



# **COSMOS TECHNOLOGY INTERNATIONAL BERHAD**

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

**UNAUDITED FINANCIAL STATEMENTS FOR THE 2<sup>nd</sup> HALF YEAR ENDED  
30 APRIL 2021**

# 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 2<sup>nd</sup> half year ended 30 April 2021

	<u>INDIVIDUAL 6-MONTHS</u>		<u>CUMULATIVE 12-MONTHS</u>	
	<u>Unaudited</u> <u>01.11.2020</u> <u>to</u> <u>30.04.2021</u> <u>RM</u>	<u>Unaudited</u> <u>01.11.2019</u> <u>to</u> <u>30.04.2020</u> <u>RM</u>	<u>Unaudited</u> <u>01.05.2020</u> <u>to</u> <u>30.04.2021</u> <u>RM</u>	<u>Audited</u> <u>14.05.2019</u> <u>to</u> <u>30.04.2020</u> <u>RM</u>
Revenue	18,573,068	10,797,326	33,653,571	11,962,944
Cost of sales	(12,238,042)	(7,082,784)	(21,831,357)	(7,627,328)
Gross profit	6,335,026	3,714,542	11,822,214	4,335,616
Other operating income	37,298	334,602	204,203	384,456
Goodwill – negative	-	-	-	883,053
Gain on disposal of property, plant and equipment	12,500	151,600	6,448	151,600
Selling and distribution expenses	(659,405)	(873,664)	(972,808)	(972,453)
Administrative expenses	(1,811,567)	(2,587,400)	(3,246,670)	(2,862,873)
Profit from operations	3,913,852	739,680	7,813,387	1,919,399
Finance costs	(212,649)	(229,144)	(386,359)	(290,070)
Profit before tax	3,701,203	510,536	7,427,028	1,629,329
Income tax expenses	(1,131,583)	(255,303)	(1,841,583)	(416,303)
Net profit for the period	<u>2,569,620</u>	<u>255,233</u>	<u>5,585,445</u>	<u>1,213,026</u>
Other comprehensive income	-	-	-	-
Total comprehensive income for the financial period	<u>2,569,620</u>	<u>255,233</u>	<u>5,585,445</u>	<u>1,213,026</u>
Total comprehensive income for the financial period attributable to:				
- Equity holders of the Company	<u>2,569,620</u>	<u>255,233</u>	<u>5,585,445</u>	<u>1,213,026</u>
Earnings per share (sen) <sup>(1)</sup>				
- Basic	1.34	0.13	2.90	0.63
- Diluted	N/A	N/A	N/A	N/A

### Notes:

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

N/A Not Applicable

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The unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 30 April 2020 and the accompanying explanatory notes attached to this interim financial report.

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## Unaudited Condensed Consolidated Statement of Financial Position as at 30 April 2021

	Unaudited 30.04.2021 RM	Audited 30.04.2020 RM
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	3,765,831	3,967,478
Right-of-use assets	231,212	429,394
	3,997,043	4,396,872
<b>Current assets</b>		
Inventories	10,394,362	10,917,782
Trade and other receivables	11,429,814	6,321,708
Other current assets	751,459	2,185,552
Fixed deposits with licensed banks, cash and bank balances	10,971,863	10,618,715
	33,547,498	30,043,757
<b>TOTAL ASSETS</b>	<b>37,544,541</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	6,798,471	1,213,026
<b>TOTAL EQUITY</b>	<b>20,760,986</b>	<b>15,175,541</b>
<b>Non-current liabilities</b>		
Borrowings	1,977,615	1,430,681
Lease liabilities	38,776	244,297
Deferred tax liabilities	63,861	112,861
	2,080,252	1,787,839
<b>Current liabilities</b>		
Trade and other payables	10,787,960	15,099,895
Borrowings	2,906,995	1,993,291
Lease liabilities	208,521	198,372
Provision of taxation	799,827	185,691
	14,703,303	17,477,249
<b>TOTAL LIABILITIES</b>	<b>16,783,555</b>	<b>19,265,088</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>37,544,541</b>	<b>34,440,629</b>
<b>NET ASSETS PER SHARE (sen)<sup>(1)</sup></b>	<b>10.79</b>	<b>7.89</b>

### **Note:**

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

The unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 30 April 2020 and the accompanying explanatory notes attached to this interim financial report.

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## Unaudited Condensed Consolidated Statement of Changes in Equity for the year ended 30 April 2021

	<b><u>Non- distributable</u></b>	<b><u>Distributable</u></b>	<b>Total</b>
	<b>Share capital</b>	<b>Retained</b>	<b>equity</b>
	<b>RM</b>	<b>earnings</b>	<b>RM</b>
	<b>RM</b>	<b>RM</b>	
<u>Unaudited financial year ended 30 April 2021</u>			
Balance as at 1 May 2020	13,962,515	1,213,026	15,175,541
Profit for the year	-	5,585,445	5,585,445
Closing balance as at 30 April 2021	13,962,515	6,798,471	20,760,986
<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

The unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 30 April 2020 and the accompanying explanatory notes attached to this interim financial report.

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## Unaudited Condensed Consolidated Statement of Cash Flows for the year ended 30 April 2021

	Unaudited 30.04.2021 RM	Audited 30.04.2020 RM
<b>Cash flows from operating activities</b>		
Profit before taxation	7,427,028	1,629,329
Adjustments for:		
Depreciation of property, plant and equipment	650,530	455,402
Depreciation of right-of-use assets	198,182	115,606
Interest expense	386,359	290,070
Interest income	(108,413)	(67,444)
Fixed assets written off	16,893	-
Gain on disposal of property, plant and equipment	(6,448)	(151,552)
Goodwill – negative	-	(883,053)
Unrealised foreign exchange gain	(42,427)	(18)
Operating gain before working capital changes	8,521,704	1,338,340
Decrease/(Increase) in inventories	523,420	(1,188,077)
(Increase)/Decrease in trade and other receivables	(5,065,679)	1,994,018
Decrease in other current assets	1,434,093	205,008
(Decrease)/Increase in trade and other payables	(4,311,936)	5,361,127
Decrease in bills payable	(20,289)	(4,534,003)
Cash generated from operations	1,081,313	3,226,413
Interest paid	(264,481)	(210,227)
Tax paid	(1,276,447)	(584,713)
Net cash (used in)/generated from operating activities	(459,615)	2,431,473
<b>Cash flows from investing activities</b>		
Proceeds from disposal of property, plant and equipment	706,992	164,952
Purchase of property, plant and equipment	(266,320)	(48,345)
Acquisition of subsidiaries	-	(6,741,877)
Interest received	108,413	67,444
Net cash generated from/(used in) investing activities	549,085	(6,557,826)
<b>Cash flows from financing activities</b>		
Repayment of finance lease liabilities	(441,884)	(391,315)
Proceeds from issuance of shares	-	13,962,513
Finance lease liabilities interest paid	(104,250)	(65,070)
Repayment of obligation under lease liabilities	(213,000)	(126,000)
Drawdown of term loans	241,038	-
Net cash (used in)/generated from financing activities	(518,096)	13,380,128
<b>Net (decrease)/increase in cash and cash equivalents</b>	(428,626)	9,253,775
Cash and cash equivalents at beginning of the year	9,253,777	2
<b>Cash and cash equivalents at end of the year</b>	8,825,151	9,253,777

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### **Cash and cash equivalents at end of the period consist of:**

Cash and bank balance	5,987,465	7,697,358
Fixed deposit with licensed bank	4,984,398	2,921,357
	<u>10,971,863</u>	<u>10,618,715</u>
Bank overdraft	(2,146,712)	(1,364,938)
	<u>8,825,151</u>	<u>9,253,777</u>

The unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 30 April 2020 and the accompanying explanatory notes attached to this interim financial report.

# COSMOS TECHNOLOGY INTERNATIONAL BERHAD

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## Part A: Explanatory Notes to the Unaudited Interim Financial Report for the 2<sup>nd</sup> Half Year Ended 30 April 2021

### A1. Basis of Preparation

The interim financial statements of Cosmos Technology International Berhad ("CTIB" or the "Company") 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 Audited Financial Statements of the Group for the financial year ended 30 April 2020 and explanatory notes attached to this unaudited interim financial statements.

### A2. Significant Accounting Policies

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
Amendments to MFRS 3:	Business Combinations	1 May 2020
Amendments to MFRS 7:	Financial Instruments: Disclosures	1 May 2020
Amendments to MFRS 9:	Financial Instruments	1 May 2020
Amendments to MFRS 101:	Presentation of Financial Statements	1 May 2020
Amendments to MFRS 108:	Accounting Policies, Changes in Accounting Estimates and Errors	1 May 2020
Amendments to MFRS 139:	Financial Instruments: Recognition and Measurement	1 May 2020
Amendments to MFRS 101:	Classification of Liabilities as Current or Non-current – Deferral of Effective Date	17 August 2020
Amendments to MFRS 4:	Extension of Temporary Exemption from Applying MFRS 9	17 August 2020

### MFRSs that have been issued but only effective for financial period beginning on 1 January 2021 and onwards

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 16:	Leases	1 June 2020
Amendments to MFRS 4:	Insurance Contracts	1 January 2021
Amendments to MFRS 7:	Financial Instruments: Disclosures	1 January 2021
Amendments to MFRS 9:	Financial Instruments	1 January 2021
Amendments to MFRS 16:	Leases	1 January 2021
Amendments to MFRS 139:	Financial Instruments: Recognition and Measurement	1 January 2021
Amendments to MFRS 16:	Leases	1 April 2021
Amendments to MFRS 1:	First-time Adoption of Malaysian Financial Reporting Standards	1 January 2022



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Amendments to MFRS 3:	Business Combinations	1 January 2022
Amendments to MFRS 9:	Financial Instruments	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	1 January 2022
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 10:	Consolidated Financial Statements	Deferred
Amendments to MFRS 128:	Investments in Associates and Joint Ventures	Deferred

### **A3. Seasonal or Cyclical Factors**

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

### **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.

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## A8. Segmental Information

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

### (a) By industry

	Cumulative 6-months				Cumulative 12-months			
	Unaudited		Audited		Unaudited		Audited	
	30.04.2021		30.04.2020		30.04.2021		30.04.2020	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Water and wastewater	9,626	51.83	5,969	55.28	18,017	53.54	6,522	54.52
Oil and gas	7,703	41.47	4,828	44.72	11,968	35.56	5,441	45.48
Healthcare	1,184	6.38	-	-	3,556	10.56	-	-
Others	60	0.32	-	-	113	0.34	-	-
	18,573	100.00	10,797	100.00	33,654	100.00	11,963	100.00

### (b) By business activities

	Cumulative 6-months				Cumulative 12-months			
	Unaudited		Audited		Unaudited		Audited	
	30.04.2021		30.04.2020		30.04.2021		30.04.2020	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Distribution	8,845	47.62	5,531	51.23	16,312	48.47	6,062	50.67
Instrumentation	781	4.21	438	4.05	1,705	5.07	460	3.85
services	8,947	48.17	4,828	44.72	15,637	46.46	5,441	45.48
Manufacturing								
	18,573	100.00	10,797	100.00	33,654	100.00	11,963	100.00

### (c) By geographical locations

	Cumulative 6-months				Cumulative 12-months			
	Unaudited		Audited		Unaudited		Audited	
	30.04.2021		30.04.2020		30.04.2021		30.04.2020	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Domestic	16,574	89.24	8,131	75.31	29,414	87.40	9,054	75.68
International	1,999	10.76	2,666	24.69	4,240	12.60	2,909	24.32
	18,573	100.00	10,797	100.00	33,654	100.00	11,963	100.00

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## A9. Profit before Taxation

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

	<b>Unaudited 01.05.2020 to 30.04.2021 RM</b>	<b>Audited 14.05.2019 to 30.04.2020 RM</b>
<b>Profit before taxation is arrived at after charging:</b>		
Auditors' remuneration		
Statutory audit		
- current year	57,000	49,000
- under provision in prior years	8,000	43,000
Depreciation of property, plant and equipment	650,530	455,402
Depreciation of right-of-use assets	198,182	115,606
Finance cost		
- bank overdraft interest	127,813	91,104
- bills payable interest	136,668	119,123
- finance lease interest	99,102	65,070
- term loan interest	5,148	-
- lease liabilities interest	17,628	14,773
Rental of hostel	25,040	14,550
Rental of machinery	54,000	104,145
Rental of premises	8,903	10,500
Staff costs	2,332,030	1,401,118
Realised foreign exchange loss/(gain)	123,169	(16,022)
Unrealised foreign exchange loss/(gain)	42,427	(18)
<b>and crediting:</b>		
Gain on disposal of property, plant and equipment	6,448	151,600
Goodwill – negative	-	883,053
Interest income	108,413	67,444

## 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.

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## **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.

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

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

For the 2<sup>nd</sup> half of the financial period ended 30 April 2021, the Group recorded revenue of RM18.57 million as compared to RM10.80 million revenue in the corresponding period of financial year ended 30 April 2020. The increase of 71.94% was mainly attributable to the improvement in water and wastewater segment as a result of more orders secured in response to utilisation of the allocated budget by Malaysia Government to reduce non-revenue water in the region by upgrading and changing the flowmeters. In addition, during the same financial year, the Group also has ventured into healthcare industry by manufacturing hospital equipment which contributed revenue of RM1.18 million to the Group.

The Group reported unaudited profit before tax ("PBT") of RM3.70 million for the 2<sup>nd</sup> half of the financial period ended 30 April 2021 as compared to RM0.51 million PBT recorded for the corresponding period of financial year ended 30 April 2020. This is in line with the increase in revenue and decrease in carriage outward expenses due to the rebalancing of focus on the domestic sales over the overseas sales during this financial period.

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

As part of the future plans and business strategies, the Group will continuously market and install datalogging system and provide energy saving solution for water treatment plants in Malaysia. In addition, the Group has also started to utilise the proceeds from the listing exercise to purchase new machinery to increase the capacity of our factory production.

However, the resurgence of COVID-19 cases and the implementation of various stages of movement control orders nationwide are expected to continue to impact both local and global economies. Despite the ongoing vaccination program as well as other government's effort to revive the economy, there is no certainty on the recovery of the economy at this juncture.

In this regard, the Board of Directors of the Company is of the opinion that the prospects of the Group for the financial year ending 30 April 2022 will be challenging. Nevertheless, the Group will continuously monitor the impact of COVID-19 on the operations and financial performance and will also take appropriate and timely measures to minimise the impact of the pandemic on the Group'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.

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## 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 30 April 2021 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	(1,270,257)	-	229,743	Within 24 months
To part finance the acquisition of new machineries	1,500,000	(200,000)	-	1,300,000	Within 36 months
Working capital	1,387,000	(1,464,013)	77,013	-	Within 24 months
Estimated listing expenses*	1,000,000	(922,987)	(77,013)	-	Immediate
	<u>5,387,000</u>	<u>(3,857,257)</u>	<u>-</u>	<u>1,529,743</u>	

\* The unutilised estimated listing expenses of RM77,013 was reallocated and utilised for working capital.

### C3. Material Litigation

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