

CUSCAPI BERHAD

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2023
(The figures have not been audited)

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		CURRENT YEAR QUARTER ENDED 30/06/2023 RM	PRECEDING YEAR QUARTER ENDED 30/06/2022 RM	CURRENT YEAR TO DATE 30/06/2023 RM	PRECEDING YEAR TO DATE 30/06/2022 RM
REVENUE	A8	5,233,605	1,750,054	10,699,765	9,902,028
COST OF GOOD SOLD		(2,134,218)	(1,898,807)	(6,648,092)	(7,306,244)
GROSS PROFIT/(LOSS)		3,099,387	(148,753)	4,051,673	2,595,784
OTHER OPERATING INCOME		230,898	1,476,421	884,716	2,543,417
OPERATING EXPENSES		(2,114,014)	(3,034,587)	(7,487,874)	(9,085,617)
PROFIT/(LOSS) FROM OPERATIONS		1,216,271	(1,706,919)	(2,551,485)	(3,946,416)
FINANCE COSTS		(64,581)	(948,179)	(367,900)	(1,147,933)
PROFIT/(LOSS) BEFORE TAXATION		1,151,690	(2,655,098)	(2,919,385)	(5,094,349)
TAXATION	B4	(64,234)	(106,532)	(132,603)	(212,161)
PROFIT/(LOSS) FOR THE PERIOD		1,087,456	(2,761,630)	(3,051,988)	(5,306,510)
OTHER COMPREHENSIVE INCOME					
- FAIR VALUE PROFIT/(LOSS) ON OTHER INVESTMENT		5,373	(3,294,782)	(1,308,584)	(2,252,316)
- FOREIGN CURRENCY TRANSLATION		437,045	455,831	861,397	224,928
TOTAL COMPREHENSIVE PROFIT/(LOSS) FOR THE PERIOD		1,529,874	(5,600,581)	(3,499,175)	(7,333,898)
PROFIT/(LOSS) ATTRIBUTABLE TO:					
OWNERS OF THE PARENT		1,093,665	(2,758,336)	(3,035,123)	(5,295,189)
NON-CONTROLLING INTEREST		(6,209)	(3,294)	(16,865)	(11,321)
		1,087,456	(2,761,630)	(3,051,988)	(5,306,510)
TOTAL COMPREHENSIVE PROFIT/(LOSS) ATTRIBUTABLE TO:					
OWNERS OF THE PARENT		1,536,083	(5,597,287)	(3,482,310)	(7,322,577)
NON-CONTROLLING INTEREST		(6,209)	(3,294)	(16,865)	(11,321)
		1,529,874	(5,600,581)	(3,499,175)	(7,333,898)
Profit/(Loss) per share (sen)					
- Basic	B10	0.12	(0.31)	(0.32)	(0.59)

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 30 JUNE 2023

	(UNAUDITED) AS AT 30/6/2023 RM	(AUDITED) AS AT 30/6/2022 RM
NON-CURRENT ASSETS		
Property, plant and equipment	913,997	1,701,724
Right of use assets	1,124,040	1,862,928
Investment property	10,112,400	10,112,400
Intangible assets	12,557,834	13,238,390
Other investments	25,651,939	30,797,349
Trade Receivable	1,103,910	1,091,744
	<u>51,464,120</u>	<u>58,804,535</u>
CURRENT ASSETS		
Inventories	1,185,365	1,434,014
Trade & other receivables, prepayment	6,654,272	2,737,071
Tax recoverable	335,260	275,216
Cash and short-term deposits	875,133	16,752,695
	<u>9,050,030</u>	<u>21,198,996</u>
TOTAL ASSETS	<u>60,514,150</u>	<u>80,003,531</u>
EQUITY		
Share capital	203,374,573	203,374,573
Reserves	(154,591,578)	(151,109,268)
Equity attributable to owners of the parent	48,782,995	52,265,305
Non-controlling interest	(100,035)	(83,170)
TOTAL EQUITY	<u>48,682,960</u>	<u>52,182,135</u>
NON-CURRENT LIABILITIES		
Lease liabilities	238,384	965,765
Provision and retirement benefits obligations	96,766	170,085
	<u>335,150</u>	<u>1,135,850</u>
CURRENT LIABILITIES		
Lease liabilities	1,102,889	2,641,793
Trade & other payables	10,311,798	23,819,380
Current tax liabilities	81,353	224,373
	<u>11,496,040</u>	<u>26,685,546</u>
TOTAL LIABILITIES	<u>11,831,190</u>	<u>27,821,396</u>
TOTAL EQUITY AND LIABILITIES	<u>60,514,150</u>	<u>80,003,531</u>
Net assets per share attributable to owners of the parent (RM)	0.052	0.058

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 30 JUNE 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
As at 1 July 2022	203,374,573	(1,538,581)	12,326,188	(161,896,875)	52,265,305	(83,170)	52,182,135
Net loss for the period	-	-	-	(3,035,123)	(3,035,123)	(16,865)	(3,051,988)
Other comprehensive income							
- Foreign currency translation	-	-	861,397	-	861,397	-	861,397
- Fair value loss on other investments	-	(1,308,584)	-	-	(1,308,584)	-	(1,308,584)
	-	(1,308,584)	861,397	(3,035,123)	(3,482,310)	(16,865)	(3,499,175)
As at 30 June 2023	203,374,573	(2,847,165)	13,187,585	(164,931,998)	48,782,995	(100,035)	48,682,960
	Share Capital RM	Other Reserve RM	Translation Reserve RM	Accumulated Loss RM	Total RM	Non-controlling Interest RM	Total Equity RM
As at 1 July 2021 (Restated)	181,114,569	713,735	12,101,260	(156,601,686)	37,327,878	(71,849)	37,256,029
Net loss for the period	-	-	-	(5,295,189)	(5,295,189)	(11,321)	(5,306,510)
Other comprehensive income							
- Foreign currency translation	-	-	224,928	-	224,928	-	224,928
- Fair value loss on other investments	-	(2,252,316)	-	-	(2,252,316)	-	(2,252,316)
- Issuance of shares	22,260,004	-	-	-	22,260,004	-	22,260,004
	22,260,004	(2,252,316)	224,928	(5,295,189)	14,937,427	(11,321)	14,926,106
As at 30 June 2022	203,374,573	(1,538,581)	12,326,188	(161,896,875)	52,265,305	(83,170)	52,182,135

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 30 JUNE 2023
(The figures have not been audited)

	30/06/2023	30/06/2022
	RM	RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before tax	(2,919,385)	(5,094,349)
Adjustments for :-		
Non-cash items	2,732,221	282,496
Non-operating items	(170,700)	862,045
Operating loss before changes in working capital	<u>(357,864)</u>	<u>(3,949,808)</u>
Net changes in current assets	12,154,138	2,068,277
Net changes in current liabilities	(9,482,598)	(4,830,370)
Cash flows generated from/(used in) operation	<u>2,313,676</u>	<u>(6,711,901)</u>
Taxation	(179,178)	(121,084)
Net cash generated from/(used in) operating activities	<u>2,134,498</u>	<u>(6,832,985)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	31,191	227,268
Net changes of other investment	467,802	(14,968,584)
Net changes of property, plant and equipment	(72,963)	(488,341)
Withdrawn of fixed deposit held as security	-	(324,383)
Net cash generated from/(used in) investing activities	<u>426,030</u>	<u>(15,554,040)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	-	(31,406)
Payment to lease liabilities	(2,453,919)	(217,663)
Proceeds from issuance of share capital	-	22,260,004
Net cash (used in)/generated from financing activities	<u>(2,453,919)</u>	<u>22,010,935</u>
NET CHANGES IN CASH AND CASH EQUIVALENTS	106,609	(376,090)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	<u>768,524</u>	<u>1,144,614</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD	<u>875,133</u>	<u>768,524</u>
Analysis of cash and cash equivalents:-		
Short-term deposits placed with licensed banks	-	15,905,196
Cash and bank balances	875,133	847,499
	<u>875,133</u>	<u>16,752,695</u>
Less : Fixed deposits held as security value	-	(15,984,171)
	<u>875,133</u>	<u>768,524</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 30 JUNE 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 twelve (12) months financial period ended 30 June 2023 are as follows: -

30 JUNE 2023	Malaysia RM' 000	Other than Malaysia RM' 000	Elimination RM' 000	Consolidation RM' 000
External Sales	9,302	3,445	(2,047)	10,700
Segment Results	707	(960)	-	(253)
Finance Cost	(67)	(301)	-	(368)
Depreciation and Amortisation	(1,928)	(370)	-	(2,298)
Consolidated Loss Before Tax				(2,919)
ASSETS				
<i>Segment Assets</i>	56,600	3,914	-	60,514
LIABILITIES				
<i>Segment Liabilities</i>	8,922	2,909	-	11,831
OTHER INFORMATION				
<i>Capital Expenditure on:-</i>				
<i>Property, plant and Equipment</i>	73	-	-	73
<i>Depreciation and Amortisation</i>	1,928	370	-	2,298

30 JUNE 2022	Malaysia RM' 000	Other than Malaysia RM' 000	Elimination RM' 000	Consolidation RM' 000
External Sales	6,854	6,211	(3,163)	9,902
Segment Results	(3,046)	894	-	(2,152)
Finance Cost	(1,109)	(39)	-	(1,148)
Depreciation and Amortisation	(1,459)	(335)	-	(1,794)
Consolidated Loss Before Tax				(5,094)
ASSETS				
<i>Segment Assets</i>	75,604	4,400	-	80,004
LIABILITIES				
<i>Segment Liabilities</i>	24,418	3,403	-	27,821
OTHER INFORMATION				
<i>Capital Expenditure on:-</i>				
<i>Property, plant and Equipment</i>	445	43	-	488
<i>Depreciation and Amortisation</i>	1,459	335	-	1,794

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 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 Fourth(4 th) Quarter 30 June 2023 RM	Preceding Year Fourth(4 th) Quarter 30 June 2022 RM	Variance	
			RM	%
Revenue	10,699,765	9,902,028	797,737	8%
Loss before tax	(2,919,385)	(5,094,349)	2,174,964	-43%

For the cumulative twelve (12) months ended 30 June 2023 under review, the Group's revenue increased by 8% compared to the preceding year corresponding quarter ended 30 June 2022. The increase was mainly due to the increase in revenue from software.

In the current year-to-date quarter ended 30 June 2023, the Group recorded a loss before tax of approximately RM2.9 million as compared to the preceding year-to-date quarter ended 30 June 2022 of RM5 million, mainly attributable to the following: -

Description	RM	Note
Increase in gross profit	1,455,889	1
Decrease in other operating income	(1,658,701)	2
Decrease in operating expenses	2,377,776	3
Net decrease in loss before tax	2,174,964	

Notes:

- Gross profit increased mainly due to higher revenue from software sales and lower of direct staff cost during the current financial quarter to date ended 30 June 2023.
- There was a decrease in other operating income mainly due to lower sundry income, foreign exchange gain and fixed deposits interest during the current financial quarter to date ended 30 June 2023.
- Operating expenses decreased due to lower staff-related costs, depreciation expenses, late payment interest and finance cost during the current financial quarter to date ended on 30 June 2023.

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B.1.2 Current Year Quarter Versus Preceding Year Quarter

	Current Year Fourth(4 th) Quarter 30 June 2023 RM	Preceding Year Fourth(4 th) Quarter 30 June 2022 RM	Variance	
			RM	%
Revenue	5,233,605	1,750,054	3,483,551	199%
Profit/ (Loss) before tax	1,151,690	(2,655,098)	3,806,788	-143%

The Group recorded revenue of RM5.2 million and a profit before tax of RM1.1 million for the current year quarter ended 30 June 2023 under review as compared to the preceding year quarter ended 30 June 2022 revenue of RM1.7 million and loss before tax of RM2.6 million, mainly attributable to the following: -

Description	RM	Note
Increase in gross profit	3,248,140	1
Decrease in other operating income	(1,245,523)	2
Decrease in operating expenses	1,804,171	3
Net decrease in loss before tax	3,806,788	

Notes:

1. Increase in gross profit mainly due to higher revenue from software sales and lower inventories written off compared to the preceding year quarter during the current year quarter ended 30 June 2023.
2. Decrease in other operating income in the current quarter ended 30 June 2023 mainly due to lower of sundry income and foreign exchange gain in the preceding quarter.
3. Decrease in operating expenses in the current year quarter ended 30 June 2023 mainly due to lower staff related cost, provision of doubtful debts, late payment interest and finance cost.

B.1.3 Current Year Quarter Versus Immediate Preceding Quarter

	Current Year Fourth(4 th) Quarter 30 June 2023 RM	Immediate Preceding Third (3 rd) Quarter 31 March 2023 RM	Variance	
			RM	%
Revenue	5,233,605	1,393,119	3,840,486	276%
Profit/ (Loss) before tax	1,151,690	(1,632,259)	2,783,949	-171%

For the current year quarter ended 30 June 2023 under review, the Group's revenue increased by 276% compared to the immediate preceding quarter ended 31 March 2023 mainly due to higher revenue from software sales.

For the current year quarter ended 30 June 2023 under review, the Group recorded a profit before taxation of RM1.1 million as compared to the immediate preceding quarter ended 31 March 2023 of loss before taxation of RM1.6 million, mainly attributable to:

Description	RM	Note
Increase in gross profit	3,077,028	1
Increase in other operating income	124,830	2
Increase in operating expenses	(417,909)	3
Net decrease in loss before tax	2,783,949	

Notes:

1. The increase in gross profit in the current year's fourth quarter, which ended 30 June 2023, was mainly due to higher revenue from the software sales compared to the immediate preceding third quarter, which ended 31 March 2023.
2. Increase in other operating income in the current quarter ended 30 June 2023 mainly due to higher sundry income and grant income from Government.
3. Operating expenses increased mainly due to higher foreign exchange loss and provision of doubtful debts during the current financial quarter ended 30 June 2023.

B2. Prospects

In July 2023, the International Monetary Fund ("IMF") forecasts the world economic growth to slow from last year's 3.5% to 3% this year. Global activity is losing momentum - the tightening of monetary policy has weighed on activity, slowing the growth of credit to the non-financial sector, increasing households' and firms' interest payments, and putting pressure on real estate markets.

Bank Negara Malaysia ("BNM") expects the headline and core inflation in Malaysia to remain elevated above historical average in 2023 amid firm demand conditions. The balance of risk to the inflation outlook is tilted to the upside and remains highly subject to any changes in domestic policy, financial market developments and global commodity prices.

As the economy remains buffeted by multiple shocks, Cuscapi will continue to enhance and diversify 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. Barring any unforeseen circumstances, the Board of Directors is positive on the Group's prospects for the future.

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	
	30/06/2023	30/06/2022	30/06/2023	30/06/2022
	RM	RM	RM	RM
Current income tax provision	(64,234)	(106,532)	(132,603)	(212,161)
	(64,234)	(106,532)	(132,603)	(212,161)

B5. Corporate Proposals

There were no corporate proposals announced during the financial quarter ended 30 June 2023.

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 quarter ended 30 June 2023.

B10. Profit / (Loss) Per Share**Basic profit / (loss) per share**

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

The profit / (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	
	30/06/2023	30/06/2022	30/06/2023	30/06/2022
	RM	RM	RM	RM
Profit / (Loss) attributable to owners of the parent (RM)	1,093,665	(2,758,336)	(3,035,123)	(5,295,189)
Weighted average number of ordinary share in use	944,884,476	898,675,616	944,884,476	898,675,616
Basic profit / (loss) per share (sen)	0.12	(0.31)	(0.32)	(0.59)

The profit / (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 profit / (loss) before tax:

	Individual Quarter Ended		Cumulative Period Ended	
	30/06/2023	30/06/2022	30/06/2023	30/06/2022
	RM	RM	RM	RM
Depreciation and amortisation	(1,089,104)	(412,513)	(2,297,943)	(1,794,152)
Interest expenses	(64,581)	(948,179)	(367,900)	(1,147,933)
Interest income	2,427	56,548	31,191	227,268
Provision for and write off of receivables	(133,801)	(725,566)	(149,314)	(755,255)

B12. Authorised for Issue

The Condensed Report was authorised for issue by the Board in accordance with a resolution of the Directors on 30 August 2023.