

CUSCAPI BERHAD

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR PROFIT AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2024
(The figures have not been audited)

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		CURRENT YEAR QUARTER ENDED 31/03/2024 RM	PRECEDING YEAR QUARTER ENDED 31/03/2023 RM	CURRENT YEAR TO DATE 31/03/2024 RM	PRECEDING YEAR TO DATE 31/03/2023 RM
REVENUE	A8	7,372,679	-	7,372,679	-
COST OF GOOD SOLD		(1,266,758)	-	(1,266,758)	-
AMORTISATION OF INTANGIBLE ASSET		(1,020,833)	-	(1,020,833)	-
GROSS PROFIT		5,085,088	-	5,085,088	-
OTHER OPERATING INCOME		411,933	-	411,933	-
OPERATING EXPENSES		(1,365,627)	-	(1,365,627)	-
PROFIT FROM OPERATIONS		4,131,394	-	4,131,394	-
FINANCE COSTS		(41,498)	-	(41,498)	-
PROFIT BEFORE TAXATION		4,089,896	-	4,089,896	-
TAXATION	B4	(110,502)	-	(110,502)	-
PROFIT FOR THE PERIOD		3,979,394	-	3,979,394	-
OTHER COMPREHENSIVE INCOME					
- FAIR VALUE LOSS ON OTHER INVESTMENT		(1,910)	-	(1,910)	-
- FOREIGN CURRENCY TRANSLATION		(69,218)	-	(69,218)	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		3,908,266	-	3,908,266	-
PROFIT ATTRIBUTABLE TO:					
OWNERS OF THE PARENT		3,984,827	-	3,984,827	-
NON-CONTROLLING INTEREST		(5,433)	-	(5,433)	-
		3,979,394	-	3,979,394	-
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:					
OWNERS OF THE PARENT		3,913,699	-	3,913,699	-
NON-CONTROLLING INTEREST		(5,433)	-	(5,433)	-
		3,908,266	-	3,908,266	-
Profit per share (sen)					
- Basic	B10	0.42	-	0.42	-

Notes:

1) The financial year end of the Group has been changed from 30 June to 31 December. As such, there will be no comparative financial information available for the financial period ended 31 March 2024.

2) 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 period ended 31 Decemebr 2023 and the accompanying notes attached to the interim financial reports.

CUSCAPI BERHAD
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2024

	(UNAUDITED) AS AT 31/03/2024 RM	(AUDITED) AS AT 31/12/2023 RM
NON-CURRENT ASSETS		
Property, plant and equipment	567,208	658,650
Right of use assets	307,100	477,462
Investment property	10,500,000	10,500,000
Intangible assets	9,495,334	10,516,168
Investment in associate	9,000,000	-
Other investments	13,360,998	13,361,935
Trade receivable	778,458	1,130,332
	<u>44,009,098</u>	<u>36,644,547</u>
CURRENT ASSETS		
Inventories	970,795	956,155
Trade & other receivables, prepayment	17,082,942	20,296,446
Tax recoverable	199,669	179,539
Digital assets	5,719,430	5,719,430
Cash and cash equivalents	1,435,984	583,620
	<u>25,408,820</u>	<u>27,735,190</u>
TOTAL ASSETS	<u>69,417,918</u>	<u>64,379,737</u>
EQUITY		
Share capital	203,374,573	203,374,573
Reserves	(145,975,998)	(149,889,697)
Equity attributable to owners of the parent	57,398,575	53,484,876
Non-controlling interest	(71,865)	(66,432)
TOTAL EQUITY	<u>57,326,710</u>	<u>53,418,444</u>
NON-CURRENT LIABILITIES		
Lease liabilities	58,553	44,129
Provision and retirement benefits obligations	144,574	155,658
	<u>203,127</u>	<u>199,787</u>
CURRENT LIABILITIES		
Lease liabilities	343,920	556,737
Trade & other payables	11,353,536	10,123,479
Current tax liabilities	190,625	81,290
	<u>11,888,081</u>	<u>10,761,506</u>
TOTAL LIABILITIES	<u>12,091,208</u>	<u>10,961,293</u>
TOTAL EQUITY AND LIABILITIES	<u>69,417,918</u>	<u>64,379,737</u>
Net assets per share attributable to owners of the parent (RM)	0.061	0.057

The unaudited Condensed Consolidated Statements of Financial Position should be read in conjunction with the audited financial statements for the financial period ended 31 December 2023 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 2024
(The figures have not been audited)

	Attributable to Owners of the Parent				Total RM	Non-controlling Interest RM	Total Equity RM
	Share Capital RM	Other Reserve RM	Translation Reserve RM	Accumulated Loss RM			
As at 1 January 2024	203,374,573	(2,835,427)	12,947,103	(160,001,373)	53,484,876	(66,432)	53,418,444
Net profit for the period	-	-	-	3,984,827	3,984,827	(5,433)	3,979,394
Other comprehensive income							
- Foreign currency translation	-	-	(69,218)	-	(69,218)	-	(69,218)
- Fair value loss on other investments	-	(1,910)	-	-	(1,910)	-	(1,910)
	-	(1,910)	(69,218)	3,984,827	3,913,699	(5,433)	3,908,266
As at 31 March 2024	203,374,573	(2,837,337)	12,877,885	(156,016,546)	57,398,575	(71,865)	57,326,710
	Share Capital RM	Other Reserve RM	Translation Reserve RM	Accumulated Loss RM	Total RM	Non-controlling Interest RM	Total Equity RM
As at 1 January 2023	-	-	-	-	-	-	-
Net profit for the period	-	-	-	-	-	-	-
Other comprehensive income							
- Foreign currency translation	-	-	-	-	-	-	-
- Fair value loss on other investments	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
As at 31 March 2023	-	-	-	-	-	-	-

Notes:

1) The financial year end of the Group has been changed from 30 June to 31 December. As such, there will be no comparative financial information available for the financial period ended 31 March 2024.

2) The unaudited Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the audited financial statements for the financial period ended 31 December 2023 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 2024
(The figures have not been audited)**

	31/03/2024 RM	31/03/2023 RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	4,089,896	-
Adjustments for :-		
Non-cash items	1,260,440	-
Non-operating items	40,406	-
Operating profit before changes in working capital	<u>5,390,742</u>	-
Net changes in current assets	3,549,364	-
Net changes in current liabilities	1,147,267	-
Cash flows generated from operation	<u>10,087,373</u>	-
Taxation	(20,130)	-
Net cash generated from operating activities	<u>10,067,243</u>	-
CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES		
Investment in associate	(9,000,000)	-
Interest received	1,092	-
Net cash generated from/(used in) investing activities	<u>(8,998,908)</u>	-
CASH FLOWS USED IN FINANCING ACTIVITIES		
Payment to lease liabilities	(215,971)	-
Net cash used in financing activities	<u>(215,971)</u>	-
NET CHANGES IN CASH AND CASH EQUIVALENTS	852,364	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR	<u>583,620</u>	-
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	<u>1,435,984</u>	-

Notes:

1) The financial year end of the Group has been changed from 30 June to 31 December. As such, there will be no comparative financial information available for the financial period ended 31 March 2024.

2) The unaudited Condensed Consolidated Statements of Cash Flow should be read in conjunction with the audited financial statements for the financial period ended 31 December 2023 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 2024

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 period ended 31 December 2023. 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 period ended 31 December 2023.

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 period ended 31 December 2023, except for the adoption of a number of new amendments that are mandatory for the financial period beginning on or after 1 January 2024.

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 period ended 31 December 2023 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 business segment of information technology ("IT") services. The segmental geographical revenue by region and results for the three (3) months financial period ended 31 March 2024 are as follows: -

31 MARCH 2024	Malaysia RM' 000	Other than Malaysia RM' 000	Elimination RM' 000	Consolidation RM' 000
External Sales	7,541	528	(696)	7,373
Segment Results	5,585	(171)	-	5,414
Finance Cost	(14)	(28)	-	(42)
Depreciation and Amortisation	(1,244)	(38)	-	(1,282)
Consolidated Profit Before Tax				4,090
ASSETS				
<i>Segment Assets</i>	66,720	2,698	-	69,418
LIABILITIES				
<i>Segment Liabilities</i>	9,782	2,309	-	12,091
OTHER INFORMATION				
<i>Capital Expenditure on:-</i>				
<i>Property, plant and Equipment</i>	-	-	-	-
<i>Depreciation and Amortisation</i>	1,244	38	-	1,282

31 MARCH 2023	Malaysia RM' 000	Other than Malaysia RM' 000	Elimination RM' 000	Consolidation RM' 000
External Sales	-	-	-	-
Segment Results	-	-	-	-
Finance Cost	-	-	-	-
Depreciation and Amortisation	-	-	-	-
Consolidated Profit Before Tax				-
ASSETS				
<i>Segment Assets</i>	-	-	-	-
LIABILITIES				
<i>Segment Liabilities</i>	-	-	-	-
OTHER INFORMATION				
<i>Capital Expenditure on:-</i>				
<i>Property, plant and Equipment</i>	-	-	-	-
<i>Depreciation and Amortisation</i>	-	-	-	-

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

There were no changes in the composition of the Group for the current financial quarter under review.

A12. Changes in Contingent Liabilities and Assets

There were no contingent liabilities and contingent assets since the last annual reporting date as at 31 December 2023.

A13. Capital Commitments

There were no capital commitments during the current financial quarter under review.

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 and Current Year Quarter

	Current Year to Date 31 March 2024	Preceding Year to Date 31 March 2023	Current Year First (1 st) Quarter 31 March 2024	Preceding Year First (1 st) Quarter 31 March 2023
	RM	RM	RM	RM
Revenue	7,372,679	-	7,372,679	-
Profit before tax	4,089,896	-	4,089,896	-

The Group posted revenue of RM7.37 million and profit before taxation of RM4.089 million for the current year-to-date and current quarter under review, respectively.

The revenue contribution for the current year to date and the current financial quarter mainly arose from the software sales.

The operating expenses of the Group for the current year-to-date and current financial quarter mainly consist of staff related expenses, depreciation and amortisation expenses, finance cost and other operating expenses.

No comparative financial information will be available for the previous year due to the Group changing its financial year-end from 30 June to 31 December.

B.1.2 Current Year Quarter Versus Immediate Preceding Quarter

	Current Year First (1 st) Quarter 31 March 2024	Immediate Preceding Sixth (6 th) Quarter 31 December 2023	Variance	
	RM	RM	RM	%
Revenue	7,372,679	13,858,794	(6,486,115)	-47%
Profit before tax	4,089,896	4,022,205	67,691	2%

For the current year quarter ended 31 March 2024 under review, the Group's revenue decreased compared to the immediate preceding quarter ended 31 December 2023, mainly due to the decrease in trading of digital assets.

For the current year quarter ended 31 March 2024 under review, the Group recorded a profit before taxation of RM4.089 million as compared to the immediate preceding quarter ended 31 December 2023 of profit before taxation of RM4 million, mainly attributable to:

Description	RM	Note
Decrease in gross profit	(820,699)	
Increase in other operating income	268,686	1
Decrease in operating expenses	619,704	2
Net increase in profit before tax	67,691	

Notes:

1. The increase in other operating income is mainly due to lower sundry income and reversal of bad debts written off during the current financial quarter ended 31 March 2024.
2. The decrease in operating expenses is mainly due to lower provision of doubtful debts, sundry expenses and late payment interest during the current financial quarter ended 31 March 2024.

B2. Prospects

In March 2024, the World Bank states that East Asia and Pacific is growing slower than it was before the pandemic. Regional growth is projected to ease to 4.5% in 2024 from 5.1% last year. The downside risks include slowdown in the global economy, higher interest rates, uncertainty around global economic policies, and escalating geopolitical tensions.

According to Bank Negara Malaysia (“BNM”) in May 2024, headline and core inflation averaged 1.7% and 1.8% in the first quarter of 2024 respectively, and are projected to average between 2.0% - 3.5% for the year. The outlook for the rest of 2024 hinges on the implementation of domestic policies on subsidies and price controls, global commodity prices and financial market developments.

Given the dynamic economic environment, Cuscapi will continue to be prudent in its operational costs and efficiency optimization. The Group will leverage on its extensive customer networks and regional presence to actively pursue new growth opportunities. Cuscapi has also forged new strategic partnerships to upsell and cross-sell new solution and broaden its customer base.

The implementation of its business plan has been successful, evident in the growth of Cuscapi’s revenue streams and improved profitability through increased software sales and cost reduction initiatives.

The Group remains ever vigilant in ensuring that Cuscapi stays competitive in the current landscape to achieve sustainable growth. The Board is optimistic that the Company will continue to perform positively.

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	
	31/3/2024	31/3/2023	31/3/2024	31/3/2023
	RM	RM	RM	RM
Current income tax provision	(110,502)	-	(110,502)	-
	(110,502)	-	(110,502)	-

B5. Corporate Proposals

No corporate proposals were announced during the financial quarter ended 31 March 2024.

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

- Writ of Summon and Statement of Claim (High Court of Malaya at Kuala Lumpur Suit No. WA-22NCvC-542-09/2023)

- Her Chor Siong ("the Plaintiff") v the Company ("the 1st Defendant") & Former Principal Officer ("the 2nd Defendant") (collectively referred as "the Defendants")

Reference is made to the announcements dated 3 October 2023, 21 December 2023, 1 April 2024 and 4 April 2024.

On 1 April 2024, the High Court of Kuala Lumpur has fixed the decision for the Defendants' Notice of Application dated 20 December 2023, an application to strike out the Plaintiff's Writ and Statement of Claim ("Enclosure 9") ("Decision") on 4 April 2024 via Zoom conference.

The High Court of Kuala Lumpur has allowed Enclosure 9 i.e. the Plaintiff's claim is struck out, with the costs of RM10,000.00 to be paid to each Defendants by the Plaintiff. As a result of the Plaintiff's entire action being struck out, the Plaintiff's Notice of Application dated 13 December 2023, an application for disposal of case on point of law ("Enclosure 7") was equally struck out.

On 25 April 2024, the Plaintiff has filed and served to Cuscapi's solicitors a Notice of Appeal dated 24 April 2024 to appeal against the entirety of the decision of the High Court of Kuala Lumpur made on 4 April 2024.

Cuscapi is seeking the necessary legal advice from its solicitors to resolve and/or defend against this matter, and is of the view that saved for the above-mentioned potential liability, the dispute is not expected to have any material financial and operational impact on Cuscapi Group.

Cuscapi will make the necessary announcement on material development in respect of this from time to time.

B9. Dividends

The Board has not recommended any dividend for the financial quarter ended 31 March 2024.

B10. Profit per Share

Basic profit per share

The profit per share is calculated by dividing the net profit attributable to ordinary owners of the parent by the weighted average number of ordinary shares in issue during the financial year.

	Individual Quarter Ended		Cumulative Period Ended	
	31/3/2024	31/3/2023	31/3/2024	31/3/2023
	RM	RM	RM	RM
Profit attributable to owners of the parent (RM)	3,984,827	-	3,984,827	-
Weighted average number of ordinary share in use	944,884,476	-	944,884,476	-
Basic profit per share (sen)	0.42	-	0.42	-

The profit 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 profit before tax:

	Individual Quarter Ended		Cumulative Period Ended	
	31/3/2024	31/3/2023	31/3/2024	31/3/2023
	RM	RM	RM	RM
Depreciation and amortisation	(1,281,970)	-	(1,281,970)	-
Interest expenses	(41,498)	-	(41,498)	-
Interest income	1,092	-	1,092	-
Provision for and write off of receivables	(1,374)	-	(1,374)	-

B12. Authorised for Issue

The Condensed Report was authorised for issue by the Board in accordance with a resolution of the Directors on 20 May 2024.