

CUSCAPI BERHAD

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

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		CURRENT YEAR QUARTER ENDED 30/09/2023 RM	PRECEDING YEAR QUARTER ENDED 30/09/2022 RM	CURRENT YEAR TO DATE 30/09/2023 RM	PRECEDING YEAR TO DATE 30/09/2022 RM
REVENUE	A8	3,827,453	-	14,527,218	-
COST OF GOOD SOLD		(1,315,643)	-	(7,963,735)	-
GROSS PROFIT		2,511,810	-	6,563,483	-
OTHER OPERATING INCOME		180,592	-	1,065,308	-
OPERATING EXPENSES		(1,484,214)	-	(8,972,088)	-
LOSS FROM OPERATIONS		1,208,188	-	(1,343,297)	-
FINANCE COSTS		(150,089)	-	(517,989)	-
PROFIT/(LOSS) BEFORE TAXATION		1,058,099	-	(1,861,286)	-
TAXATION	B4	(33,098)	-	(165,701)	-
PROFIT/(LOSS) FOR THE PERIOD		1,025,001	-	(2,026,987)	-
OTHER COMPREHENSIVE INCOME					
- FAIR VALUE (LOSS)/GAIN ON OTHER INVESTMENT		725,380	-	(583,204)	-
- FOREIGN CURRENCY TRANSLATION		(20,770)	-	840,627	-
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD		1,729,611	-	(1,769,564)	-
PROFIT/(LOSS) ATTRIBUTABLE TO:					
OWNERS OF THE PARENT		1,019,575	-	(2,015,548)	-
NON-CONTROLLING INTEREST		5,426	-	(11,439)	-
		1,025,001	-	(2,026,987)	-
TOTAL COMPREHENSIVE PROFIT/(LOSS) ATTRIBUTABLE TO:					
OWNERS OF THE PARENT		1,724,185	-	(1,758,125)	-
NON-CONTROLLING INTEREST		5,426	-	(11,439)	-
		1,729,611	-	(1,769,564)	-
Profit/(Loss) per share (sen)					
- Basic	B10	0.11	-	(0.21)	-

Notes:

1) The financial year end of the Group has been changed from 30 June to 31 December. As such, the next set of audited financial statements shall be for a period of eighteen (18) months from 1 July 2022 to 31 December 2023. There will be no comparative financial information available for the quarter ended 30 September 2023.

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 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 SEPTEMBER 2023

	(UNAUDITED) AS AT 30/9/2023 RM	(AUDITED) AS AT 30/6/2022 RM
NON-CURRENT ASSETS		
Property, plant and equipment	786,678	1,701,724
Right of use assets	1,041,370	1,862,928
Investment property	10,112,400	10,112,400
Intangible assets	12,826,095	13,238,390
Other investments	24,357,761	30,797,349
Trade Receivable	1,032,015	1,091,744
	<u>50,156,319</u>	<u>58,804,535</u>
CURRENT ASSETS		
Inventories	1,139,308	1,434,014
Trade & other receivables, prepayment	9,084,697	2,737,071
Tax recoverable	352,194	275,216
Cash and short-term deposits	1,019,836	16,752,695
	<u>11,596,035</u>	<u>21,198,996</u>
TOTAL ASSETS	<u>61,752,354</u>	<u>80,003,531</u>
EQUITY		
Share capital	203,374,573	203,374,573
Reserves	(152,867,393)	(151,109,268)
Equity attributable to owners of the parent	50,507,180	52,265,305
Non-controlling interest	(94,609)	(83,170)
TOTAL EQUITY	<u>50,412,571</u>	<u>52,182,135</u>
NON-CURRENT LIABILITIES		
Lease liabilities	198,910	965,765
Provision and retirement benefits obligations	99,406	170,085
	<u>298,316</u>	<u>1,135,850</u>
CURRENT LIABILITIES		
Lease liabilities	1,028,853	2,641,793
Trade & other payables	9,902,257	23,819,380
Current tax liabilities	110,357	224,373
	<u>11,041,467</u>	<u>26,685,546</u>
TOTAL LIABILITIES	<u>11,339,783</u>	<u>27,821,396</u>
TOTAL EQUITY AND LIABILITIES	<u>61,752,354</u>	<u>80,003,531</u>
Net assets per share attributable to owners of the parent (RM)	0.053	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 SEPTEMBER 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	-	-	-	(2,015,548)	(2,015,548)	(11,439)	(2,026,987)
Other comprehensive income							
- Foreign currency translation	-	-	840,627	-	840,627	-	840,627
- Fair value loss on other investments	-	(583,204)	-	-	(583,204)	-	(583,204)
	-	(583,204)	840,627	(2,015,548)	(1,758,125)	(11,439)	(1,769,564)
As at 30 September 2023	203,374,573	(2,121,785)	13,166,815	(163,912,423)	50,507,180	(94,609)	50,412,571
	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)	-	-	-	-	-	-	-
Net loss for the period	-	-	-	-	-	-	-
Other comprehensive income							
- Foreign currency translation	-	-	-	-	-	-	-
- Fair value loss on other investments	-	-	-	-	-	-	-
- Issuance of shares	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
As at 30 September 2022	-	-	-	-	-	-	-

Notes:

1) The financial year end of the Group has been changed from 30 June to 31 December. As such, the next set of audited financial statements shall be for a period of eighteen (18) months from 1 July 2022 to 31 December 2023. There will be no comparative financial information available for the quarter ended 30 September 2023.

2) 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 SEPTEMBER 2023
(The figures have not been audited)**

	30/09/2023	30/09/2022
	RM	RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before tax	(1,861,286)	-
Adjustments for :-		
Non-cash items	2,899,134	-
Non-operating items	(17,352)	-
Operating loss before changes in working capital	1,020,496	-
Net changes in current assets	9,833,477	-
Net changes in current liabilities	(8,132,820)	-
Cash flows generated from/(used in) operation	2,721,153	-
Taxation	(190,510)	-
Net cash generated from/(used in) operating activities	2,530,643	-
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	32,835	-
Net changes of other investment	462,898	-
Net changes of right of use assets	(111,910)	-
Net changes of property, plant and equipment	(62,447)	-
Net cash generated from/(used in) investing activities	321,376	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment to lease liabilities	(2,600,707)	-
Net cash (used in)/generated from financing activities	(2,600,707)	-
NET CHANGES IN CASH AND CASH EQUIVALENTS	251,312	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR	768,524	-
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	1,019,836	-

Notes:

1) The financial year end of the Group has been changed from 30 June to 31 December. As such, the next set of audited financial statements shall be for a period of eighteen (18) months from 1 July 2022 to 31 December 2023. There will be no comparative financial information available for the quarter ended 30 September 2023.

2) 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 SEPTEMBER 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 fifteenth (15) month financial period ended 30 September 2023 are as follows: -

30 SEPTEMBER 2023	Malaysia RM' 000	Other than Malaysia RM' 000	Elimination RM' 000	Consolidation RM' 000
External Sales	15,808	4,145	(5,426)	14,527
Segment Results	3,441	(1,139)	-	2,302
Finance Cost	(92)	(426)	-	(518)
Depreciation and Amortisation	(3,188)	(457)	-	(3,645)
Consolidated Loss Before Tax				(1,861)
ASSETS				
<i>Segment Assets</i>	58,072	3,680	-	61,752
LIABILITIES				
<i>Segment Liabilities</i>	8,414	2,926	-	11,340
OTHER INFORMATION				
<i>Capital Expenditure on:-</i>				
<i>Property, plant and Equipment</i>	81	-	-	81
<i>Depreciation and Amortisation</i>	3,188	457	-	3,645

30 SEPTEMBER 2022	Malaysia RM' 000	Other than Malaysia RM' 000	Elimination RM' 000	Consolidation RM' 000
External Sales	-	-	-	-
Segment Results	-	-	-	-
Finance Cost	-	-	-	-
Depreciation and Amortisation	-	-	-	-
Consolidated Loss 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 30 June 2022.

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 30 September 2023	Preceding Year to Date 30 September 2022	Current Year Fifth (5th) Quarter 30 September 2023	Preceding Year Fifth (5th) Quarter 30 September 2022
	RM	RM	RM	RM
Revenue	14,527,218	-	3,827,453	-
Profit/(Loss) before tax	(1,861,286)	-	1,058,099	-

The Group posted revenue of RM14.5 million and RM3.8 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 higher revenue from 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 Fifth (5 th) Quarter 30 September 2023	Immediate Preceding Fourth (4 th) Quarter 30 June 2023	Variance	
	RM	RM	RM	%
Revenue	3,827,453	5,233,605	(1,406,152)	-27%
Profit before tax	1,058,099	1,151,690	(93,591)	-8%

For the current year quarter ended 30 September 2023 under review, the Group's revenue decreased by 27% compared to the immediate preceding quarter ended 30 June 2023, mainly due to lower revenue from software and related sales.

For the current year quarter ended 30 September 2023 under review, the Group recorded a profit before taxation of RM1million as compared to the immediate preceding quarter ended 30 June 2023 of profit before taxation of RM1.1 million, mainly attributable to:

Description	RM	Note
Decrease in gross profit	(587,577)	1
Decrease in other operating income	(50,306)	2
Decrease in operating expenses	544,292	3
Net decrease in profit before tax	(93,591)	

Notes:

1. The decreased gross profit in the current year's fifth quarter, which ended 30 September 2023, was mainly due to lower revenue from the software and related sales, and higher amortisation expenses compared to the immediate preceding fourth quarter, which ended 30 June 2023.
2. Decreased in other operating income in the current quarter ended 30 September 2023 mainly due to lower sundry income.
3. Decreased operating expenses mainly due to lower foreign exchange loss and provision of doubtful debts during the current financial quarter ended 30 September 2023.

B2. Prospects

In October 2023, the International Monetary Fund ("IMF") forecasts the global economic recovery from the COVID-19 pandemic and Russia's invasion of Ukraine to slow from 3.5% in 2022 to 3.0% in 2023 and 2.9% in 2024. With China's property sector crisis plus climate and geopolitical shocks, food and energy price have spiked and more than half of low-income developing countries are in or at high risk of debt distress.

According to Bank Negara Malaysia ("BNM") in August 2023, Malaysia's GDP growth slowed to 3.3% in Q3 2023 and is weighed down by slower external demands. Our production in the agriculture and mining sectors were affected by the hot weather and our core inflation remains elevated. Ringgit also depreciated by 5.8% in Q2 2023.

In view of the current challenging economic environment, Cuscapi will remain vigilant and leverage on its extensive customer networks to actively pursue new growth opportunities in its core F&B and Automotive IT solutions. The Group will look at new strategic partnerships, upsell additional modules and expand the customer base for its business.

Cuscapi is also proud to be selected as a recipient of MDEC's Global Technology Grant (GTG) in September 2022 and as a Digital Partner (DP) in MDEC's SME Digitalization Grant in August 2023 to develop new products, improve our sales and help to boost Malaysia's economy.

The Group will continue to focus on cost optimization efforts to ensure that Cuscapi remains competitive in the current landscape and deliver sustainable growth. Barring any unforeseen circumstances, the Board is cautiously optimistic that the long-term outlook for Cuscapi remains 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	
	30/09/2023	30/09/2022	30/09/2023	30/09/2022
	RM	RM	RM	RM
Current income tax provision	(33,098)	-	(165,701)	-
	(33,098)	-	(165,701)	-

B5. Corporate Proposals

No corporate proposals were announced during the financial quarter ended 30 September 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

- 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"))

-Defence and Counter Claim in the Kuala Lumpur High Court Suit No: WA-22NCC-399-09/2018

As announced on 3 October 2023, the Company had been served with a letter dated 2 October 2023 from Messrs. K S Chew & Associates, accompanied with a Writ of Summon and Statement of Claim dated 29 September 2023 respectively.

The details of the claims are as below:-

(a) the Plaintiff claimed that the Defendants had published defamatory statements via the letters of complaint dated 24 September 2018 to third parties (hereinafter referred to as “the Letters”).

(b) the Plaintiff further alleged that the Defendants had published and repeated the alleged defamatory statements in the Company’s Defence and Counter Claim in the Kuala Lumpur High Court Suit No: WA-22NCC-399-09/2018, Company’s announcement dated 29 October 2018 on Bursa Malaysia Securities Berhad (“Bursa Announcement”) and reports lodged with the authorities.

The reliefs sought by the Plaintiff are, inter alia as below:-

(a) A public apology and retraction of the Letters, Bursa Announcement and the reports lodged with authorities via news portals of Plaintiff’s choice;

(b) An undertaking that the Defendants will not repeat the alleged defamatory words in any form;

(c) Damages amounting to RM 20,000,000.00;

(d) Aggravated damages;

(e) Exemplary damages;

(f) An interest on the damages awarded at the rate of 5% from the date of judgment and thereafter to the date of realisation;

(g) Costs; and

(h) Further orders that the Court deems fit and proper to be made.

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 continue to take all necessary actions and pursue all available remedies to defend and protect the Company’s position and 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 30 September 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	
	30/09/2023	30/09/2022	30/09/2023	30/09/2022
	RM	RM	RM	RM
Profit / (Loss) attributable to owners of the parent (RM)	1,019,575	-	(2,015,548)	-
Weighted average number of ordinary share in use	944,884,476	-	944,884,476	-
Basic profit/(loss) per share (sen)	0.11	-	(0.21)	-

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	
	30/09/2023	30/09/2022	30/09/2023	30/09/2022
	RM	RM	RM	RM
Depreciation and amortisation	(1,347,331)	-	(3,645,273)	-
Interest expenses	(150,089)	-	(517,989)	-
Interest income	1,644	-	32,835	-
Provision for and write off of receivables	(8,191)	-	(157,505)	-

B12. Authorised for Issue

The Condensed Report was authorised for issue by the Board in accordance with a resolution of the Directors on 29 November 2023.