

CUSCAPI BERHAD
(Company No: 43190-H)

A. NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2009

A1. Basis of Preparation

The interim financial statements are unaudited and have been prepared in compliance with Financial Reporting Standards (“FRS”) 134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board (MASB) and Rule 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad for the MESDAQ Market.

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2008. These 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 31 December 2008.

The significant accounting policies adopted by the Group in this interim financial report are consistent with those adopted in the financial statements for the year ended 31 December 2008.

A2. Auditors' Report

The audit report for the annual financial statements of the Group for the financial year ended 31 December 2008 was not subject to any qualification.

A3. Seasonal or Cyclical Factors

The business operations of the Group during the financial quarter under review 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 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 results for the current quarter under review.

A6. Debt and Equity Securities

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

A7. Dividends Paid

No dividend has been paid during the current quarter under review.

A8. Segmental Reporting

No segmental analysis is prepared as the Group is primarily engaged in a single business segment of information technology ("IT") and IT related services.

A9. Revaluation of Property, Plant and Equipment

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

A10. Subsequent Events

There were no material events subsequent to the end of the date of this announcement, which will have a material effect on the financial results of the Group for the quarter under review.

A11. Changes in the Composition of the Group

The Company had on 13 April 2009, further subscribed 99,998 ordinary shares of SGD1-00 each in Cuscapi International Pte. Ltd. ("CIPL"), a wholly-owned subsidiary of the Company that was incorporated in Singapore and the issued and paid-up capital of CIPL had been increased to SGD100,000-00 comprising of 100,000 ordinary shares of SGD1-00 each after the subscription.

CIPL had on 13 April 2009 further subscribed 99,998 ordinary shares of SGD1-00 each in Cuscapi Singapore Pte. Ltd. and the issued and paid-up capital of Cuscapi Singapore Pte. Ltd. had been increased to SGD100,000-00 comprising of 100,000 ordinary shares of SGD1-00 each after the subscription.

A12. Contingent Liabilities

The changes in contingent liabilities since the last annual balance sheet date are tabulated below:

Bank Guarantee

	RM'000
Balance as at 31 December 2008	50
Extended during the period	0
Discharged during the period	0
Balance as at 19 May 2009	50

A13. Capital Commitment

The Company has no capital commitment in respect of property, plant and equipment as at the date of this report.

A14. Related Party Transactions

As at the end of the current period under review, the Group has entered into/or completed the following related party transactions:

	3 months ended 31.03.09
(i)	
Transactions with A&W (Malaysia) Sdn Bhd, a wholly-owned subsidiary of KUB Malaysia Berhad, a Company with a common director:	RM
- Rental of Point-of-Sales ("POS") System	115,743
- Remedial and maintenance services	11,792
	<hr/> <u>127,535</u>

Rosman bin Abdullah is a Non-Executive Director and substantial shareholder of the Company via his substantial shareholdings in Transight Systems Sdn Bhd. Rosman bin Abdullah is also a Director of KUB Malaysia Berhad. Therefore transactions with A&W (Malaysia) Sdn Bhd, a wholly-owned subsidiary of KUB Malaysia Berhad are deemed related party transactions.

The above related party transactions are recurrent transactions of a revenue or trading nature and are entered into in the ordinary course of business on terms not more favourable to the related party than those generally available to the public.

	3 months ended 31.03.09
(ii)	
Transactions with AmBank (M) Berhad, a Company with a common director:	RM
- Sales of Computer Equipments and Services Rendered	16,628
	<hr/> <u>16,628</u>

Due to Dato' Larry Gan Nyap Liou @ Gan Nyap Liow being on the Board of Directors of AmBank (M) Berhad as its Independent Non-Executive Director and by virtue of him being a Director and a substantial shareholder of the Company, the transactions between the Group and AmBank (M) Berhad are deemed related party transactions.

The above related party transactions are recurrent transactions of a revenue or trading nature and are entered into in the ordinary course of business on terms not more favourable to the related party than those generally available to the public.

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

B1. Review of Performance

During the quarter under review, the Group's revenue of RM7.377 million was lower compared to the preceding year corresponding quarter's revenue of RM7.893 million due to certain opportunities being delayed.

With the lower revenue generated at lower margins, the Group recorded a loss before tax ("LBT") during the quarter under review amounting to RM0.648 million compared to the preceding year corresponding quarter's profit before tax ("PBT") of RM0.210 million. Compounding to this, the Group is supporting higher operational costs associated with its expanded capacity.

B2. Material Changes in the Quarterly Results Compared to the Immediate Preceding Quarter

The Group's revenue of RM7.377 million during the quarter under review was lower compared to the immediate preceding quarter's RM8.626 million due to certain opportunities being delayed. Compounding to the lower revenue, lower margins during the current quarter under review resulted in the Group recording a LBT of RM0.648 million compared to the immediate preceding quarter's PBT of RM0.287 million.

B3. Prospects

The Board remains cautiously optimistic of the Group's performance for the current financial year and will closely monitor its performance over the coming quarters.

B4. Profit Forecast

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

B5. Taxation

	Individual Quarter Ended		Cumulative Quarter Ended	
	31/03/2009	31/03/2008	31/03/2009	31/03/2008
	RM'000	RM'000	RM'000	RM'000
- Current income tax	(4)	(83)	(4)	(83)
- Deferred tax	-	(14)	-	(14)
-In respect of prior year	-	-	-	-
	(4)	(140)	(4)	(140)

The statutory tax rate was reduced to 25% from the previous year's rate of 26% effective in the current year of assessment. The computation of deferred tax has reflected these changes. There was taxable income in current quarter under review as the tax losses suffered by certain subsidiaries were not available as group relief

B6. Profit on Sale of Unquoted Investments and/or Properties

There were no disposals of unquoted investments or properties during the quarter under review.

B7. Purchase or Disposal of Quoted Securities

During the current quarter under review and financial period to date, there was no purchase and disposal of quoted securities.

B8. Corporate Proposals

Status of Corporate Proposals as at 19 May 2009

(being a date not earlier than seven (7) days from the date of this announcement)

There were no other corporate proposals announced but not completed as at the date of this announcement.

B9. Group Borrowings and Debt Securities

The Group has no borrowings and it did not issue any debt securities.

B10. Off Balance Sheet Financial Instruments

As at 19 May 2009, being the latest practicable date, the Company does not have any financial instruments with off balance sheet risk.

B11. Material Litigation as at 19 May 2009

(being a date not earlier than seven (7) days from the date of issue of this quarterly report)

The Group is not engaged in any material litigation either as plaintiff or defendant and the directors do not have any knowledge of any proceedings pending or threatened against the Company or its subsidiaries which might materially and adversely affect the position or business of the Group.

B12. Dividends

The Board does not recommend any dividend for the current quarter under review.

B13. Earnings Per Share**(a) Basic earnings per share**

The earnings per share are calculated by dividing the net profit attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares in issue during the period.

	Individual Quarter Ended		Cumulative Quarter Ended	
	31/03/09	31/03/08	31/03/09	31/03/08
Net profit/(loss) attributable to equity holders of the parent (RM)	(652,309)	210,581	(652,309)	210,581
Weighted average number of ordinary shares in issue	222,432,267	222,432,267	222,432,267	222,432,267
Basic earnings/(loss) per share (sen)	(0.29)	0.09	(0.29)	0.09

(b) Diluted earnings per share

The profit/(loss) for the period attributable to ordinary equity holders of the parent is not subjected to any dilutive elements.

By Order of the Board

TAN LEH KIAH
Secretary
Kuala Lumpur
19 May 2009