

Cuckoo International (MAL) Berhad
(Registration No. 201401026804 (1102894-H))
(Incorporated in Malaysia under the Companies Act 2016)

**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE SECOND QUARTER ENDED
30 JUNE 2025**

Cuckoo International (MAL) Berhad

(Registration No. 201401026804 (1102894-H))

(Incorporated in Malaysia)

Condensed consolidated statement of financial position as at 30 June 2025

	30.6.2025 RM'000 Unaudited	31.12.2024 RM'000 Audited
Assets		
Property, plant and equipment	62,668	70,706
Right-of-use assets	12,582	9,571
Intangible assets	5,733	6,231
Trade and other receivables	922,257	818,906
Deferred tax assets	48,628	44,025
Total non-current assets	1,051,868	949,439
Inventories	94,627	110,600
Trade and other receivables	366,529	342,661
Current tax assets	220	215
Prepayments	13,113	8,301
Cash and cash equivalents	204,148	70,470
Total current assets	678,637	532,247
Total assets	1,730,505	1,481,686
Equity		
Share capital	335,201	186,428
Reserves	724,150	669,034
Equity attributable to owners of the Company	1,059,351	855,462
Non-controlling interests	(2,218)	(2,227)
Total equity	1,057,133	853,235
Liabilities		
Loans and borrowings	97,319	139,339
Lease liabilities	3,396	3,333
Total non-current liabilities	100,715	142,672
Loans and borrowings	158,077	149,512
Lease liabilities	10,064	7,568
Trade and other payables	330,524	256,014
Provision	9,828	11,926
Current tax liabilities	13,702	10,422
Deferred income	571	621
Contract liabilities	49,891	49,716
Total current liabilities	572,657	485,779
Total liabilities	673,372	628,451
Total equity and liabilities	1,730,505	1,481,686

Cuckoo International (MAL) Berhad

(Registration No. 201401026804 (1102894-H))

(Incorporated in Malaysia)

Condensed consolidated statement of profit or loss and other comprehensive income

	Individual Quarter 3 Months Ended		Cumulative Quarter 6 Months Ended	
	30.6.2025	30.6.2024	30.6.2025	30.6.2024
	RM'000	RM'000	RM'000	RM'000
	Unaudited	Unaudited	Unaudited	Unaudited
Revenue	306,671	N/A	602,946	N/A
Cost of sales	(207,339)	N/A	(411,649)	N/A
Gross profit	99,332	N/A	191,297	N/A
Other income	878	N/A	1,863	N/A
Distribution expenses	(18,074)	N/A	(37,483)	N/A
Administrative expenses	(21,520)	N/A	(39,920)	N/A
Net losses on impairment of financial instruments	(20,502)	N/A	(33,046)	N/A
Results from operating activities	40,114	N/A	82,711	N/A
Finance income	4,401	N/A	5,515	N/A
Finance costs	(6,066)	N/A	(11,715)	N/A
Net finance costs	(1,665)	N/A	(6,200)	N/A
Profit before tax	38,449	N/A	76,511	N/A
Tax expense	(11,060)	N/A	(21,302)	N/A
Profit for the period	27,389	N/A	55,209	N/A
Other comprehensive income/(expense), net of tax				
Foreign currency translation differences for foreign operations	7	N/A	(84)	N/A
Other comprehensive income/(expense) for the period, net of tax	7	N/A	(84)	N/A
Total comprehensive income for the period	27,396	N/A	55,125	N/A
Profit attributable to:				
Owners of the Company	27,345	N/A	55,200	N/A
Non-controlling interests	44	N/A	9	N/A
Profit for the period	27,389	N/A	55,209	N/A
Total comprehensive income attributable to:				
Owners of the Company	27,352	N/A	55,116	N/A
Non-controlling interests	44	N/A	9	N/A
Total comprehensive income for the period	27,396	N/A	55,125	N/A
Basic/Diluted earnings per ordinary share (sen)	2.05	N/A	4.20	N/A

Condensed consolidated statement of changes in equity

	/-----Attributable to owners of the Company-----/ /-----Non-distributable-----/ Distributable					
	Share capital RM'000	Translation reserve RM'000	Retained earnings RM'000	Total RM'000	Non- controlling interests RM'000	Total equity RM'000
Unaudited						
At 1 January 2025	186,428	(398)	669,432	855,462	(2,227)	853,235
Foreign currency translation differences for foreign operations	-	(84)	-	(84)	-	(84)
Total other comprehensive expense for the period	-	(84)	-	(84)	-	(84)
Profit for the period	-	-	55,200	55,200	9	55,209
Total comprehensive (expense)/income for the period	-	(84)	55,200	55,116	9	55,125
Transactions with owners:						
- Issuance of shares pursuant to the initial public offering	154,742	-	-	154,742	-	154,742
- Shares issuance expenses	(5,969)	-	-	(5,969)	-	(5,969)
	148,773	-	-	148,773	-	148,773
At 30 June 2025	335,201	(482)	724,632	1,059,351	(2,218)	1,057,133

Condensed consolidated statement of cash flows

	1.1.2025 to 30.6.2025 RM'000 Unaudited	1.1.2024 to 30.6.2024 RM'000 Unaudited
Cash flows from operating activities		
Profit before tax	76,511	N/A
<i>Adjustments for:</i>		
Amortisation of trademark	498	N/A
Depreciation of property, plant and equipment	10,137	N/A
Depreciation of right-of-use assets	5,309	N/A
Finance costs	11,715	N/A
Finance income	(683)	N/A
Net reversal of impairment loss on property, plant and equipment	(833)	N/A
Net losses on impairment of financial instruments	33,046	N/A
Net unrealised gain on foreign exchange	(5,068)	N/A
Property, plant and equipment written off	34	N/A
Operating profit before working capital changes	130,666	N/A
Change in inventories	15,973	N/A
Change in provision	(2,098)	N/A
Change in trade and other receivables and prepayments	(165,932)	N/A
Change in deferred income	(50)	N/A
Change in contract liabilities	175	N/A
Change in trade and other payables	79,297	N/A
Cash generated from operations	58,031	N/A
Interest paid	(3,919)	N/A
Tax paid	(22,630)	N/A
Net cash from operating activities	31,482	N/A

Condensed consolidated statement of cash flows (continued)

	1.1.2025 to 30.6.2025 RM'000 Unaudited	1.1.2024 to 30.6.2024 RM'000 Unaudited
Cash flows from investing activities		
Acquisition of property, plant and equipment	(1,302)	N/A
Interest received from short-term deposits	683	N/A
Net cash used in investing activities	(619)	N/A
Cash flows from financing activities		
Drawdown of loans and borrowings	34,102	N/A
Proceeds from issuance of shares	148,773	N/A
Interest paid on loans and borrowings	(6,586)	N/A
Payment of lease liabilities	(5,816)	N/A
Repayment of loans and borrowings	(67,557)	N/A
Net cash from financing activities	102,916	N/A
Net increase in cash and cash equivalents	133,779	N/A
Effect of exchange rate fluctuations on cash held	(101)	N/A
Cash and cash equivalents at 1 January	70,470	N/A
Cash and cash equivalents at 30 June	204,148	N/A

Cash and cash equivalents

Cash and cash equivalents included in the condensed consolidated statement of cash flows comprise the following consolidated statement of financial position amounts:

	30.6.2025 RM'000 Unaudited	30.6.2024 RM'000 Unaudited
Cash and bank balances	203,894	N/A
Deposits placed with licensed banks	254	N/A
	204,148	N/A

Notes to the interim financial report

1. Basis of preparation

The condensed consolidated interim financial statements are unaudited and have been prepared in accordance with the requirements of MFRS 134 and IAS 34, Interim Financial Reporting as well as Paragraph 9.22 and Appendix 9B of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

This is the second interim financial report announced by the Company. As such, there are no comparative figures for the preceding corresponding quarter and period as no interim financial report was prepared for the comparative financial period concerned. This interim financial report should be read in conjunction with the accompanying explanatory notes attached to this interim financial report.

2. Significant accounting policies

The accounting policies and presentation adopted by the Group for the condensed interim financial statements are consistent with those adopted in the Group's last audited annual financial statements. The following are accounting standards, interpretations and amendments of the MFRS Accounting Standards that have been issued by the Malaysian Accounting Standards Board ("MFRS Accounting Standards") but have not been adopted by the Group:

MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after 1 January 2026

- Amendments to MFRS 9, *Financial Instruments* and MFRS 7, *Financial Instruments: Disclosures – Classification and Measurement of Financial Instruments*
- Amendments that are part of Annual Improvements - Volume 11:
 - Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standard*
 - Amendments to MFRS 7, *Financial Instruments: Disclosures*
 - Amendments to MFRS 9, *Financial Instruments*
 - Amendments to MFRS 10, *Consolidated Financial Statements*
 - Amendments to MFRS 107, *Statement of Cash Flows*
- Amendments to MFRS 9, *Financial Instruments* and MFRS 7, *Financial Instruments: Disclosures – Contracts Referencing Nature-dependent Electricity*

MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after 1 January 2027

- MFRS 18, *Presentation and Disclosure in Financial Statements*
- MFRS 19, *Subsidiaries without Public Accountability: Disclosures*

MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after a date yet to be confirmed

- Amendments to MFRS 10, *Consolidated Financial Statements* and MFRS 128, *Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

Notes to the interim financial report (continued)

2. Significant accounting policies (continued)

The Group plans to apply the abovementioned accounting standards, interpretations and amendments, where applicable:

- from the annual period beginning on 1 January 2026 for those amendments that are effective for annual periods beginning on or after 1 January 2026; and
- from the annual period beginning on 1 January 2027 for those accounting standards that are effective for annual periods beginning on or after 1 January 2027.

3. Auditors' report

The audited consolidated financial statements of the Company for the financial year ended 31 December 2024 were not subject to any qualifications.

4. Seasonal or cyclical factors

The nature of the Group's business was not subject to any significant seasonal or cyclical factors.

5. Unusual items

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

6. Changes in estimates

There were no material changes in estimates in the financial period under review.

7. Debt and equity securities

On 24 June 2025, the Company was listed on the Main Market of Bursa Malaysia Securities Berhad which comprises a public issue of 143,280,000 new shares at price of RM1.08 per share.

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities during the financial period under review except for those disclosed above.

8. Dividends paid

There were no dividends paid in the financial period under review.

Notes to the interim financial report (continued)

9. Segment information

	CUCKOO- Branded products RM'000	CUCKOO Co-Created products RM'000	Non- reportable segments RM'000	Total RM'000
1.1.2025 to 30.6.2025 (Unaudited)				
Revenue	473,128	128,196	1,622	602,946
Segment profit/(loss) after tax	52,782	4,150	(1,723)	55,209
30.6.2025 (Unaudited)				
Segment assets	1,331,716	387,915	10,874	1,730,505
Segment liabilities	(618,835)	(53,722)	(815)	(673,372)

10. Property, plant and equipment

During the financial period under review, the Group acquired property, plant and equipment with an aggregate cost of RM1.3 million.

There were no material disposals of property, plant and equipment during the financial period under review.

There was no valuation of the property, plant and equipment during the financial period under review.

11. Events subsequent to the reporting period

There were no other significant events subsequent to the reporting period.

Notes to the interim financial report (continued)

12. Changes in the composition of the Group

There were no changes in the composition of the Group during the financial period under review.

13. Contingent liabilities

There were no material contingent liabilities arising since the last audited consolidated financial statements for the financial year ended 31 December 2024.

14. Capital commitments

There were no capital commitments during the financial period under review.

15. Significant related party transactions

The significant related party transactions of the Group are shown below:

	Individual Quarter 3 Months Ended		Cumulative Quarter 6 Months Ended	
	30.6.2025	30.6.2024	30.6.2025	30.6.2024
	RM'000	RM'000	RM'000	RM'000
	Unaudited	Unaudited	Unaudited	Unaudited
A. Immediate holding company				
Purchase of goods	65,021	N/A	121,147	N/A
Interest expense	693	N/A	1,203	N/A
Royalty fees	8,008	N/A	15,977	N/A
B. Related corporations				
Purchase of goods	1,622	N/A	1,675	N/A
Lease of premise	360	N/A	720	N/A
Royalty fees	29	N/A	49	N/A
C. Company in which a Director has substantial financial interest in				
Lease of premises	115	N/A	230	N/A

Notes to the interim financial report (continued)

16. Review of performance of the Group

There are no comparative figures for the preceding corresponding quarter and period as no interim financial report was prepared for the comparative financial period concerned.

The Group recorded a revenue of RM602.9 million for the current period ended 30 June 2025. The revenue for the period was mainly contributed by the CUCKOO Branded segment of RM473.1 million, which represents 78.5% of the Group's total revenue. The CUCKOO Co-Created segment contributed RM128.2 million, which represents 21.3% of the Group's total revenue.

For the current period, the Group recorded a gross profit ("GP") of RM191.3 million with GP margin of 31.7%. The profit before tax ("PBT") for the current period was RM76.5 million.

17. Variation of results against preceding quarter

The Group's revenue increased by RM10.4 million or 3.5% as compared to the preceding quarter. This was primarily contributed by the higher revenue from CUCKOO Co-Created segment resulting from a higher units sold in the Q2 FY2025. The GP increased from RM92.0 million to RM99.3 million in the Q2 FY2025.

The administrative expenses was higher in the current quarter was mainly due to the one-off listing expenses by RM2.3 million. Higher net losses on impairment of financial instruments in the current quarter was primarily due to increases in impairment of net investment in leases based on the expected credit loss assessment which reflect the changes in credit risk of the trade receivables and net investment in leases at the end of the reporting period. The lower net finance costs in Q2 FY2025 was mainly due to an increase in net foreign exchange gain on outstanding foreign currency amounts owing to related party arising from higher outstanding amounts and decrease in foreign exchange rates applied to amounts which were denominated in USD.

As a result of the foregoing, the PBT increased by RM0.4 million in the Q2 FY2025.

Notes to the interim financial report (continued)

18. Prospects of the Group

The Group remains committed to expanding its market presence by leveraging its strong brand presence, effective business model, and omni-channel distribution network. Our strategic initiatives include increasing product SKUs and home care service offerings and strengthening our omni-channel distribution network across Malaysia and Singapore. The introduction of CUCKOO “cash and carry” Brandshops, the expansion of product availability on our e-commerce platform, and the recruitment of additional sales personnel will support our continued growth.

To enhance operational efficiency and scalability, the Group is investing in logistics capabilities, warehouse management, and upgrading of data servers. These improvements will enable the Company to serve a larger customer base while streamlining the Company’s operations and processes. Additionally, the Company will allocate part of its financial resources towards funding product purchases, expanding the Group’s Singapore business, and opening new retail outlets.

With the expected rising inflationary pressure, the consumers spending power is expected to be softer, the Group’s long-term prospects remain cautiously positive as consumers are more incline to enter into rental arrangement, as alternative to buying outright, to maintain their healthy living lifestyle. By capitalising on rental model, continued investment in technology and infrastructure, and the emerging trends in healthy living lifestyle through the use of home appliances and household goods, the Group aims to sustain growth and strengthen its competitive position in the industry.

19. Profit forecast and profit guarantee

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

Notes to the interim financial report (continued)

20. Profit before tax

	Individual Quarter 3 Months Ended		Cumulative Quarter 6 Months Ended	
	30.6.2025	30.6.2024	30.6.2025	30.6.2024
	RM'000	RM'000	RM'000	RM'000
Profit before tax is arrived at after charging/(crediting):				
Amortisation of trademark	249	N/A	498	N/A
Depreciation of property, plant and equipment	4,342	N/A	10,137	N/A
Depreciation of right-of-use assets	2,675	N/A	5,309	N/A
Net reversal of impairment loss on property, plant and equipment	(380)	N/A	(833)	N/A
Property, plant and equipment written off	2	N/A	34	N/A
Net foreign exchange gain	<u>(4,023)</u>	<u>N/A</u>	<u>(4,832)</u>	<u>N/A</u>
<i>Net loss on impairment of financial instruments</i>				
Financial assets at amortised cost:				
- trade receivables	6,252	N/A	11,508	N/A
- net investment in lease	<u>14,250</u>	<u>N/A</u>	<u>21,538</u>	<u>N/A</u>
	<u>20,502</u>	<u>N/A</u>	<u>33,046</u>	<u>N/A</u>

Notes to the interim financial report (continued)

21. Taxation

	Individual Quarter 3 Months Ended		Cumulative Quarter 6 Months Ended	
	30.6.2025 RM'000	30.6.2024 RM'000	30.6.2025 RM'000	30.6.2024 RM'000
Current tax expense				
Current period	13,381	N/A	25,905	N/A
Deferred tax expense				
Origination and reversal of temporary differences	(2,321)	N/A	(4,603)	N/A
Total income tax expense	<u>11,060</u>	<u>N/A</u>	<u>21,302</u>	<u>N/A</u>
Effective tax rate (%)	34.3%	N/A	27.8%	N/A

The Group's effective tax rate of 27.8% was higher than the statutory tax rate of 24.0%. This was mainly attributed to the tax effect of non-tax-deductible expenses incurred mainly for professional fees and non-qualifying property, plant and equipment.

22. Corporate proposal

There were no other corporate proposals announced by the Company but not completed as at the date of this interim report.

23. Borrowings

The Group's borrowings (all denominated in RM) as at 30 June 2025 are as follows:

	Current RM'000	Non-current RM'000	Total RM'000
Secured:			
Term loan	99,421	60,200	159,621
Unsecured:			
Term loans	29,899	37,119	67,018
Islamic multi trade lines	28,757	-	28,757
	<u>58,656</u>	<u>37,119</u>	<u>95,775</u>
	<u>158,077</u>	<u>97,319</u>	<u>255,396</u>

During the financial period under review, the Group had drawn down additional Islamic multi trade lines amounting to RM34.1 million with interest rates ranging from 4.35% to 4.58% per annum, which are repayable within 365 days.

Notes to the interim financial report (continued)

24. Utilisation of proceeds from the public issue

The gross proceeds from the public issue amounting to approximately RM154.7 million are intended to be utilised in the following manner:

Utilisation of proceeds	Proposed utilisation RM'mil	Actual utilisation RM'mil	Balance unutilised RM'mil	Intended timeframe for utilisation
Capital to fund product purchases for expansion of rental business	75.3	-	75.3	Within 12 months
Repayment of bank borrowings	40.0	-	40.0	Within 9 months
Capital expenditure:				
(a) Opening of 'Brandshops'	5.0	-	5.0	Within 24 months
(b) Upgrading of IT systems	5.6	-	5.6	Within 24 months
Expansion of CUCKOO				
Singapore	10.0	-	10.0	Within 24 months
Estimated listing expenses	18.8	12.6	6.2	Immediate
Total	154.7	12.6	142.1	

25. Material litigation

There is no material litigation for the financial period under review.

26. Earnings per ordinary share

Basic/Diluted earnings per ordinary share

The calculation of basic earnings per ordinary share was based on the profit attributable to owners of the Company and a weighted average number of ordinary shares outstanding, calculated as follows:

	Individual Quarter 3 Months Ended		Cumulative Quarter 6 Months Ended	
	30.6.2025	30.6.2024	30.6.2025	30.6.2024
Profit attributable to owners of the Company (RM'000)	27,345	N/A	55,200	N/A
Weighted average number of ordinary shares ('000)	1,336,755	N/A	1,313,268	N/A
Basic/Diluted earnings per share (sen)	<u>2.05</u>	<u>N/A</u>	<u>4.20</u>	<u>N/A</u>

There is no dilution in earnings per ordinary shares as the Group has no shares and/or other instruments with potential dilutive effects as at 30 June 2025.