

**CUSCAPI BERHAD**

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

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		CURRENT YEAR QUARTER ENDED 30/09/2021 RM	PRECEDING YEAR QUARTER ENDED 30/09/2020 RM	CURRENT YEAR TO DATE 30/09/2021 RM	PRECEDING YEAR TO DATE 30/09/2020 RM
<b>REVENUE</b>	A8	3,599,559	2,831,902	3,599,559	2,831,902
<b>COST OF GOOD SOLD</b>		(1,941,255)	(2,586,699)	(1,941,255)	(2,586,699)
<b>AMORTISATION OF INTANGIBLE ASSETS</b>		-	(956,839)	-	(956,839)
<b>GROSS PROFIT/(LOSS)</b>		1,658,304	(711,636)	1,658,304	(711,636)
<b>OTHER OPERATING INCOME</b>		85,455	122,988	85,455	122,988
<b>OPERATING EXPENSES</b>		(2,149,247)	(2,291,136)	(2,149,247)	(2,291,136)
<b>LOSS FROM OPERATIONS</b>		(405,488)	(2,879,784)	(405,488)	(2,879,784)
<b>FINANCE COSTS</b>		(69,804)	(53,079)	(69,804)	(53,079)
<b>LOSS BEFORE TAXATION</b>		(475,292)	(2,932,863)	(475,292)	(2,932,863)
<b>TAXATION</b>	B4	(34,759)	-	(34,759)	-
<b>LOSS FOR THE PERIOD</b>		(510,051)	(2,932,863)	(510,051)	(2,932,863)
<b>OTHER COMPREHENSIVE INCOME</b>					
- FAIR VALUE GAIN ON OTHER INVESTMENT		(104,660)	(74,706)	(104,660)	(74,706)
- FOREIGN CURRENCY TRANSLATION		71,297	(178,775)	71,297	(178,775)
<b>TOTAL COMPREHENSIVE LOSS FOR THE PERIOD</b>		<u>(543,414)</u>	<u>(3,186,344)</u>	<u>(543,414)</u>	<u>(3,186,344)</u>
<b>LOSS ATTRIBUTABLE TO:</b>					
OWNERS OF THE PARENT		(502,057)	(2,924,425)	(502,057)	(2,924,425)
NON-CONTROLLING INTEREST		(7,994)	(8,438)	(7,994)	(8,438)
		<u>(510,051)</u>	<u>(2,932,863)</u>	<u>(510,051)</u>	<u>(2,932,863)</u>
<b>TOTAL COMPREHENSIVE LOSS ATTRIBUTABLE TO:</b>					
OWNERS OF THE PARENT		(535,420)	(3,177,906)	(535,420)	(3,177,906)
NON-CONTROLLING INTEREST		(7,994)	(8,438)	(7,994)	(8,438)
		<u>(543,414)</u>	<u>(3,186,344)</u>	<u>(543,414)</u>	<u>(3,186,344)</u>
<b>Loss per share (sen)</b>					
- Basic/diluted	B10	(0.06)	(0.34)	(0.06)	(0.34)

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 2021 and the accompanying notes attached to the interim financial reports.

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

	<b>(UNAUDITED)</b> <b>AS AT</b> <b>30/09/2021</b> <b>RM</b>	<b>(AUDITED)</b> <b>AS AT</b> <b>30/6/2021</b> <b>RM</b>
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	8,627,485	8,950,442
Right of use assets	1,891,300	2,066,257
Investment property	10,112,400	10,112,400
Intangible assets	988,390	988,390
Other investments	17,948,935	18,042,625
	39,568,510	40,160,114
<b>CURRENT ASSETS</b>		
Inventories	17,737,741	17,682,523
Trade & other receivables, prepayment	17,511,512	17,081,298
Tax recoverable	196,533	168,700
Cash and short-term deposits	17,956,249	16,767,770
	53,402,035	51,700,291
<b>TOTAL ASSETS</b>	<b>92,970,545</b>	<b>91,860,405</b>
<b>EQUITY</b>		
Share capital	181,114,569	181,114,569
Reserves	(120,110,993)	(119,575,573)
Equity attributable to owners of the parent	61,003,576	61,538,996
Non-controlling interest	(79,843)	(71,849)
<b>TOTAL EQUITY</b>	<b>60,923,733</b>	<b>61,467,147</b>
<b>NON-CURRENT LIABILITIES</b>		
Lease liabilities	1,475,576	1,671,282
Provision	175,834	175,834
	1,651,410	1,847,116
<b>CURRENT LIABILITIES</b>		
Lease liabilities	710,605	717,094
Trade & other payables	29,637,824	27,812,111
Current tax liabilities	46,973	16,937
	30,395,402	28,546,142
<b>TOTAL LIABILITIES</b>	32,046,812	30,393,258
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>92,970,545</b>	<b>91,860,405</b>
Net assets per share attributable to owners of the parent (RM)	0.071	0.072

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 2021 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 2021**  
(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
<b>As at 1 July 2021</b>	181,114,569	713,735	12,101,260	(132,390,568)	61,538,996	(71,849)	61,467,147
<b>Net loss for the year</b>	-	-	-	(502,057)	(502,057)	(7,994)	(510,051)
<b>Other comprehensive income</b>							
- Foreign currency translation	-	-	71,297	-	71,297	-	71,297
- Fair value gain on other investments	-	(104,660)	-	-	(104,660)	-	(104,660)
	-	(104,660)	71,297	(502,057)	(535,420)	(7,994)	(543,414)
<b>As at 30 September 2021</b>	181,114,569	609,075	12,172,557	(132,892,625)	61,003,576	(79,843)	60,923,733
<b>As at 1 July 2020 (Restated)</b>	181,114,569	849,170	11,906,837	(118,662,181)	75,208,395	(48,025)	75,160,370
<b>Net loss for the year</b>	-	-	-	(2,924,425)	(2,924,425)	(8,438)	(2,932,863)
<b>Other comprehensive income</b>							
- Foreign currency translation	-	-	(178,775)	-	(178,775)	-	(178,775)
- Fair value gain on other investments	-	(74,706)	-	-	(74,706)	-	(74,706)
	-	(74,706)	(178,775)	(2,924,425)	(3,177,906)	(8,438)	(3,186,344)
<b>As at 30 September 2020</b>	181,114,569	774,464	11,728,062	(121,586,606)	72,030,489	(56,463)	71,974,026

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 2021 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 2021**  
(The figures have not been audited)

	<b>30/09/2021</b>	<b>30/9/2020</b>
	<b>RM</b>	<b>RM</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss before tax	(475,292)	(2,932,863)
Adjustments for :-		
Non-cash items	556,564	1,815,332
Non-operating items	12,307	(86,544)
<b>Operating profit/(loss) before changes in working capital</b>	93,579	(1,204,075)
Net changes in current assets	(368,323)	507,650
Net changes in current liabilities	1,708,146	920,175
	1,433,402	223,750
Taxation	(27,834)	(32,954)
<b>Net cash generated from operating activities</b>	1,405,568	190,796
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest received	55,887	64,544
Net changes of other investment	(3,081)	(113,403)
Net changes of property, plant and equipment	(29,153)	-
Withdrawn of fixed deposit held as security	-	113,802
<b>Net cash generated from investing activities</b>	23,653	64,943
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Interest paid	(812)	(64,544)
Payment to lease liabilities	(239,929)	(454,072)
<b>Net cash used in financing activities</b>	(240,741)	(518,616)
<b>NET CHANGES IN CASH AND CASH EQUIVALENTS</b>	1,188,480	(262,877)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD</b>	1,107,982	932,126
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD</b>	2,296,462	669,249
<b>Analysis of cash and cash equivalents:-</b>		
Short-term deposits placed with licensed banks	15,715,112	15,491,808
Cash and bank balances	2,241,137	669,249
	17,956,249	16,161,057
Less : Fixed deposits held as security value	(15,659,787)	(15,491,808)
	2,296,462	669,249

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 2021 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 SEPTEMBER 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 2021. 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 2021.

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 2021 except for the adoption of the following new MFRS, amendments and interpretation to MFRSs for the financial year beginning on or after 1 July 2021:

		<i>Effective for the financial year beginning on or after</i>
Amendments to MFRS 4	Extension of the Temporary Exemption from Applying MFRS 9	17 August 2020
Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16	Interest Rate Benchmark Reform - Phase 2	1 January 2021
Amendment to MFRS 16	Covid-19 – Related Rent Concessions beyond 30 June 2021	1 April 2021
Amendments to MFRS 1, MFRS 9, MFRS 16 and MFRS 141	Annual Improvement to MFRS Standards 2018-2020	1 January 2022
Amendments to MFRS 3	Reference to the Conceptual Framework	1 January 2022
Amendments to MFRS 116	Property, Plant and Equipment - Proceeds before Intended Use	1 January 2022
Amendments to MFRS 137	Onerous Contracts - Cost of Fulfilling a Contract	1 January 2022
MFRS 17	Insurance Contracts	1 January 2023
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to MFRS 101	Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108	Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112	Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023

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 2021. 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 2021, and of their financial performance and their cash flows for the financial year then ended 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 three (3) months financial year ended 30 September 2021 is as follows: -

<b>30 SEPTEMBER 2021</b>	<b>Malaysia RM' 000</b>	<b>Other than Malaysia RM' 000</b>	<b>Elimination RM' 000</b>	<b>Consolidation RM' 000</b>
External Sales	2,175	2,726	(1,301)	3,600
Segment Results	(1,167)	1,293	-	126
Finance Cost	(63)	(7)		(70)
Depreciation and Amortisation	(449)	(82)	-	(531)
<b>Consolidated Loss Before Tax</b>				<b>(475)</b>
<b>ASSETS</b>				
<i>Segment Assets</i>	86,747	6,224	-	92,971
<b>LIABILITIES</b>				
<i>Segment Liabilities</i>	27,558	4,489		32,047
<b>OTHER INFORMATION</b>				
<i>Capital Expenditure on:-</i>				
<i>Property, plant and Equipment</i>	6	23	-	29
<i>Depreciation and Amortisation</i>	449	82	-	531

<b>30 SEPTEMBER 2020</b>	<b>Malaysia RM' 000</b>	<b>Other than Malaysia RM' 000</b>	<b>Elimination RM' 000</b>	<b>Consolidation RM' 000</b>
External Sales	2,098	1,173	(439)	2,832
Segment Results	(1,164)	(98)	-	(1,262)
Finance Cost	(79)	26	-	(53)
Depreciation and Amortisation	(1,395)	(223)	-	(1,618)
<b>Consolidated Loss Before Tax</b>				<b>(2,933)</b>
<b>ASSETS</b>				
<i>Segment Assets</i>	93,886	7,517	-	101,403
<b>LIABILITIES</b>				
<i>Segment Liabilities</i>	23,417	5,831	-	29,248
<b>OTHER INFORMATION</b>				
<i>Capital Expenditure on:-</i>				
<i>Property, plant and Equipment</i>	113	-	-	113
<i>Depreciation and Amortisation</i>	1,395	223	-	1,618

**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 2021.

**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 Quarter Versus Preceding Year Corresponding Quarter**

	Current Year First (1 <sup>st</sup> ) Quarter 30 September 2021 RM	Preceding Year First (1 <sup>st</sup> ) Quarter 30 September 2020 RM	Variance	
			RM	%
Revenue	3,599,559	2,831,902	767,657	27%
Loss before tax	(475,292)	(2,932,863)	2,457,571	-84%

For the current quarter under review, the Group's revenue increased by 27% compared to the previous year's corresponding quarter ended 30 September 2020. The increase was mainly due to an increase in revenue from software.

For the current quarter under review, the Group recorded a loss before tax of approximately RM0.5 million as compared to preceding year corresponding quarter ended 30 September 2020 mainly due to higher revenue and lower of goods sold and operating expenses, as follows: -

Description	RM	Note
Increase in gross profit	2,369,940	1
Decrease in other operating income	(37,533)	
Decrease in operating expenses	125,164	2
<b>Net decrease in loss before Tax</b>	<b>2,457,571</b>	

**Notes:**

- 1) Increase in gross profit, mainly due to higher revenue and better gross margin, no amortised development cost and lower professional services during the current financial quarter ended 30 September 2021.
- 2) Due to lower staff-related costs, provision for doubtful debts, rental expenses, and advertising and promotion expenses during the current financial quarter ended 30 September 2021.

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

	Current Year First (1 <sup>st</sup> ) Quarter 30 September 2021 RM	Immediate Preceding Fourth (4 <sup>th</sup> ) Quarter 30 June 2021 RM	Variance	
			RM	%
Revenue	3,599,559	2,327,858	1,271,701	55%
Loss before tax	(475,292)	(4,612,886)	4,137,594	-90%

The Group recorded revenue of RM3.6 million and loss before tax of RM0.5 million for the current year quarter ended 30 September 2021 under review as compared to the immediate preceding quarter ended 30 June 2021 revenue of RM2.3 million and loss before tax of RM4.6 million mainly due to the following: -

Description	RM	Note
Increase in gross profit	3,072,605	1
Decrease in other operating income	(1,851)	
Decrease in operating expenses	1,066,840	2
<b>Net decrease in loss before Tax</b>	<b>4,137,594</b>	

**Notes:**

- 1) Increase in gross profit, mainly due to higher revenue and better gross margin, no amortised the development cost and inventories written off during the current financial quarter ended 30 September 2021.
- 2) Decrease in operating expenses mainly due to lower provision for doubtful debts and staff-related costs during the current financial quarter ended 30 September 2021 as compared to the immediate preceding quarter ended 30 June 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 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	
	30/9/2021	30/9/2020	30/9/2021	30/9/2020
	RM	RM	RM	RM
Current income tax:				
- Current income tax charge	(34,759)	-	(34,759)	-
	<b>(34,759)</b>	<b>-</b>	<b>(34,759)</b>	<b>-</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.

**B9. Dividends**

The Board has not recommended any dividend for the financial year ended 30 September 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	
	30/9/2021	30/9/2020	30/9/2021	30/9/2020
	RM	RM	RM	RM
Loss attributable to owners of the parent (RM)	(502,057)	(2,924,425)	(502,057)	(2,924,425)
Weighted average number of ordinary share in use	859,269,076	859,269,076	859,269,076	859,269,076
Basic loss per share (sen)	(0.06)	(0.34)	(0.06)	(0.34)

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	
	30/9/2021	30/9/2020	30/9/2021	30/9/2020
	RM	RM	RM	RM
Depreciation and amortisation	(531,159)	(1,618,228)	(531,159)	(1,618,228)
Interest expenses	(69,804)	(53,079)	(69,804)	(53,079)
Interest income	55,887	64,544	55,887	64,544
Provision for and write off of receivables	(15,432)	(40,548)	(15,432)	(40,548)

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

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