# Cuckoo International (MAL) Berhad

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

## UNAUDITED INTERIM FINANCIAL REPORT
## FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2025

# Condensed consolidated statement of financial position as at 30 September 2025

| | 30.9.2025<br>RM’000<br>Unaudited | 31.12.2024<br>RM’000<br>Audited |
|---|---|---|
| **Assets** | | |
| Property, plant and equipment | 60,094 | 70,706 |
| Right-of-use assets | 11,959 | 9,571 |
| Intangible assets | 5,484 | 6,231 |
| Trade and other receivables | 933,473 | 818,906 |
| Deferred tax assets | 48,672 | 44,025 |
| **Total non-current assets** | 1,059,682 | 949,439 |
| Inventories | 114,464 | 110,600 |
| Trade and other receivables | 371,519 | 342,661 |
| Current tax assets | 222 | 215 |
| Prepayments | 12,131 | 8,301 |
| Cash and cash equivalents | 58,692 | 70,470 |
| **Total current assets** | 557,028 | 532,247 |
| **Total assets** | 1,616,710 | 1,481,686 |
| **Equity** | | |
| Share capital | 335,201 | 186,428 |
| Reserves | 737,867 | 669,034 |
| **Equity attributable to owners of the Company** | 1,073,068 | 855,462 |
| **Non-controlling interests** | (2,252) | (2,227) |
| **Total equity** | 1,070,816 | 853,235 |
| **Liabilities** | | |
| Loans and borrowings | 76,250 | 139,339 |
| Lease liabilities | 3,272 | 3,333 |
| **Total non-current liabilities** | 79,522 | 142,672 |
| Loans and borrowings | 84,410 | 149,512 |
| Lease liabilities | 9,419 | 7,568 |
| Trade and other payables | 306,583 | 256,014 |
| Provision | 9,226 | 11,926 |
| Current tax liabilities | 6,225 | 10,422 |
| Deferred income | 540 | 621 |
| Contract liabilities | 49,969 | 49,716 |
| **Total current liabilities** | 466,372 | 485,779 |
| **Total liabilities** | 545,894 | 628,451 |
| **Total equity and liabilities** | 1,616,710 | 1,481,686 |

## Condensed consolidated statement of profit or loss and other comprehensive income

| | Individual Quarter 3 Months Ended | | Cumulative Quarter 9 Months Ended | |
|---|---|---|---|---|
| | 30.9.2025 RM'000 Unaudited | 30.9.2024 RM'000 Unaudited | 30.9.2025 RM'000 Unaudited | 30.9.2024 RM'000 Unaudited |
| Revenue | 264,303 | N/A | 867,249 | N/A |
| Cost of sales | (179,502) | N/A | (591,151) | N/A |
| **Gross profit** | 84,801 | N/A | 276,098 | N/A |
| Other income | 987 | N/A | 2,850 | N/A |
| Distribution expenses | (17,547) | N/A | (55,030) | N/A |
| Administrative expenses | (15,472) | N/A | (55,392) | N/A |
| Net losses on impairment of financial instruments | (29,382) | N/A | (62,428) | N/A |
| **Results from operating activities** | 23,387 | N/A | 106,098 | N/A |
| Finance income | 465 | N/A | 5,462 | N/A |
| Finance costs | (5,021) | N/A | (16,218) | N/A |
| **Net finance costs** | (4,556) | N/A | (10,756) | N/A |
| **Profit before tax** | 18,831 | N/A | 95,342 | N/A |
| Tax expense | (5,354) | N/A | (26,656) | N/A |
| **Profit for the period** | 13,477 | N/A | 68,686 | N/A |
| **Other comprehensive income, net of tax** | | | | |
| Foreign currency translation differences for foreign operations | 206 | N/A | 122 | N/A |
| **Other comprehensive income/(expense) for the period, net of tax** | 206 | N/A | 122 | N/A |
| **Total comprehensive income for the period** | 13,683 | N/A | 68,808 | N/A |
| **Profit/(Loss) attributable to:** | | | | |
| Owners of the Company | 13,511 | N/A | 68,711 | N/A |
| Non-controlling interests | (34) | N/A | (25) | N/A |
| **Profit for the period** | 13,477 | N/A | 68,686 | N/A |
| **Total comprehensive income/(expense) attributable to:** | | | | |
| Owners of the Company | 13,717 | N/A | 68,833 | N/A |
| Non-controlling interests | (34) | N/A | (25) | N/A |
| **Total comprehensive income/(expense) for the period** | 13,683 | N/A | 68,808 | N/A |
| **Basic/Diluted earnings per ordinary share (sen)** | 0.94 | N/A | 5.08 | 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 | - | 122 | - | 122 | - | 122 |
| Total other comprehensive expense for the period | - | 122 | - | 122 | - | 122 |
| Profit for the period | - | - | 68,711 | 68,711 | (25) | 68,686 |
| **Total comprehensive income/(expense) for the period** | - | 122 | 68,711 | 68,833 | (25) | 68,808 |
| 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 September 2025** | 335,201 | (276) | 738,143 | 1,073,068 | (2,252) | 1,070,816 |

# Condensed consolidated statement of cash flows

| | 1.1.2025 to 30.9.2025 RM'000 Unaudited | 1.1.2024 to 30.9.2024 RM'000 Unaudited |
|---|---|---|
| **Cash flows from operating activities** | | |
| Profit before tax | 95,342 | N/A |
| *Adjustments for:* | | |
| Amortisation of trademark | 747 | N/A |
| Depreciation of property, plant and equipment | 13,522 | N/A |
| Depreciation of right-of-use assets | 8,258 | N/A |
| Finance costs | 16,218 | N/A |
| Finance income | (1,148) | N/A |
| Net reversal of impairment loss on property, plant and equipment | (937) | N/A |
| Net losses on impairment of financial instruments | 62,428 | N/A |
| Net unrealised gain on foreign exchange | (642) | N/A |
| Property, plant and equipment written off | 40 | N/A |
| **Operating profit before working capital changes** | 193,828 | N/A |
| Change in inventories | (3,864) | N/A |
| Change in provision | (2,700) | N/A |
| Change in trade and other receivables and prepayments | (210,511) | N/A |
| Change in deferred income | (81) | N/A |
| Change in contract liabilities | 253 | N/A |
| Change in trade and other payables | 50,338 | N/A |
| **Cash generated from operations** | 27,263 | N/A |
| Interest paid | (5,806) | N/A |
| Tax paid | (35,507) | N/A |
| **Net cash used in operating activities** | (14,050) | N/A |

# Condensed consolidated statement of cash flows (continued)

| | 1.1.2025 to 30.9.2025 RM'000 Unaudited | 1.1.2024 to 30.9.2024 RM'000 Unaudited |
|---|---|---|
| **Cash flows from investing activities** | | |
| Acquisition of property, plant and equipment | (2,012) | N/A |
| Interest received from short-term deposits | 1,148 | N/A |
| **Net cash used in investing activities** | (864) | 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 | (8,642) | N/A |
| Payment of lease liabilities | (8,764) | N/A |
| Repayment of loans and borrowings | (162,293) | N/A |
| **Net cash from financing activities** | 3,176 | N/A |
| **Net decrease in cash and cash equivalents** | (11,738) | N/A |
| Effect of exchange rate fluctuations on cash held | (40) | N/A |
| Cash and cash equivalents at 1 January | 70,470 | N/A |
| **Cash and cash equivalents at 30 September** | 58,692 | 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:

| | 30.9.2025 RM'000 Unaudited | 30.9.2024 RM'000 Unaudited |
|---|---|---|
| Cash and bank balances | 58,439 | N/A |
| Deposits placed with licensed banks | 253 | N/A |
| | 58,692 | 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

| | Branded products RM'000 | Co-Created products RM'000 | Non-reportable segments RM'000 | Total RM'000 |
|---|---|---|---|---|
| **1.1.2025 to 30.9.2025 (Unaudited)** | | | | |
| Revenue | 683,839 | 180,455 | 2,955 | 867,249 |
| Segment profit/(loss) after tax | 56,965 | 14,256 | (2,535) | 68,686 |
| **30.9.2025 (Unaudited)** | | | | |
| Segment assets | 1,243,146 | 363,509 | 10,055 | 1,616,710 |
| Segment liabilities | (382,706) | (162,751) | (437) | (545,894) |

## 10. Property, plant and equipment

During the financial period under review, the Group acquired property, plant and equipment with an aggregate cost of RM2.0 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 9 Months Ended** | |
|---|---|---|---|---|
| | **30.9.2025 RM'000 Unaudited** | **30.9.2024 RM'000 Unaudited** | **30.9.2025 RM'000 Unaudited** | **30.9.2024 RM'000 Unaudited** |
| **A. Immediate holding company** | | | | |
| Purchase of goods | 75,705 | N/A | 196,852 | N/A |
| Interest expense | 552 | N/A | 1,755 | N/A |
| Royalty fees | 7,050 | N/A | 23,027 | N/A |
| **B. Related corporations** | | | | |
| Purchase of goods | 620 | N/A | 2,295 | N/A |
| Lease of premise | 360 | N/A | 1,080 | N/A |
| Royalty fees | 34 | N/A | 83 | N/A |
| **C. Company in which a Director has substantial financial interest in** | | | | |
| Lease of premises | 115 | N/A | 345 | 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 RM867.2 million for the current period ended 30 September 2025. The revenue for the period was mainly contributed by the CUCKOO Branded segment of RM683.8 million, which represents 78.9% of the Group's total revenue. The CUCKOO Co-Created segment contributed RM180.5 million, which represents 20.8% of the Group's total revenue.

For the current period, the Group recorded a gross profit ("GP") of RM276.1 million with GP margin of 31.8%. The profit before tax ("PBT") for the current period was RM95.3 million.

## 17. Variation of results against preceding quarter

The Group's revenue decreased by RM42.4 million or 13.8% as compared to the preceding quarter. This was primarily contributed by the lower revenue from CUCKOO Branded and CUCKOO Co-Created segment resulting from a lower units sold in the Q3 FY2025. The GP decreased from RM99.3 million to RM84.8 million in the Q3 FY2025.

The lower administrative expenses in the current quarter was primarily due to RM5.0 million of listing expenses in the previous quarter. Higher net losses on impairment of financial instruments in the current quarter was primarily due to increases in impairment of net investment in leases and other receivables based on expected credit loss assessment which reflect the changes in credit risk of the net investment in leases and other receivables at the end of reporting period. The higher net finance costs in the current quarter was primarily arising from an increase in net foreign exchange loss due to changes in foreign exchange rates applied to amount owing to related party.

As a result of the foregoing, the PBT decreased by RM19.6 million in the Q3 FY2025.

# Notes to the interim financial report (continued)

## 18. Prospects of the Group

The Group's overall performance softened during the quarter, weighed down by several macroeconomic factors, including the expanded scope of the Sales and Service Tax (SST), rising operating costs, and the growing prevalence of Buy Now Pay Later (BNPL) activities. These developments have led consumers to focus more on daily essentials, prompting some industry players to adopt aggressive promotional strategies to sustain sales. In contrast, the Group remains disciplined in its approach, focusing on sustainable marketing efforts that preserve margins while continuing to create value for customers. Management believes that a strategy anchored on understanding localised needs, delivering product quality, and providing service excellence will support sustainable growth and strengthen the Group's competitive positioning over the long term.

The challenging environment has also led to a slower repayment pattern as customers adjust to higher living costs, contributing to an increase in impairment costs during the quarter. In response, the Group has implemented an electronic Know Your Customer (e-KYC) framework in July 2025, leveraging data analytics to better assess and predict customer repayment behaviours. At the same time, the Group has enhanced its credit risk monitoring and intensified collection efforts. Measures implemented include stricter approval processes for new contracts, increased focus on early detection of doubtful accounts, and engaging a dedicated recovery team to follow up on overdue payments proactively. The Group continues to remain prudent in its credit policy and its commitment to maintaining portfolio quality. The Group remains confident that repayment trends will gradually normalise as economic conditions stabilise.

Despite near-term headwinds, the Group remains focused on expanding its market presence by leveraging its strong brand, effective business model, and omni-channel network. Strategic priorities include expanding product SKUs and home care service offerings, as well as strengthening its distribution presence in Malaysia. The recent launch of the CUCKOO Brandshop marks progress on initiatives outlined during the IPO, while resources will also be directed toward product purchases, expansion into Singapore, and recruitment of additional sales personnel.

To enhance operational efficiency and scalability, the Group is investing in logistics, warehouse management, and data infrastructure upgrades. These initiatives will enable the Group to serve a larger customer base and streamline operations.

Looking ahead, the Group views the current environment as a temporary setback. With consumers increasingly favouring rental arrangements as an alternative to outright purchases, the Group aims to capitalise on this trend through continued investment in technology and wellness-focused home living solutions, including home appliances and household goods, home care services and other lifestyle solutions, to sustain growth and strengthen its market position.

## 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 9 Months Ended | |
|---|---|---|---|---|
| | **30.9.2025 RM'000** | **30.9.2024 RM'000** | **30.9.2025 RM'000** | **30.9.2024 RM'000** |
| **Profit before tax is arrived at after charging/(crediting):** | | | | |
| Amortisation of trademark | 249 | N/A | 747 | N/A |
| Depreciation of property, plant and equipment | 3,385 | N/A | 13,522 | N/A |
| Depreciation of right-of-use assets | 2,949 | N/A | 8,258 | N/A |
| Net reversal of impairment loss on property, plant and equipment | (104) | N/A | (937) | N/A |
| Property, plant and equipment written off | 6 | N/A | 40 | N/A |
| Net foreign exchange loss/(gain) | 518 | N/A | (4,314) | N/A |
| *Net loss on impairment of financial instruments* | | | | |
| Financial assets at amortised cost: | | | | |
| - trade receivables | 6,369 | N/A | 17,877 | N/A |
| - net investment in lease | 19,700 | N/A | 41,238 | N/A |
| - other receivables | 3,313 | N/A | 3,313 | N/A |
| | 29,382 | N/A | 62,428 | N/A |

## Notes to the interim financial report (continued)

### 21. Taxation

| | Individual Quarter 3 Months Ended | | Cumulative Quarter 9 Months Ended | |
|---|---|---|---|---|
| | 30.9.2025 RM'000 | 30.9.2024 RM'000 | 30.9.2025 RM'000 | 30.9.2024 RM'000 |
| **Current tax expense** | | | | |
| Current period | 7,396 | N/A | 33,301 | N/A |
| Prior year | (1,998) | N/A | (1,998) | N/A |
| Total current tax recognised in profit or loss | 5,398 | N/A | 31,303 | N/A |
| **Deferred tax expense** | | | | |
| Origination and reversal of temporary differences | (1,192) | N/A | (5,795) | N/A |
| Over provision in prior year | 1,148 | N/A | 1,148 | N/A |
| Total deferred tax recognised in profit or loss | (44) | N/A | (4,647) | N/A |
| Total income tax expense | 5,354 | N/A | 26,656 | N/A |
| Effective tax rate (%) | 28.4% | N/A | 28.0% | N/A |

The Group's effective tax rate of 28.0% 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 September 2025 are as follows:

| | Current RM'000 | Non-current RM'000 | Total RM'000 |
|---|---|---|---|
| **Secured:** | | | |
| Term loan | 54,372 | 46,700 | 101,072 |
| **Unsecured:** | | | |
| Term loans | 30,038 | 29,550 | 59,588 |
| | 84,410 | 76,250 | 160,660 |

# 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 | 18.8 | - | Immediate |
| **Total** | 154.7 | 134.1 | 20.6 | |

## 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 9 Months Ended | |
|---|---|---|---|---|
| | **30.9.2025** | **30.9.2024** | **30.9.2025** | **30.9.2024** |
| Profit attributable to owners of the Company (RM'000) | 13,511 | N/A | 68,711 | N/A |
| Weighted average number of ordinary shares ('000) | 1,432,800 | N/A | 1,353,550 | N/A |
| Basic/Diluted earnings per share (sen) | 0.94 | N/A | 5.08 | N/A |

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 September 2025.