

CUSCAPI BERHAD

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2023  
(The figures have not been audited)

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		CURRENT YEAR	PRECEDING YEAR	CURRENT YEAR	PRECEDING YEAR
		QUARTER ENDED 31/03/2023 RM	QUARTER ENDED 31/03/2022 RM	TO DATE 31/03/2023 RM	TO DATE 31/03/2022 RM
REVENUE	A8	1,393,119	1,921,104	5,466,160	8,151,974
COST OF GOOD SOLD		(1,370,760)	(1,909,015)	(4,513,874)	(5,407,437)
GROSS PROFIT		22,359	12,089	952,286	2,744,537
OTHER OPERATING INCOME		106,068	892,588	653,818	1,066,996
OPERATING EXPENSES		(1,692,421)	(2,075,200)	(5,373,860)	(6,051,030)
LOSS FROM OPERATIONS		(1,563,994)	(1,170,523)	(3,767,756)	(2,239,497)
FINANCE COSTS		(68,265)	(59,535)	(303,319)	(199,754)
LOSS BEFORE TAXATION		(1,632,259)	(1,230,058)	(4,071,075)	(2,439,251)
TAXATION	B4	98,876	(23,641)	(68,369)	(105,629)
LOSS FOR THE PERIOD		(1,533,383)	(1,253,699)	(4,139,444)	(2,544,880)
OTHER COMPREHENSIVE INCOME					
- FAIR VALUE (LOSS)/GAIN ON OTHER INVESTMENT		(1,403,597)	876,529	(1,313,957)	1,042,466
- FOREIGN CURRENCY TRANSLATION		(224)	(151,891)	424,352	(230,903)
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD		(2,937,204)	(529,061)	(5,029,049)	(1,733,317)
LOSS ATTRIBUTABLE TO:					
OWNERS OF THE PARENT		(1,528,307)	(1,249,861)	(4,128,788)	(2,536,853)
NON-CONTROLLING INTEREST		(5,076)	(3,838)	(10,656)	(8,027)
		(1,533,383)	(1,253,699)	(4,139,444)	(2,544,880)
TOTAL COMPREHENSIVE LOSS ATTRIBUTABLE TO:					
OWNERS OF THE PARENT		(2,932,128)	(525,223)	(5,018,393)	(1,725,290)
NON-CONTROLLING INTEREST		(5,076)	(3,838)	(10,656)	(8,027)
		(2,937,204)	(529,061)	(5,029,049)	(1,733,317)
Loss per share (sen)					
- Basic	B10	(0.16)	(0.13)	(0.44)	(0.27)

The unaudited Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 30 June 2022 and the accompanying notes attached to the interim financial reports.

**CUSCAPI BERHAD**  
**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2023**

	(UNAUDITED) AS AT 31/3/2023 RM	(AUDITED) AS AT 30/6/2022 RM
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	1,061,199	1,701,724
Right of use assets	1,303,295	1,862,928
Investment property	10,112,400	10,112,400
Intangible assets	13,238,390	13,238,390
Other investments	25,646,580	30,797,349
Trade Receivable	1,103,910	1,091,744
	<u>52,465,774</u>	<u>58,804,535</u>
<b>CURRENT ASSETS</b>		
Inventories	1,159,964	1,434,014
Trade & other receivables, prepayment	3,091,906	2,737,071
Tax recoverable	330,400	275,216
Cash and short-term deposits	1,218,370	16,752,695
	<u>5,800,640</u>	<u>21,198,996</u>
<b>TOTAL ASSETS</b>	<u>58,266,414</u>	<u>80,003,531</u>
<b>EQUITY</b>		
Share capital	203,374,573	203,374,573
Reserves	(156,127,661)	(151,109,268)
Equity attributable to owners of the parent	47,246,912	52,265,305
Non-controlling interest	(93,826)	(83,170)
<b>TOTAL EQUITY</b>	<u>47,153,086</u>	<u>52,182,135</u>
<b>NON-CURRENT LIABILITIES</b>		
Lease liabilities	451,037	965,765
Provision and retirement benefits obligations	106,148	170,085
	<u>557,185</u>	<u>1,135,850</u>
<b>CURRENT LIABILITIES</b>		
Lease liabilities	1,095,066	2,641,793
Trade & other payables	9,420,395	23,819,380
Current tax liabilities	40,682	224,373
	<u>10,556,143</u>	<u>26,685,546</u>
<b>TOTAL LIABILITIES</b>	<u>11,113,328</u>	<u>27,821,396</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>58,266,414</u>	<u>80,003,531</u>
Net assets per share attributable to owners of the parent (RM)	0.050	0.055

The unaudited Condensed Consolidated Statements of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 30 June 2022 and the accompanying notes attached to the interim financial reports.

**CUSCAPI BERHAD**  
**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
**FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2023**  
(The figures have not been audited)

	-----> Attributable to Owners of the Parent <-----<						
	Share Capital RM	Other Reserve RM	Translation Reserve RM	Accumulated Loss RM	Total RM	Non-controlling Interest RM	Total Equity RM
<b>As at 1 July 2022</b>	203,374,573	(1,538,581)	12,326,188	(161,896,875)	52,265,305	(83,170)	52,182,135
<b>Net loss for the period</b>	-	-	-	(4,128,788)	(4,128,788)	(10,656)	(4,139,444)
<b>Other comprehensive income</b>							
- Foreign currency translation	-	-	424,352	-	424,352	-	424,352
- Fair value loss on other investments	-	(1,313,957)	-	-	(1,313,957)	-	(1,313,957)
	-	(1,313,957)	424,352	(4,128,788)	(5,018,393)	(10,656)	(5,029,049)
<b>As at 31 March 2023</b>	203,374,573	(2,852,538)	12,750,540	(166,025,663)	47,246,912	(93,826)	47,153,086
	Share Capital RM	Other Reserve RM	Translation Reserve RM	Accumulated Loss RM	Total RM	Non-controlling Interest RM	Total Equity RM
<b>As at 1 July 2021</b>	181,114,569	713,735	12,101,260	(132,390,568)	61,538,996	(71,849)	61,467,147
<b>Net loss for the period</b>	-	-	-	(2,536,853)	(2,536,853)	(8,027)	(2,544,880)
<b>Other comprehensive income</b>							
- Foreign currency translation	-	-	(230,903)	-	(230,903)	-	(230,903)
- Fair value gain on other investments	-	1,042,466	-	-	1,042,466	-	1,042,466
- Issuance of shares	22,260,004	-	-	-	22,260,004	-	22,260,004
	22,260,004	1,042,466	(230,903)	(2,536,853)	20,534,714	(8,027)	20,526,687
<b>As at 31 March 2022</b>	203,374,573	1,756,201	11,870,357	(134,927,421)	82,073,710	(79,876)	81,993,834

The unaudited Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 30 June 2022 and the accompanying notes attached to the interim financial reports.

**CUSCAPI BERHAD**  
**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2023**  
(The figures have not been audited)

	31/03/2023 RM	31/03/2022 RM
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss before tax	(4,071,075)	(2,439,251)
Adjustments for :-		
Non-cash items	1,299,341	993,718
Non-operating items	(234,415)	29,032
<b>Operating loss before changes in working capital</b>	<u>(3,006,149)</u>	<u>(1,416,501)</u>
Net changes in current assets	(108,465)	1,374,633
Net changes in current liabilities	5,469,996	(6,010,361)
<b>Cash flows generated from/(used in) operation</b>	<u>2,355,382</u>	<u>(6,052,229)</u>
Taxation	(111,161)	(105,629)
<b>Net cash generated from/(used in) operating activities</b>	<u>2,244,221</u>	<u>(6,157,858)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest received	28,763	170,721
Net changes of other investment	455,802	(15,005,500)
Net changes of property, plant and equipment	(67,974)	(285,119)
<b>Net cash generated from/(used in) investing activities</b>	<u>416,591</u>	<u>(15,119,898)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Interest paid	-	(11,699)
Payment to lease liabilities	(2,210,966)	(749,099)
Proceeds from issuance of share capital	-	22,260,004
<b>Net cash (used in)/generated from financing activities</b>	<u>(2,210,966)</u>	<u>21,499,206</u>
<b>NET CHANGES IN CASH AND CASH EQUIVALENTS</b>	449,846	221,450
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR</b>	<u>768,524</u>	<u>1,107,983</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR</b>	<u>1,218,370</u>	<u>1,329,433</u>
<b>Analysis of cash and cash equivalents:-</b>		
Short-term deposits placed with licensed banks	-	15,824,530
Cash and bank balances	1,218,370	1,329,433
	<u>1,218,370</u>	<u>17,153,963</u>
Less : Fixed deposits held as security value	-	(15,824,530)
	<u>1,218,370</u>	<u>1,329,433</u>

The unaudited Condensed Consolidated Statements of Cash Flow should be read in conjunction with the audited financial statements for the financial year ended 30 June 2022 and the accompanying notes attached to the interim financial reports.

**CUSCAPI BERHAD**  
(Company No: 197801006160 (43190-H))

**A. NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2023**

**A1. Basis of Preparation**

The interim financial statements are unaudited and have been prepared in accordance with the requirements outlined in the Malaysian Financial Reporting Standards ("MFRS") No. 134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board ("MASB") and Paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities")

The interim financial statements should be read in conjunction with the Group's audited financial statements for the financial year ended 30 June 2022. The explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 30 June 2022.

The significant accounting policies adopted by the Group in this interim financial report are consistent with those adopted in the financial statements for the financial year ended 30 June 2022, except for the adoption of a number of new amendments that are mandatory for the financial period beginning on or after 1 January 2022.

The adoption of the new standards and amendments are not expected to have significant impact on the financial statements of the Group and the Company.

**A2. Audit Report of the Preceding Annual Financial Statements**

The Auditors' Report for the annual financial statements of the Group and Company in respect of the financial year ended 30 June 2022 was not subject to any qualification.

**A3. Seasonal or Cyclical Factors**

During the current financial quarter under review, the business operations of the Group are not affected by any significant seasonal or cyclical factors.

**A4. Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows**

There were no unusual items during the current financial quarter under review.

**A5. Changes in Estimates**

There were no material changes in the estimates of amounts that have a material effect on the current financial quarter results under review.

**A6. Debt and Equity Securities**

There was no issuance, cancellations, repurchases, resale and repayments of debt and equity securities during the current financial quarter under review.

**A7. Dividends Paid**

No dividend was paid during the current financial quarter under review.

**A8. Segmental Reporting**

The Group is primarily engaged in a single business segment of information technology ("IT") and IT related services. The segmental geographical revenue by region and results for the nine (9) months financial quarter ended 31 March 2023 are as follows: -

<b>31 MARCH 2023</b>	<b>Malaysia RM' 000</b>	<b>Other than Malaysia RM' 000</b>	<b>Elimination RM' 000</b>	<b>Consolidation RM' 000</b>
External Sales	3,629	2,870	(1,033)	5,466
Segment Results	(2,267)	(224)	-	(2,491)
Finance Cost	(248)	(55)	-	(303)
Depreciation and Amortisation	(1,000)	(277)	-	(1,277)
<b>Consolidated Loss Before Tax</b>				<b>(4,071)</b>
<b>ASSETS</b>				
<i>Segment Assets</i>	54,305	3,961	-	58,266
<b>LIABILITIES</b>				
<i>Segment Liabilities</i>	8,184	2,929	-	11,113
<b>OTHER INFORMATION</b>				
<i>Capital Expenditure on:-</i>				
<i>Property, plant and Equipment</i>	68	-	-	68
<i>Depreciation and Amortisation</i>	1,000	277	-	1,277

<b>31 MARCH 2022</b>	<b>Malaysia RM' 000</b>	<b>Other than Malaysia RM' 000</b>	<b>Elimination RM' 000</b>	<b>Consolidation RM' 000</b>
External Sales	6,099	5,178	(3,125)	8,152
Segment Results	(2,359)	1,481	-	(878)
Finance Cost	(176)	(23)	-	(199)
Depreciation and Amortisation	(1,124)	(238)	-	(1,362)
<b>Consolidated Loss Before Tax</b>				<b>(2,439)</b>
<b>ASSETS</b>				
<i>Segment Assets</i>	101,535	4,380	-	105,915
<b>LIABILITIES</b>				
<i>Segment Liabilities</i>	20,835	3,086	-	23,921
<b>OTHER INFORMATION</b>				
<i>Capital Expenditure on:-</i>				
<i>Property, plant and Equipment</i>	251	34	-	285
<i>Depreciation and Amortisation</i>	1,124	238	-	1,362

**A9. Revaluation of Property, Plant and Equipment**

The Group did not revalue any of its property, plant and equipment for the current financial quarter under review.

**A10. Material Events Subsequent to the Current Financial Quarter**

There were no material events subsequent to the current financial quarter.

**A11. Changes in the Composition of the Group**

(a) On 4 January 2023, the Company subscribed 100 management shares in Megalodon Capital SPC, a company incorporated in the Cayman Islands at an issue price of US\$0.01, representing 100% issued share capital in Megalodon Capital SPC, at a total investment cost of USD\$1.00.

**A12. Changes in Contingent Liabilities and Assets**

There were no contingent liabilities and contingent assets since the last annual reporting date as at 30 June 2022.

**A13. Capital Commitment**

On 1 March 2022, the Company entered into Subscription Agreement for the subscription of 9,000,000 units of Redeemable Convertible Preference Shares (“RCPS”) in MX Global Sdn. Bhd. for a total subscription of RM9,000,000 to be satisfied in cash. The Company has made advance payment of RM405,000 in the previous financial year.

**A14. Significant Related Party Transactions**

There were no significant related party transactions entered into during the current financial quarter under review.

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**CUSCAPI BERHAD**  
(Company No: 197801006160 (43190-H))

**B. ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

**B1 Review of Performance**

**B.1.1 Current Year-to-Date Versus Preceding Year-to-Date**

	Current Year Third (3 <sup>RD</sup> ) Quarter 31 March 2023 RM	Preceding Year Third (3 <sup>RD</sup> ) Quarter 31 March 2022 RM	Variance	
			RM	%
Revenue	5,466,160	8,151,974	(2,685,814)	-33%
Loss before tax	(4,071,075)	(2,439,251)	(1,631,824)	67%

For the cumulative nine (9) months ended 31 March 2023 under review, the Group's revenue decreased by 33% as compared to the preceding year corresponding quarter ended 31 March 2022. The decrease was mainly due to a decrease in revenue from software.

In the current year-to-date quarter ended 31 March 2023, the Group recorded a loss before tax of approximately RM4 million as compared to the preceding year-to-date quarter ended 31 March 2022 of RM2.4 million, mainly attributable to the following: -

Description	RM	Note
Decrease in gross profit	(1,792,251)	1
Decrease in other operating income	(413,178)	2
Decrease in operating expenses	573,605	3
<b>Net increase in loss before tax</b>	<b>(1,631,824)</b>	

**Notes:**

1. Gross profit decreased mainly due to lower revenue from software sales during the current financial quarter to date ended 31 March 2023.
2. There was a decrease in other operating income mainly due to additional gains that arose from the reversal of customer guarantee deposits in the preceding year.
3. Operating expenses decreased due to lower staff-related costs and depreciation expenses during the current financial quarter to date ended on 31 March 2023.

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### B.1.2 Current Year Quarter Versus Preceding Year Quarter

	Current Year Third (3 <sup>RD</sup> ) Quarter 31 March 2023 RM	Preceding Year Third (3 <sup>RD</sup> ) Quarter 31 March 2022 RM	Variance	
			RM	%
Revenue	1,393,119	1,921,104	(527,985)	-27%
Loss before tax	(1,632,259)	(1,230,058)	(402,201)	33%

The Group recorded revenue of RM1.4 million and a loss before tax of RM1.6 million for the current year quarter ended 31 March 2023 under review as compared to the preceding year quarter ended 31 March 2022 revenue of RM1.9 million and loss before tax of RM1.2 million, mainly attributable to the following: -

Description	RM	Note
Increase in gross profit	10,270	1
Decrease in other operating income	(786,520)	2
Decrease in operating expenses	374,049	3
<b>Net increase in loss before tax</b>	<b>(402,201)</b>	

#### Notes:

1. Increase in gross profit mainly due to higher gross margin compared to the preceding year quarter during the current year quarter ended 31 March 2023.
2. Decrease in other operating income in the current year quarter ended 31 March 2023 mainly due to additional gain arising from the reversal of the guarantee deposits by customers in the preceding year quarter.
3. Decrease in operating expenses in the current year quarter ended 31 March 2023 mainly due to lower staff related cost and corporate expenses.

### B.1.3 Current Year Quarter Versus Immediate Preceding Quarter

	Current Year Third (3 <sup>RD</sup> ) Quarter 31 March 2023 RM	Immediate Preceding Second (2 <sup>nd</sup> ) Quarter 31 December 2022 RM	Variance	
			RM	%
Revenue	1,393,119	1,968,383	(575,264)	-29%
Loss before tax	(1,632,259)	(1,199,892)	(432,367)	36%

For the current year quarter ended 31 March 2023 under review, the Group's revenue decreased by 29% as compared to the immediate preceding quarter ended 31 December 2022. The decrease was mainly due to lower revenue from software and services sales.

For the current year quarter ended 31 March 2023 under review, the Group recorded a lower loss before taxation of RM1.6 million as compared to the immediate preceding quarter ended 31 December 2022, mainly attributable to:

<b>Description</b>	<b>RM</b>	<b>Note</b>
Decrease in gross profit	(341,893)	1
Decrease in other operating income	(354,171)	2
Decrease in operating expenses	263,697	3
<b>Net increase in loss before tax</b>	<b>(432,367)</b>	

**Notes:**

1. The decrease in gross profit in the current year's third quarter ended 31 March 2023, mainly due to lower revenue from the sales of software and services compared to the immediate preceding second quarter ended 31 December 2022.
2. Decrease in other operating income in the current year quarter ended 31 March 2023 mainly due to lower dividend income from quoted investment and no disposal gain on quoted shares.
3. Operating expenses decreased mainly due to lower staff-related costs and corporate expenses during the current financial quarter that ended on 31 March 2023.

**2. Prospects**

In April, the IMF forecasts the world economic growth to fall from 3.4% in 2022 to 2.8% in 2023. In a possible alternative scenario with further financial sector stress, global growth can decline to about 2.5% in 2023, with advanced economic growth falling below 1%.

For 2023, BNM expects the Malaysian economy to expand at a more moderate pace amid a challenging external environment. The slowdown in exports follows a weaker global demand. The balance of risks remains tilted to the downside, mainly from weaker global growth, tighter financial conditions, re-escalation of geopolitical conflicts and worsening supply chain disruptions. As a result, headline and core inflation are expected to moderate but remain elevated in 2023 amid lingering cost and demand pressures.

As the economy continues to be buffeted by multiple shocks, businesses should prepare for continued volatility in the years ahead. Amid these uncertainties, Cuscapi will continue prioritising our solutions and services for our customers to maintain the business recovery momentum and strengthen our resilience against any future headwinds. Cuscapi will also focus on the latest technology and innovation for its F&B and automotive solutions whilst remaining customer centric to improve our solution delivery capabilities.

To remain sustainable, the Group will remain prudent in cost management and align our business strategies with market changes to achieve better long-term financial performance. Therefore, barring any unforeseen circumstances, the Board of Directors is optimistic that the Group's prospects for the future remain positive.

**B3. Profit Forecast**

No financial forecast was announced or made hence there was no comparison between actual results and the forecast.

**B4. Taxation**

	Individual Quarter Ended		Cumulative Period Ended	
	31/03/2023	31/03/2022	31/03/2023	31/03/2022
	RM	RM	RM	RM
Current income tax provision	98,876	(23,641)	(68,369)	(105,629)
	<b>98,876</b>	<b>(23,641)</b>	<b>(68,369)</b>	<b>(105,629)</b>

**B5. Corporate Proposals**

There were no corporate proposals announced but not completed at the reporting date.

**B6. Group Borrowings and Debt Securities**

There were no borrowings and issues of debt securities as at the current financial quarter end.

**B7. Off Balance Sheet Financial Instruments**

The Company does not have any financial instruments with off balance sheet risk during the current financial quarter end.

**B8. Material Litigation**

There were no material litigations against the Group or taken by the Group for the current financial quarter under review.

**B9. Dividends**

The Board has not recommended any dividend for the financial period ended 31 March 2023.

**B10. Loss Per Share****Basic loss per share**

The loss per share is calculated by dividing the net loss attributable to ordinary owners of the parent by the weighted average number of ordinary shares in issue during the financial year. The loss for the year attributable to the parent's ordinary equity holders is not subjected to any dilutive elements.

	Individual Quarter Ended		Cumulative Period Ended	
	31/03/2023	31/03/2022	31/03/2023	31/03/2022
	RM	RM	RM	RM
Loss attributable to owners of the parent (RM)	(1,528,307)	(1,249,861)	(4,128,788)	(2,536,853)
Weighted average number of ordinary share in use	944,884,476	944,884,476	944,884,476	944,884,476
Basic loss per share (sen)	(0.16)	(0.13)	(0.44)	(0.27)

The loss for the year attributable to the parent's ordinary equity holders is not subjected to any dilutive elements.

**B11. Notes to the Statement of Profit and Loss and Other Comprehensive Income**

The following items have been charged in arriving at loss before tax:

	Individual Quarter Ended		Cumulative Period Ended	
	31/3/2023	31/3/2022	31/3/2023	31/3/2022
	RM	RM	RM	RM
Depreciation and amortisation	(411,548)	(412,513)	(1,276,663)	(1,361,818)
Interest expenses	(68,265)	(59,535)	(303,319)	(199,754)
Interest income	24,291	58,984	28,763	170,721
Provision for and write off of receivables	(4,404)	(5,212)	(15,514)	(29,689)

**B12. Authorised for Issue**

The Condensed Report was authorised for issue by the Board in accordance with a resolution of the Directors on 31 May 2023.