



# **COSMOS TECHNOLOGY INTERNATIONAL BERHAD**

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

**UNAUDITED FINANCIAL STATEMENTS FOR THE 1<sup>st</sup> HALF YEAR ENDED  
31 OCTOBER 2020**

# COSMOS TECHNOLOGY INTERNATIONAL BERHAD

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

(Incorporated in Malaysia)

## Unaudited Condensed Consolidated Statement of Profit and Loss and Other Comprehensive Income for the 1<sup>st</sup> half year ended 31 October 2020

	<u>INDIVIDUAL 6-MONTHS</u>		<u>CUMULATIVE 6-MONTHS</u>	
	<u>Unaudited</u> <u>01.05.2020</u> <u>to</u> <u>31.10.2020</u> <u>RM</u>	<u>Unaudited</u> <u>01.10.2019</u> <u>to</u> <u>31.10.2019</u> <u>RM</u>	<u>Unaudited</u> <u>01.05.2020</u> <u>to</u> <u>31.10.2020</u> <u>RM</u>	<u>Unaudited</u> <u>01.10.2019</u> <u>to</u> <u>31.10.2019</u> <u>RM</u>
Revenue	15,105,346	N/A	15,105,346	N/A
Cost of sales	(9,613,567)	N/A	(9,613,567)	N/A
Gross profit	5,491,779	N/A	5,491,779	N/A
Other operating income	166,905	N/A	166,905	N/A
Loss on disposal of property, plant and equipment	(6,052)	N/A	(6,052)	N/A
Selling and distribution expenses	(313,402)	N/A	(313,402)	N/A
Administrative expenses	(1,433,781)	N/A	(1,433,781)	N/A
Profit from operations	3,905,449	N/A	3,905,449	N/A
Finance costs	(183,761)	N/A	(183,761)	N/A
Profit before tax	3,721,688	N/A	3,721,688	N/A
Income tax expenses	(710,000)	N/A	(710,000)	N/A
Net profit for the period	<u>3,011,688</u>	<u>N/A</u>	<u>3,011,688</u>	<u>N/A</u>
Other comprehensive income	-	-	-	-
Total comprehensive income for the financial period	<u>3,011,688</u>	<u>N/A</u>	<u>3,011,688</u>	<u>N/A</u>
Total comprehensive income for the financial period attributable to:				
- Equity holders of the Company	<u>3,011,688</u>	<u>N/A</u>	<u>3,011,688</u>	<u>N/A</u>
Earnings per share (sen) <sup>(1)</sup>				
- Basic	1.57	N/A	1.57	N/A
- Diluted	N/A	N/A	N/A	N/A

### **Notes:**

(1) Calculated based on the Company's enlarged issued share capital of 192,376,000 ordinary shares.

N/A Not applicable (Please refer to Note A1).

# COSMOS TECHNOLOGY INTERNATIONAL BERHAD

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

(Incorporated in Malaysia)

## Unaudited Condensed Consolidated Statement of Financial Position as at 31 October 2020

	Unaudited 31.10.2020 RM	Audited 30.04.2020 RM
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	3,734,478	3,967,478
Right-of-use assets	330,303	429,394
	4,064,781	4,396,872
<b>Current assets</b>		
Inventories	9,982,467	10,917,782
Trade and other receivables	8,837,967	6,321,708
Other current assets	908,384	2,185,552
Fixed deposits with licensed banks, cash and bank balances	10,942,361	10,618,715
	30,671,179	30,043,757
<b>TOTAL ASSETS</b>	<b>34,735,960</b>	<b>34,440,629</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the Company</b>		
Share capital	13,962,515	13,962,515
Retained earnings	4,224,714	1,213,026
<b>TOTAL EQUITY</b>	<b>18,187,229</b>	<b>15,175,541</b>
<b>Non-current liabilities</b>		
Borrowings	1,510,238	1,430,681
Deferred tax liabilities	112,861	112,861
Lease liabilities	141,337	244,297
	1,764,436	1,787,839
<b>Current liabilities</b>		
Trade and other payables	11,467,058	15,099,895
Borrowings	2,777,480	1,993,291
Lease liabilities	203,383	198,372
Provision of taxation	336,374	185,691
	14,784,295	17,477,249
<b>TOTAL LIABILITIES</b>	<b>16,548,731</b>	<b>19,265,088</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>34,735,960</b>	<b>34,440,629</b>
<b>NET ASSETS PER SHARE (sen)<sup>(1)</sup></b>	<b>9.45</b>	<b>7.89</b>

### Note:

(1) Calculated based on the Company's enlarged issued share capital of 192,376,000 ordinary shares.

# COSMOS TECHNOLOGY INTERNATIONAL BERHAD

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

(Incorporated in Malaysia)

## Unaudited Condensed Consolidated Statement of Changes in Equity for the 1<sup>st</sup> half year ended 31 October 2020

	<u>Non-distributable</u> Share capital RM	<u>Distributable</u> Retained earnings RM	Total equity RM
<u>Unaudited financial period ended 31 October 2020</u>			
Balance as at 1 May 2020	13,962,515	1,213,026	15,175,541
Profit for the period	-	3,011,688	3,011,688
Closing balance as at 31 October 2020	13,962,515	4,224,714	18,187,229
<u>Audited financial period ended 30 April 2020</u>			
At date of incorporation	2	-	2
Issuance of shares	14,043,998	-	14,043,998
Share issue expenses	(81,485)	-	(81,485)
Profit for the period	-	1,213,026	1,213,026
Closing balance as at 30 April 2020	13,962,515	1,213,026	15,175,541

# COSMOS TECHNOLOGY INTERNATIONAL BERHAD

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

(Incorporated in Malaysia)

## Unaudited Condensed Consolidated Statement of Cash Flows for the 1<sup>st</sup> half year ended 31 October 2020

	<b>Unaudited 01.05.2020 to 31.10.2020 RM</b>	<b>Unaudited 01.10.2019 to 31.10.2019 RM</b>
<b>Cash flows from operating activities</b>		
Profit before taxation	3,721,688	N/A
Adjustments for:		
Depreciation of property, plant and equipment	312,455	N/A
Depreciation of right-of-use assets	99,091	N/A
Interest expense	183,761	N/A
Interest income	(58,040)	N/A
Fixed assets written off	16,893	N/A
Loss on disposal of property, plant and equipment - net	6,052	N/A
Operating gain before working capital changes	4,281,900	N/A
Decrease in inventories	935,315	N/A
Increase in trade and other receivables	(2,517,570)	N/A
Decrease in other current assets	1,277,168	N/A
Decrease in trade and other payables	(3,664,080)	N/A
Decrease in bills payable	(20,289)	N/A
Cash generated from operations	292,444	N/A
Interest paid	(124,718)	N/A
Tax paid	(559,317)	N/A
Net cash used in operating activities	(391,591)	N/A
<b>Cash flows used in investing activities</b>		
Proceeds from disposal of property, plant and equipment	6,993	N/A
Purchase of property, plant and equipment	(109,393)	N/A
Interest received	58,040	N/A
Net cash used in investing activities	(44,360)	N/A
<b>Cash flows from financing activities</b>		
Repayment of finance lease liabilities	(143,987)	N/A
Finance lease interest paid	(48,992)	N/A
Repayment of obligation under lease liabilities	(108,000)	N/A
Drawdown of term loans	240,000	N/A
Net cash used in financing activities	(60,979)	N/A
<b>Net decrease in cash and cash equivalents</b>	(496,930)	N/A
Cash and cash equivalents at beginning of the period	9,286,330	N/A
<b>Cash and cash equivalents at end of the period</b>	8,789,400	N/A
<b>Cash and cash equivalents at end of the period consist of:</b>		
Cash and bank balance	5,985,312	N/A
Fixed deposit with licensed bank	4,957,049	N/A
	10,942,361	N/A
Bank overdraft	(2,152,961)	N/A
	8,789,400	N/A

# **COSMOS TECHNOLOGY INTERNATIONAL BERHAD**

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

(Incorporated in Malaysia)

---

**Note:**

N/A Not applicable (please refer to Note A1).

# COSMOS TECHNOLOGY INTERNATIONAL BERHAD

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

(Incorporated in Malaysia)

## Part A: Explanatory Notes to the Unaudited Interim Financial Report for the 1<sup>st</sup> Half Year Ended 31 October 2020

### A1. Basis of Preparation

Cosmos Technology International Berhad ("CTIB" or the "Company") was incorporated in Malaysia on 14 May 2019 under the Companies Act 2016 as a private limited company under the name Cosmos Technology International Sdn. Bhd. On 30 September 2019, CTIB was converted to a public limited company and assumed its present name. The Company's registered office is located at No. 11, Jalan Mega 2/1, Kawasan Perindustrian Mega 2, 43500, Semenyih, Selangor.

On 24 September 2019, CTIB completed the acquisitions of the entire equity interest in Cosmos Instruments Sdn Bhd and Marc Conleth Industries Sdn Bhd with total purchase consideration of RM6,876,236 and RM1,780,562 respectively, which was satisfied in full by the issuance of 173,135,960 new ordinary shares of the Company. Upon completion of the acquisitions, the share capital of CTIB is RM8,656,800 comprising 173,136,000 shares. The Directors deemed 1 October 2019 as the date the Group was formed in place.

CTIB was listed on the LEAP Market of Bursa Malaysia Securities Berhad on 9 March 2020. Consequently, no comparative figures for the preceding 1<sup>st</sup> half year ended 31 October 2019 are available as there was no interim report prepared for the financial period concerned.

The interim financial statements of CTIB and its subsidiaries (the "Group") are unaudited and have been prepared in accordance with Malaysian Financial Reporting Standard ("MFRS") 134: Interim Financial Reporting and Rule 6.12 and Appendix 6A of the Listing Requirements.

The unaudited interim financial statements should be read in conjunction with the explanatory notes attached to this unaudited interim financial statement.

### A2. Significant Accounting Policies

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

Title		Effective Date
Amendments to MFRS 1:	First-time Adoption of Malaysian Financial Reporting Standards – Annual Improvements to MFRS Standards 2018-2020	1 January 2022
Amendments to MFRS 3:	Business Combinations	1 January 2022
Amendments to MFRS 9:	Financial Instruments – Annual Improvements to MFRS Standards 2018-2020	1 January 2022
Amendments to MFRS 116:	Property, Plant and Equipment	1 January 2022
Amendments to MFRS 137:	Provisions, Contingent Liabilities and Contingent Assets	1 January 2022
Amendments to MFRS 141:	Agriculture – Annual Improvements to MFRS Standards 2018-2020	1 January 2022
MFRS 17:	Insurance Contracts	1 January 2023
Amendments to MFRS 101:	Presentation of Financial Statements	1 January 2023
Amendments to MFRS 10:	Consolidated Financial Statement	Deferred
Amendments to MFRS 128:	Investments in Associates and Joint Ventures	Deferred

# COSMOS TECHNOLOGY INTERNATIONAL BERHAD

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

(Incorporated in Malaysia)

---

Amendments to MFRS 3:	Business Combinations	1 January 2020
Amendments to MFRS 7:	Financial Instruments: Disclosures	1 January 2020
Amendments to MFRS 9:	Financial Instruments	1 January 2020
Amendments to MFRS 101:	Presentation of Financial Statements	1 January 2020
Amendments to MFRS 108:	Accounting Policies, Changes in Accounting Estimates and Errors	1 January 2020
Amendments to MFRS 139:	Financial Instruments: Recognition and measurement	1 January 2020
Amendments to MFRS 16:	Leases	1 June 2020
Amendments to MFRS 4:	Insurance Contracts	17 August 2020
Amendments to MFRS 101:	Presentation of Financial Statements	17 August 2020

### A3. Seasonal or Cyclical Factors

The business operations of the Group are not materially affected by any seasonal or cyclical factors.

### A4. 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 period.

### A5. 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 period.

### A6. Debts and Equity Securities

There were no issuance, cancellation, repurchase, resale or repayment of debt and equity securities during the current financial period.

### A7. Dividend Paid

There were no dividends paid during the current financial period.

### A8. Segmental Information

Segmental information in respect of the Group's business segments is as follows: -

#### (a) By industry

	Unaudited	
	01.05.2020 to 31.10.2020	
	RM	%
Water and wastewater industries	8,387,619	55.53
Oil and gas industries	6,717,727	44.47
	<u>15,105,346</u>	<u>100.00</u>



# COSMOS TECHNOLOGY INTERNATIONAL BERHAD

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

(Incorporated in Malaysia)

## A8. Segmental Information (cont'd)

### (b) By business activities

	Unaudited 01.05.2020 to 31.10.2020	
	RM	%
Distribution	7,513,956	49.75
Instrumentation services	873,663	5.78
Manufacturing	6,717,727	44.47
	<u>15,105,346</u>	<u>100.00</u>

### (c) By geographical locations

	Unaudited 01.10.2019 to 31.10.2019	
	RM	%
Domestic	12,864,713	85.17
International	2,240,633	14.83
	<u>15,105,346</u>	<u>100.00</u>

## A9. Profit before Taxation

Included in the profit before taxation are the following items: -

	Unaudited 01.05.2020 to 31.10.2020 RM
Auditors' remuneration	
Statutory audit	
- current year	16,000
- under provision in prior years	8,000
Depreciation of property, plant and equipment	312,455
Depreciation of right-of-use assets	99,091
Finance cost	
- bank overdraft interest	60,938
- bills payable interest	63,780
- finance lease interest	48,992
- lease liability interest	10,051
Loss on disposal of property, plant and equipment	6,052
Rental of machinery	19,800
Rental of premises	17,903
Staff costs	986,546

# **COSMOS TECHNOLOGY INTERNATIONAL BERHAD**

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

(Incorporated in Malaysia)

---

## **A10. Capital Commitments**

There are no material capital commitments as at the date of this unaudited interim financial report.

## **A11. Contingent Assets and Liabilities**

There were no material contingent assets and liabilities as at the date of this unaudited interim financial report.

## **A12. Changes in Composition of the Group**

There were no material changes in the composition of the Group during the current financial period.

## **A13. Significant Events Occurring After the Financial Period**

There were no significant events subsequent to the end of the current financial period.

## **A14. Contingent Assets and Contingent Liabilities**

There were no contingent assets and contingent liabilities as at the date of this interim financial report.

# **COSMOS TECHNOLOGY INTERNATIONAL BERHAD**

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

(Incorporated in Malaysia)

---

## **Part B: Additional Information Required under the LEAP Market Listing Requirements**

### **B1. Review of Performance**

The Group recorded revenue of RM15.11 million for the current 1<sup>st</sup> half year ended 31 October 2020 with 49.75% of the revenue was derived from distribution activities, 5.78% from the instrumentation services for water and wastewater industries and 44.47% from the manufacturing activities for oil and gas industries. The Group reported unaudited profit before tax of RM3.72 million for the current 1<sup>st</sup> half year ended 31 October 2020.

No comparative figures for the preceding 1<sup>st</sup> half year ended 31 October 2019 are available as there was no interim report prepared for the financial period concerned.

### **B2. Commentary on Prospects**

The Group anticipates that our industries outlook will remain uncertain and challenging for the financial year ending 30 April 2021. However, as part of the future plans and business strategies, the Group has started to market and install datalogging systems in several water treatment plants throughout Malaysia i.e. Perak, Selangor, Negeri Sembilan, and has further extended to Pahang, Terengganu, Melaka and Kelantan. Besides, the Group has also started discussing with Siemens Malaysia on the digitalisation and energy saving solution for the water and wastewater industries in the local market. Recently, we have completed one project relating to energy saving solution in Perlis.

The COVID-19 pandemic has adversely affected both local and global economies. Barring any further unforeseen circumstances and as there is no certainty on the recovery of the economy at this juncture, management has taken the necessary measures and actions to minimise the impact to the Group's business which is gradually returning back and catching up with our sales for the past few months. The Group will continuously monitor the impact of COVID-19 on the operations and financial performance and will also be taking appropriate and timely measures to minimise the impact of the outbreak on the Group's and the Company's operations.

### **B3. Profit Forecast and Profit Guarantee**

The Group has not issued any profit forecast or profit guarantee in any form of public documentation and announcement.

# COSMOS TECHNOLOGY INTERNATIONAL BERHAD

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

(Incorporated in Malaysia)

## Part C: Other Information

### C1. Status of Corporate Proposals

There were no corporate proposals announced but pending completion as at the date of this unaudited interim financial report.

### C2. Utilisation of Proceeds

The status of utilisation of the proceeds, RM5.39 million as at 31 October 2020 are as follow: -

<b>Purposes</b>	<b>Proposed Utilisation</b>	<b>Actual Utilisation</b>	<b>Reallocation</b>	<b>Proceeds Balance</b>	<b>Estimated Timeframe for Utilisation Upon Listing</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>	
Business expansion	1,500,000	(900,080)	-	599,920	Within 24 months
To part finance the acquisition of new machineries	1,500,000	-	-	1,500,000	Within 36 months
Working capital	1,387,000	(1,277,702)	77,013	186,311	Within 24 months
Estimated listing expenses*	1,000,000	(922,987)	(77,013)	-	Immediate
	<u>5,387,000</u>	<u>(3,100,769)</u>	<u>-</u>	<u>2,286,231</u>	

\* The unutilised estimated listing expenses of RM77,013 was adjusted to the amount allocated to working capital.

### C3. Material Litigation

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