 million recorded in the corresponding quarter of the preceding year, primarily due to a special incentive granted by Siemens for meeting its targets.

#### **Discontinued operation - Manufacturing**

The manufacturing segment recorded a decline in performance in Q2FY2025, with the revenue recorded at RM0.4 million, marking a decrease of RM1.0 million as compared to RM1.4 million in Q1FY2025. The decline was primarily attributable to a significant reduction in demand from the manufacturing segment.

Manufacturing segment shifted its PBT from a profit of RM0.03 million in Q1FY2025 to a loss of RM3.2 million in Q2FY2025, the decline was attributed to the decline in revenue and inventory written-off.

*N/A - Not applicable*

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### B3. Commentary on Prospects

According to the Ministry of Energy Transition and Water Transformation (Petra), the National Non-Revenue Water (“NRW”) Programme, set to run from 2025 to 2030 with a grant allocation of RM2.525 billion aims to enhance water management across Malaysia. The initiatives supported by the government’s infrastructure improvements are expected to reduce NRW rates, enhance water supply reliability and create opportunities for the companies specialising in water management solutions (source: <https://www.klscreeener.com/v2/news/view/1403045>). With the Group’s expertise in distributing and servicing Siemens' electromagnetic flowmeters, Lacroix data loggers, and other water management solutions, the Group is well-positioned to capitalise on the anticipated increase in capital expenditure within the water sector.

The Group also intends to expand its product offerings particularly on fluid products which designed to address the NRW challenges. The Group is in the midst of progress to getting the international brands such as HEDA, Axioma, AFC and iFM which involve the scope of NRW solution specifically for advance pressure monitoring system (“APMS”) (HEDA), noise logger to detect the leakage of pipeline (HEDA), and pressure reducing valve (“PRV”) (AFC). This expansion will allow the Group to provide its consumers with a broader selection of solutions that cater to their specific needs and preferences in NRW reduction.

In addition, the Group also intends to broaden its product range by including distribution of smart water meters for household usage (Axioma), driven by rising 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. The Group is currently undergoing the application process of obtaining approval from the relevant authorities for new products to further enhance its market presence.

The disposal of MCI is targeted for completion in the third quarter of the financial year ending 30 April 2025. Following the disposal, the Group plans to explore the project-based ventures in the water industry, particularly in the development of new water treatment plants and data centres. This aligns with Malaysia’s broader water management transformation strategies, which aim to position the nation as a regional water industry hub in 2040.

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.



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### B5. Profit before Taxation from continuing operations

	<u>Current Quarter</u>		<u>Cumulative Quarter</u>	
	Unaudited 31.10.2024 RM'000	(Restated) Unaudited 31.10.2023 RM'000	Unaudited 31.10.2024 RM'000	(Restated) Unaudited 31.10.2023 RM'000
<b>Profit before taxation is arrived at after charging:</b>				
Auditors' remuneration				
- current period	15	15	30	30
Depreciation of property, plant and equipment	114	74	227	149
Finance cost				
- term loan interest	*	17	*	36
- lease liabilities interest	3	1	6	2
Realised foreign exchange loss	-	5	-	6
<b>and crediting:</b>				
Interest income	70	80	156	173
Realised foreign exchange gain	8	-	10	1

**Note:**

\* Denotes amount below RM1,000.

### B6. Income tax expense

	<u>Current Quarter</u>		<u>Cumulative Quarter</u>	
	Unaudited 31.10.2024 RM'000	(Restated) Unaudited 31.10.2023 RM'000	Unaudited 31.10.2024 RM'000	(Restated) Unaudited 31.10.2023 RM'000
Current tax expense:				
- current financial period	350	245	533	442
Effective tax rate	27.9%	31.7%	28.7%	29.2%
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 October 2024 were higher than the Malaysian's statutory tax rate mainly due to certain expenses not deductible under tax legislation.

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### B7. Borrowings

	Unaudited As at 31.10.2024 RM'000	Audited As at 30.04.2024 RM'000
<b>Current</b>		
Bank overdraft (secured)	-	685
Bills payable (secured)	-	3,371
Term loan (secured)	-	50
	-	4,106
<b>Non-current</b>		
Term loan (secured)	-	1,063
	-	1,063
<b>Total borrowings</b>	-	<b>5,169</b>

### B8. Lease liabilities

	Unaudited As at 31.10.2024 RM'000	Audited As at 30.04.2024 RM'000
Current	59	1,322
Non-current	169	2,491
<b>Total lease liabilities</b>	<b>228</b>	<b>3,813</b>

Lease liabilities of RM228,000 (as at 30 April 2024: RM3,813,000) are effectively secured.

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### B9. Earnings per share ("EPS")

	<u>Current Quarter</u>		<u>Cumulative Quarter</u>	
	<u>Unaudited</u> <u>31.10.2024</u>	<u>Unaudited</u> <u>31.10.2023</u>	<u>Unaudited</u> <u>31.10.2024</u>	<u>Unaudited</u> <u>31.10.2023</u>
Profits attributable to equity holders of the Company (RM'000)				
- Continuing operations	905	528	1,327	1,071
- Discontinued operation	(3,153)	253	(3,129)	455
	<u>(2,248)</u>	<u>781</u>	<u>(1,802)</u>	<u>1,526</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 <sup>(1)</sup> earnings attributable to equity holders of the Company (Malaysian sen)				
- Continuing operations	0.35	0.21	0.51	0.42
- Discontinued operation	(1.23)	0.10	(1.22)	0.18
	<u>(0.88)</u>	<u>0.31</u>	<u>(0.71)</u>	<u>0.60</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.

### B11. Dividend

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

### B12. Derivative financial instruments

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

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### **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, representing 100% equity interest in MCI, for a total consideration of RM12,310,000, to be satisfied by cash ("**Proposed Disposal**").

The approval of the shareholders of Cosmos has been obtained for the Proposed Disposal on the extraordinary general meeting held on 29 October 2024.

As at the date of this interim financial report, the Proposed Disposal has yet to be completed.

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