

CUSCAPI BERHAD

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2021  
(The figures have not been audited)

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		CURRENT YEAR QUARTER ENDED 30/06/2021 RM	PRECEDING YEAR QUARTER ENDED 30/06/2020 RM	CURRENT YEAR TO DATE 30/06/2021 RM	PRECEDING YEAR TO DATE 30/06/2020 RM
REVENUE	A8	2,327,858	-	9,981,035	-
COST OF GOOD SOLD		(2,466,375)	-	(10,051,498)	-
AMORTISATION OF INTANGIBLE ASSETS		(1,275,784)	-	(4,146,301)	-
GROSS LOSS		(1,414,301)	-	(4,216,764)	-
OTHER OPERATING INCOME		87,306	-	448,085	-
OPERATING EXPENSES		(3,211,326)	-	(10,585,293)	-
LOSS FROM OPERATIONS		(4,538,321)	-	(14,353,972)	-
FINANCE COSTS		(73,118)	-	(293,468)	-
LOSS BEFORE TAXATION		(4,611,439)	-	(14,647,440)	-
TAXATION	B4	(8,899)	-	(16,931)	-
LOSS FOR THE PERIOD		(4,620,338)	-	(14,664,371)	-
OTHER COMPREHENSIVE INCOME					
- FAIR VALUE GAIN ON OTHER INVESTMENT		519,482	-	830,485	-
- FOREIGN CURRENCY TRANSLATION		(243,913)	-	201,726	-
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD		(4,344,769)	-	(13,632,160)	-
LOSS ATTRIBUTABLE TO:					
OWNERS OF THE PARENT		(4,613,848)	-	(14,640,546)	-
NON-CONTROLLING INTEREST		(6,490)	-	(23,825)	-
		(4,620,338)	-	(14,664,371)	-
TOTAL COMPREHENSIVE LOSS ATTRIBUTABLE TO:					
OWNERS OF THE PARENT		(4,338,279)	-	(13,608,335)	-
NON-CONTROLLING INTEREST		(6,490)	-	(23,825)	-
		(4,344,769)	-	(13,632,160)	-
Loss per share (sen)					
- Basic/diluted	B10	(0.54)	-	(1.70)	-

Notes:

1) The financial year end of the Group has been changed from 31 December to 30 June. As such, there will be no comparative financial information available for the financial period ended 30 June 2021.

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 30 June 2020 and the accompanying notes attached to the interim financial reports.

**CUSCAPI BERHAD**  
**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2021**

	<b>(UNAUDITED)</b> <b>AS AT</b> <b>30/06/2021</b> <b>RM</b>	<b>(AUDITED)</b> <b>AS AT</b> <b>30/6/2020</b> <b>RM</b> <b>RESTATED</b>
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	8,950,442	10,013,681
Right of use assets	2,066,257	3,301,902
Investment property	10,112,400	10,112,400
Intangible assets	988,390	5,134,690
Other investments	18,042,625	20,686,000
Deferred Tax Assets	799,095	739,479
	<u>40,959,209</u>	<u>49,988,152</u>
<b>CURRENT ASSETS</b>		
Inventories	17,682,523	18,747,790
Trade & other receivables, prepayment	17,137,949	18,969,875
Tax recoverable	168,699	325,760
Cash and short-term deposits	16,767,770	16,481,485
	<u>51,756,941</u>	<u>54,524,910</u>
<b>TOTAL ASSETS</b>	<u>92,716,150</u>	<u>104,513,062</u>
<b>EQUITY</b>		
Share capital	181,114,569	181,114,569
Reserves	(118,775,031)	(105,166,696)
Equity attributable to owners of the parent	62,339,538	75,947,873
Non-controlling interest	(71,850)	(48,025)
<b>TOTAL EQUITY</b>	<u>62,267,688</u>	<u>75,899,848</u>
<b>NON-CURRENT LIABILITIES</b>		
Lease liabilities	1,662,659	2,636,986
Provision	53,928	53,928
	<u>1,716,587</u>	<u>2,690,914</u>
<b>CURRENT LIABILITIES</b>		
Lease liabilities	692,282	974,439
Trade & other payables	28,022,655	24,947,861
Current tax liabilities	16,938	-
	<u>28,731,875</u>	<u>25,922,300</u>
<b>TOTAL LIABILITIES</b>	<u>30,448,462</u>	<u>28,613,214</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>92,716,150</u>	<u>104,513,062</u>
Net assets per share attributable to owners of the parent (RM)	0.072	0.088

The unaudited Condensed Consolidated Statements of Financial Position should be read in conjunction with the audited financial statements for the financial period ended 30 June 2020 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 2021**  
(The figures have not been audited)

	<----- Attributable to Owners of the Parent ----->						
	<----- Non-Distributable----->			Distributable			
	Share Capital RM	Other Reserve RM	Translation Reserve RM	Accumulated Loss RM	Total RM	Non-controlling Interest RM	Total Equity RM
<b>As at 1 July 2020</b>	181,114,569	849,170	11,897,573	(118,471,472)	75,389,840	(48,025)	75,341,815
<b>Prior Year Adjustments</b>	-	-	9,264	548,769	558,033	-	558,033
<b>Balance at 1 July 2020 as restated</b>	181,114,569	849,170	11,906,837	(117,922,703)	75,947,873	(48,025)	75,899,848
<b>Net loss for the year</b>	-	-	-	(14,640,546)	(14,640,546)	(23,825)	(14,664,371)
<b>Other comprehensive income</b>							
- Foreign currency translation	-	-	201,726	-	201,726	-	201,726
- Fair value gain on other investments	-	830,485	-	-	830,485	-	830,485
	-	830,485	201,726	(14,640,546)	(13,608,335)	(23,825)	(13,632,160)
Transfer of fair value reserve upon disposal of equity instruments at FVOCI	-	(965,920)	-	965,920	-	-	-
<b>As at 30 June 2021</b>	<u>181,114,569</u>	<u>713,735</u>	<u>12,108,563</u>	<u>(131,597,329)</u>	<u>62,339,538</u>	<u>(71,850)</u>	<u>62,267,688</u>
<b>As at 1 July 2019</b>	-	-	-	-	-	-	-
<b>Net loss for the year</b>	-	-	-	-	-	-	-
<b>Other comprehensive income</b>							
- Foreign currency translation	-	-	-	-	-	-	-
- Fair value loss on other investments	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
<b>As at 30 June 2020</b>	-	-	-	-	-	-	-

Notes:

1) The financial year end of the Group has been changed from 31 December to 30 June. As such, there will be no comparative financial information available for the financial period ended 30 June 2021.

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 30 June 2020 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 2021**

(The figures have not been audited)

	<b>30/06/2021</b>	<b>30/6/2020</b>
	<b>RM</b>	<b>RM</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss before taxation	(14,647,440)	-
Adjustments for :-		
Non-cash items	7,520,485	-
Non-operating items	9,201	-
<b>Operating loss before changes in working capital</b>	<u>(7,117,754)</u>	<u>-</u>
Net changes in current assets	1,577,823	-
Net changes in current liabilities	4,291,172	-
	<u>(1,248,759)</u>	<u>-</u>
Taxation	100,030	-
<b>Net cash used in operating activities</b>	<u>(1,148,729)</u>	<u>-</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest received	235,422	-
Net changes of other investment	3,473,860	-
Net changes of property, plant and equipment	(373,508)	-
Withdrawn of fixed deposit held as security	113,802	-
<b>Net cash generated from investing activities</b>	<u>3,449,576</u>	<u>-</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Interest paid	(4,427)	-
Payment to lease liabilities	(2,123,799)	-
<b>Net cash used in financing activities</b>	<u>(2,128,226)</u>	<u>-</u>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	172,621	-
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD (RESTATED)</b>	<u>935,362</u>	<u>-</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD</b>	<u>1,107,983</u>	<u>-</u>
<b>Analysis of cash and cash equivalents:-</b>		
Short-term deposits placed with licensed bank	15,659,787	-
Cash and bank balances	1,107,983	-
	<u>16,767,770</u>	<u>-</u>
Less : Fixed deposits held as security value	(15,659,787)	-
	<u>1,107,983</u>	<u>-</u>

Notes:

1) The financial year end of the Group has been changed from 31 December to 30 June. As such, there will be no comparative financial information available for the financial period ended 30 June 2021.

2) The unaudited Condensed Consolidated Statements of Cash Flow should be read in conjunction with the audited financial statements for the financial period ended 30 June 2020 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 30 JUNE 2021**

**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 30 June 2020. 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 30 June 2020.

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 30 June 2020 except for the adoption of the following new MFRS, amendments and interpretation to MFRSs for the financial year beginning on or after 1 July 2020:

		<i>Effective for the financial year beginning on or after</i>
Amendments to MFRSs	Amendments to References to the Conceptual Framework in MFRS Standards	1 January 2020
Amendments to MFRS 3	Definition of a Business	1 January 2020
Amendments to MFRS 101 and MFRS 108	Definition of Material	1 January 2020
Amendments to MFRS 9, MFRS 139 and MFRS 7	Interest Rate Benchmark Reform	1 January 2020
Amendment to MFRS 16	Covid-19 - Related Rent Concessions	1 June 2020
Amendments to MFRS 4	Extension of the Temporary Exemption from Applying MFRS 9	17 August 2020

The adoption of the above standards and amendments is not expected to have any significant impact on the Group and the Company's financial statements.

**A2. Qualification of Audit Report of the Preceding Annual Financial Statements**

The external auditors qualified the auditors' report on the annual financial statements of the Group for the financial period ended 30 June 2020. The details of the qualification are reproduced as below: -

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 30 June 2020, and of their financial performance and their cash flows for the financial period from 1 January 2019 to 30 June 2020 in accordance with Malaysian Financial Reporting Standards ("MFRS"), International

Financial Reporting Standards ("IFRS") and the requirements of the Companies Act 2016 in Malaysia.

The Group will make the necessary adjustments on the recoverable amount of the Property, Plant and Equipment, and the net realisable values of the inventory in accordance with the Court's decision.

**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.

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**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 year ended 30 June 2021 is as follows: -

<b>30 JUNE 2021</b>	<b>South-East Asia RM' 000</b>	<b>China RM' 000</b>	<b>Elimination RM' 000</b>	<b>Consolidation RM' 000</b>
External Sales	11,879	-	(1,898)	9,981
Segment Results	(7,322)	(564)	-	(7,886)
Finance Cost	(293)	-	-	(293)
Depreciation and Amortisation	(6,461)	(7)	-	(6,468)
<b>Consolidated Loss Before Tax</b>				<b>(14,647)</b>
<b>ASSETS</b>				
<i>Segment Assets</i>	92,570	146	-	92,716
<b>LIABILITIES</b>				
<i>Segment Liabilities</i>	29,955	493	-	30,448
<b>OTHER INFORMATION</b>				
<i>Capital Expenditure on:-</i>				
<i>Property, plant and Equipment</i>	377	-	-	377
<i>Depreciation and Amortisation</i>	6,461	7	-	6,468

<b>30 JUNE 2020</b>	<b>South-East Asia RM' 000</b>	<b>China RM' 000</b>	<b>Elimination RM' 000</b>	<b>Consolidation RM' 000</b>
External Sales	-	-	-	-
Segment Results	-	-	-	-
Finance Cost	-	-	-	-
Depreciation and Amortisation	-	-	-	-
<b>Consolidated Loss Before Tax</b>				<b>-</b>
<b>ASSETS</b>				
<i>Segment Assets</i>	-	-	-	-
<b>LIABILITIES</b>				
<i>Segment Liabilities</i>	-	-	-	-
<b>OTHER INFORMATION</b>				
<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**

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 other material changes in contingent liabilities and contingent assets since the last annual reporting date as at 30 June 2020.

**A13. Capital Commitment**

The Company has no material capital commitment in respect of property, plant, and equipment as of this report's date.

**A14. Significant Related Party Transactions**

There were no other material related party transactions entered into during the current 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 Ended and Current Financial Quarter**

	<b>Current Year-to-Date 30 June 2021 RM</b>	<b>Preceding Year-to-Date 30 June 2020 RM</b>	<b>Current Year Fourth (4<sup>th</sup>) Quarter 30 June 2021 RM</b>	<b>Preceding Year Fourth (4<sup>th</sup>) Quarter 30 June 2020 RM</b>
Revenue	9,981,035	-	2,327,858	-
Loss before taxation	(14,647,440)	-	(4,611,439)	-

The Group posted RM9.98 million and RM2.32 million revenue for the current year ended and the current quarter under review, respectively.

The revenue contribution for the current year ended, and the current financial quarter mainly arose from the maintenance agreement, managed services and hardware. The operating expenses of the Group for the current year-to-date and current financial quarter mainly consist of personnel-related expenses, rental, depreciation and other operating expenses.

There will be no comparative financial information available for the previous year's corresponding period due to the Group changed its financial year-end from 31 December to 30 June.

**B.1.2 Current Year Quarter Versus Immediate Preceding Quarter**

	<b>Current Year Fourth (4<sup>th</sup>) Quarter 30 June 2021 RM</b>	<b>Immediate Preceding Third (3<sup>rd</sup>) Quarter 31 March 2021 RM</b>	<b>Variance</b>	
			<b>RM</b>	<b>%</b>
Revenue	2,327,858	2,304,308	23,550	1%
Loss before taxation	(4,611,439)	(3,747,102)	(864,337)	23%

The Group recorded revenue of RM2.33 million and loss before tax of RM4.61 mil for the current year quarter ended 30 June 2021 under review as compared to the immediate preceding quarter ended 31 March 2021 revenue of RM2.30 million and loss before tax of RM3.75 million mainly due to the following: -

Description	RM	Note
Decrease in gross profit	(295,514)	1
Decrease in other operating income	(22,787)	
Increase in operating expenses	(546,036)	2
<b>Net increase in loss before tax</b>	<b>(864,337)</b>	

**Notes:**

- 1) Decrease in gross profit, mainly due to amortised the development cost and inventories written off during the current financial quarter ended 30 June 2021.
- 2) Increase in operating expenses mainly due to provision for doubtful debts, impairment of goodwill, and is partially offset by the lower legal fee and unrealised forex difference during the current financial quarter ended 30 June 2021 as compared to the immediate preceding quarter ended 31 March 2021.

**B2. Prospects**

The unprecedented COVID-19 pandemic has severely impacted Malaysia and the world economy; hence, it has also impacted the Group's performance. Nevertheless, Cuscapi continues to forge innovative solutions, leveraging new technology and partnering with key technology companies to drive its organic growth for FYE2022.

With the introduction of C360Engage & Transight V solutions to the customers, Cuscapi is meeting the current requirements of a new seamless and contactless customer experience in the F&B market. The Group is determined to lead this Digital Transformation that the F&B operators can well adopt.

Barring unforeseen circumstances, Cuscapi is cautiously positive of the Group's performance moving forward.

**B3. Profit Forecast**

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

**B4. Taxation**

	Individual Quarter Ended		Cumulative Year Ended	
	30/6/2021	30/6/2020	30/6/2021	30/6/2020
	RM	RM	RM	RM
Current income tax:				
- Current income tax charge	(82,401)	-	(82,401)	-
- Adjustment in respect of prior years	16,466	-	8,434	-
Deferred tax	57,036	-	57,036	-
	<b>(8,899)</b>	-	<b>(16,931)</b>	-

**B5. Corporate Proposals**

There were no corporate proposals announced but not completed at the reporting date.

**B6. Group Borrowings and Debt Securities**

There were no borrowings and issues of debt securities as at current financial year end.

**B7. Off Balance Sheet Financial Instruments**

The Company does not have any financial instruments with off balance sheet risk during the current financial year end.

**B8. Pending Material Litigation**

**-Writ of Summons and Statement of Claim (High Court of Malaya at Kuala Lumpur Suit No. WA-22NCC-399-09/2018) Hitachi Systems Digital Services (Singapore) Pte. Ltd. ("Plaintiff") Cuscapi Malaysia Sdn. Bhd. and Cuscapi Berhad ("Defendants")**

**-Defence and Counter Claim (High Court of Malaya at Kuala Lumpur Suit No. WA-22NCC-399-09/2018**

As announced on 31 December 2020, the Court had allowed Hitachi's claim against the Companies on a jointly and severally basis for a sum of USD3,596,448.02 equivalent to RM 14,488,290.85. The Court held that the Companies are liable to pay costs and interest at the rate of 5% per annum on the Judgment Sum calculated from the date that the Writ of Summons was filed, i.e. on 5.9.2018.

The Companies' Board of Directors has filed for an appeal against the above judgement. Cuscapi has also filed a notice of motion to stay the execution of judgment on 8 February 2021 ("Stay Motion"), and Cuscapi was granted the Stay Motion on 31 March 2021 by the Court of Appeal.

Cuscapi had attended the case management of the Appeal on 30 September 2021. The Court of Appeal had vacated the hearing fixed on 10 November 2021 as the grounds of judgment from the High Court is not available yet. The Court of Appeal had further fixed the hearing on 18 February 2022.

The Board of Directors will always protect the Company's interest.

**B9. Dividends**

The Board has not recommended any dividend for the financial year ended 30 June 2021.

**B10. Loss Per Share**

**Basic loss per share**

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

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

	Individual Quarter Ended		Cumulative Year Ended	
	30/6/2021	30/6/2020	30/6/2021	30/6/2020
	RM	RM	RM	RM
Loss attributable to owners of the parent (RM)	(4,613,848)	-	(14,640,546)	-
Weighted average number of ordinary shares in issue	859,269,076	-	859,269,076	-
Basic loss per share (sen)	<b>(0.54)</b>	-	<b>(1.70)</b>	-

The 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 Year Ended	
	30/6/2021	30/6/2020	30/6/2021	30/6/2020
	RM	RM	RM	RM
Depreciation and amortisation	(1,809,773)	-	(6,467,834)	-
Interest expenses	(73,118)	-	(293,468)	-
Interest income	57,454	-	235,422	-
Provision for and write off of receivables	(823,658)	-	(884,231)	-

#### **B12. Authorised for Issue**

The Condensed Report was authorised for issue by the Board in accordance with a resolution of the Directors on 30 September 2021.