

CUSCAPI BERHAD

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

| | | INDIVIDUAL QUARTER | | CUMULATIVE QUARTER | |
|---|------|--------------------|----------------|--------------------|----------------|
| | | CURRENT YEAR | PRECEDING YEAR | CURRENT YEAR | PRECEDING YEAR |
| | | QUARTER ENDED | QUARTER ENDED | TO DATE | TO DATE |
| | Note | 31/12/2023 | 31/12/2022 | 31/12/2023 | 31/12/2022 |
| | | RM | RM | RM | RM |
| REVENUE | A8 | 13,313,023 | - | 27,840,241 | - |
| COST OF GOOD SOLD | | (3,316,486) | - | (9,578,832) | - |
| AMORTISATION OF INTANGIBLE ASSETS | | (1,063,803) | - | (2,765,192) | - |
| GROSS PROFIT/(LOSS) | | 8,932,734 | - | 15,496,217 | - |
| OTHER OPERATING INCOME | | 1,409,410 | - | 2,474,718 | - |
| OPERATING EXPENSES | | (5,946,495) | - | (14,918,583) | - |
| PROFIT FROM OPERATIONS | | 4,395,649 | - | 3,052,352 | - |
| FINANCE COSTS | | (163,185) | - | (681,174) | - |
| PROFIT BEFORE TAXATION | | 4,232,464 | - | 2,371,178 | - |
| TAXATION | B4 | (122,076) | - | (287,777) | - |
| PROFIT FOR THE PERIOD | | 4,110,388 | - | 2,083,401 | - |
| OTHER COMPREHENSIVE INCOME | | | | | |
| - FAIR VALUE LOSS ON OTHER INVESTMENT | | (820,409) | - | (1,403,613) | - |
| - FOREIGN CURRENCY TRANSLATION | | 3,292,260 | - | 4,132,887 | - |
| TOTAL COMPREHENSIVE GAIN FOR THE PERIOD | | 6,582,239 | - | 4,812,675 | - |
| PROFIT ATTRIBUTABLE TO: | | | | | |
| OWNERS OF THE PARENT | | 4,082,211 | - | 2,066,663 | - |
| NON-CONTROLLING INTEREST | | 28,177 | - | 16,738 | - |
| | | 4,110,388 | - | 2,083,401 | - |
| TOTAL COMPREHENSIVE GAIN ATTRIBUTABLE TO: | | | | | |
| OWNERS OF THE PARENT | | 6,554,062 | - | 4,795,937 | - |
| NON-CONTROLLING INTEREST | | 28,177 | - | 16,738 | - |
| | | 6,582,239 | - | 4,812,675 | - |
| Profit per share (sen) | | | | | |
| - Basic | B10 | 0.43 | - | 0.22 | - |

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 31 December 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 31 DECEMBER 2023

| | (UNAUDITED) AS AT 31/12/2023 RM | (AUDITED) AS AT 30/6/2022 RM |
|--|--|---------------------------------------|
| NON-CURRENT ASSETS | | |
| Property, plant and equipment | 672,107 | 1,701,724 |
| Right of use assets | 464,005 | 1,862,928 |
| Investment property | 10,500,000 | 10,112,400 |
| Intangible assets | 11,762,292 | 13,238,390 |
| Other investments | 13,361,935 | 30,797,349 |
| Trade Receivable | 862,007 | 1,091,744 |
| | <u>37,622,346</u> | <u>58,804,535</u> |
| CURRENT ASSETS | | |
| Inventories | 1,002,686 | 1,434,014 |
| Trade & other receivables, prepayment | 12,382,151 | 2,737,071 |
| Tax recoverable | 221,666 | 275,216 |
| Digital assets | 15,969,434 | 0 |
| Cash and short-term deposits | 556,674 | 16,752,695 |
| | <u>30,132,611</u> | <u>21,198,996</u> |
| TOTAL ASSETS | <u>67,754,957</u> | <u>80,003,531</u> |
| EQUITY | | |
| Share capital | 203,374,573 | 203,374,573 |
| Reserves | (146,288,726) | (151,109,268) |
| Equity attributable to owners of the parent | 57,085,847 | 52,265,305 |
| Non-controlling interest | (66,432) | (83,170) |
| TOTAL EQUITY | <u>57,019,415</u> | <u>52,182,135</u> |
| NON-CURRENT LIABILITIES | | |
| Lease liabilities | 44,129 | 965,765 |
| Provision and retirement benefits obligations | 143,199 | 170,085 |
| | <u>187,328</u> | <u>1,135,850</u> |
| CURRENT LIABILITIES | | |
| Lease liabilities | 556,737 | 2,641,793 |
| Trade & other payables | 9,972,297 | 23,819,380 |
| Current tax liabilities | 19,180 | 224,373 |
| | <u>10,548,214</u> | <u>26,685,546</u> |
| TOTAL LIABILITIES | <u>10,735,542</u> | <u>27,821,396</u> |
| TOTAL EQUITY AND LIABILITIES | <u>67,754,957</u> | <u>80,003,531</u> |
| Net assets per share attributable to owners of the parent (RM) | 0.060 | 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 31 DECEMBER 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 |
| Prior Year Adjustments | - | - | - | 24,605 | 24,605 | - | 24,605 |
| As at 1 July 2022 (Restated) | 203,374,573 | (1,538,581) | 12,326,188 | (161,872,270) | 52,289,910 | (83,170) | 52,206,740 |
| Net profit for the period | - | - | - | 2,066,663 | 2,066,663 | 16,738 | 2,083,401 |
| Other comprehensive income | | | | | | | |
| - Foreign currency translation | - | - | 4,132,887 | - | 4,132,887 | - | 4,132,887 |
| - Fair value loss on other investments | - | (1,403,613) | - | - | (1,403,613) | - | (1,403,613) |
| | - | (1,403,613) | 4,132,887 | 2,066,663 | 4,795,937 | 16,738 | 4,812,675 |
| As at 31 December 2023 | 203,374,573 | (2,942,194) | 16,459,075 | (159,805,607) | 57,085,847 | (66,432) | 57,019,415 |
| | 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 31 December 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 31 December 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 31 DECEMBER 2023
(The figures have not been audited)**

| | 31/12/2023 RM | 31/12/2022 RM |
|---|------------------|------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Profit before tax | 2,371,178 | - |
| Adjustments for :- | | |
| Non-cash items | 8,353,820 | - |
| Non-operating items | (6,865,625) | - |
| Operating loss before changes in working capital | 3,859,373 | - |
| Net changes in current assets | (3,952,388) | - |
| Net changes in current liabilities | 2,994,424 | - |
| Cash flows generated from/(used in) operation | 2,901,409 | - |
| Taxation | (213,230) | - |
| Net cash generated from/(used in) operating activities | 2,688,179 | - |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Interest received | 34,297 | - |
| Net changes of other investment | 490,338 | - |
| Net changes of right of use assets | (111,910) | - |
| Net changes of property, plant and equipment | (57,518) | - |
| Net cash generated from/(used in) investing activities | 355,207 | - |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Payment to lease liabilities | (3,255,236) | - |
| Net cash (used in)/generated from financing activities | (3,255,236) | - |
| NET CHANGES IN CASH AND CASH EQUIVALENTS | (211,850) | - |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR | 768,524 | - |
| CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR | 556,674 | - |

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 31 December 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 YEAR ENDED 31 DECEMBER 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 eighteenth (18) month financial period ended 31 December 2023 are as follows: -

| 31 DECEMBER 2023 | Malaysia RM' 000 | Other than Malaysia RM' 000 | Elimination RM' 000 | Consolidation RM' 000 |
|---|-----------------------------|--|--------------------------------|----------------------------------|
| External Sales | 28,685 | 5,066 | (5,911) | 27,840 |
| Segment Results | 9,680 | (1,643) | - | 8,037 |
| Finance Cost | (111) | (570) | - | (681) |
| Depreciation and Amortisation | (4,457) | (528) | - | (4,985) |
| Consolidated Profit Before Tax | | | | 2,371 |
| ASSETS | | | | |
| <i>Segment Assets</i> | 64,662 | 3,093 | - | 67,755 |
| LIABILITIES | | | | |
| <i>Segment Liabilities</i> | 8,375 | 2,361 | - | 10,736 |
| OTHER INFORMATION | | | | |
| <i>Capital Expenditure on:-</i> | | | | |
| <i>Property, plant and Equipment</i> | 81 | - | - | 81 |
| <i>Depreciation and Amortisation</i> | 4,457 | 528 | - | 4,985 |

| 31 DECEMBER 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 31 December 2023 | Preceding Year to Date 31 December 2022 | Current Year Sixth (6th) Quarter 31 December 2023 | Preceding Year Sixth (6th) Quarter 31 December 2022 |
|-------------------|---|---|--|--|
| | RM | RM | RM | RM |
| Revenue | 27,840,241 | - | 13,313,023 | - |
| Profit before tax | 2,371,178 | - | 4,232,464 | - |

The Group posted revenue of RM27.8 million and RM2.371 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 gain from the digital assets which was marked to market subsequent to the listing of the digital assets on a recognised and regulated exchange.

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 Sixth (6th) Quarter 31 December 2023 | Immediate Preceding Fifth (5 th) Quarter 30 September 2023 | Variance | |
|-------------------|---|---|-----------|--------|
| | RM | RM | RM | % |
| Revenue | 13,313,023 | 3,827,453 | 9,485,570 | 247.8% |
| Profit before tax | 4,232,464 | 1,058,099 | 3,174,365 | 300% |

For the current year quarter ended 31 December 2023 under review, the Group's revenue increased by 247.8% compared to the immediate preceding quarter ended 30 September 2023, mainly due to gain from the digital assets which was marked to market subsequent to the listing of the digital assets on a recognised and regulated exchange .

For the current year quarter ended 31 December 2023 under review, the Group recorded a profit before taxation of RM4.2 million as compared to the immediate preceding quarter ended 30 September 2023 of profit before taxation of RM1million, mainly attributable to:

| Description | RM | Note |
|--|------------------|------|
| Increase in gross profit | 6,420,924 | 1 |
| Increase in other operating income | 1,228,818 | 2 |
| Increase in operating expenses | (4,475,377) | 3 |
| Net increase in profit before tax | 3,174,365 | |

Notes:

1. The increase gross profit in the current year's sixth quarter, which ended 31 December 2023, was mainly due to gain from the digital assets which was marked to market subsequent to the listing of the digital assets on a recognised and regulated exchange.
2. The increase in other operating income is mainly due to revaluation gain on investment property during the current financial quarter ended 31 December 2023.
3. Increase operating expenses mainly due to higher foreign exchange loss and provision of doubtful debts and impairment loss on trade receivable during the current financial quarter ended 31 December 2023.

B2. Prospects

In January 2024, the World Bank states that the global economy is set for its weakest performance in 30 years. According to the United Nations' report in January 2024, there are increasing geopolitical tensions and extreme weather events. Food price inflation and debt sustainability remain critical issues due to supply chain disruptions, high debt burdens and rising interest rates.

According to Reuters in January 2024, the Malaysia economy is set to remain weak due to elevated interest rates, cooling labour market, soft foreign demand and subdued commodity prices. RAM stated in December 2023 that a spike in global food price and the ripple effects of the subsidy reform could pressure domestic demand and inflation outlook in 2024.

In view of the challenging economic environment, Cuscapi will continue to be prudent in its operational business cost and efficiency optimization. The Group will leverage on its extensive customer networks and regional presence to actively pursue new growth opportunities. Cuscapi has also established new strategic partnerships to upsell and cross-sell new solution 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 remains ever vigilant in ensuring that Cuscapi stays competitive in the current landscape to 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 | |
|------------------------------|--------------------------|------------|-------------------------|------------|
| | 31/12/2023 | 31/12/2022 | 31/12/2023 | 31/12/2022 |
| | RM | RM | RM | RM |
| Current income tax provision | (122,076) | - | (287,777) | - |
| | (122,076) | - | (287,777) | - |

B5. Corporate Proposals

No corporate proposals were announced during the financial quarter ended 31 December 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 (Hight 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 announcement dated 3 October 2023.

The details of the claims are as below:-

(a) Cuscapi has been served with the Plaintiff's Notice of Application and Affidavit in Support affirmed pursuant to Order 14A of the Rules of Court 2012, an application for disposal of case on point of law ("Enclosure 7"); and

(b) Cuscapi together with the 2nd Defendant have filed a Notice of Application and Affidavits in Support pursuant to Order 18 rule 19 of the Rules of Court 2012, an application to strike out the Plaintiff's Writ and Statement of Claim ("Enclosure 9").

The Board also wishes to inform that the parties had attended the case management of Suit 542 on 21 December 2023 before the Senior Assistant Registrar wherein the High Court have directed parties to file their respective affidavit in reply to Enclosure 7 and Enclosure 9 on or before 12 January 2024 and to file the subsequent affidavit in reply on or before 2 February 2024.

The High Court have fixed the next case management on 8 February 2024 for further directions in respect of Enclosure 7 and Enclosure 9. The direction in respect of the Writ of Summons dated 29 September 2023 is kept in abeyance pending disposal of Enclosure 7 and Enclosure 9.

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 year ended 31 December 2023.

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

| | Individual Quarter Ended | | Cumulative Period Ended | |
|--|---------------------------------|-------------------|--------------------------------|-------------------|
| | 31/12/2023 | 31/12/2022 | 31/12/2023 | 31/12/2022 |
| | RM | RM | RM | RM |
| Profit attributable to owners of the parent (RM) | 4,082,211 | - | 2,066,663 | - |
| Weighted average number of ordinary share in use | 944,884,476 | - | 944,884,476 | - |
| Basic profit per share (sen) | 0.43 | - | 0.22 | - |

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 | |
|---|--------------------------|------------|-------------------------|------------|
| | 31/12/2023 | 31/12/2022 | 31/12/2023 | 31/12/2022 |
| | RM | RM | RM | RM |
| Depreciation and amortisation | (1,339,999) | - | (4,984,871) | - |
| Interest expenses | (163,185) | - | (681,174) | - |
| Interest income | 1,463 | - | 34,297 | - |
| Provision for and write off of receivables | (793,717) | - | (951,222) | - |

B12. Authorised for Issue

The Condensed Report was authorised for issue by the Board in accordance with a resolution of the Directors on 29 February 2024.