

CUSCAPI BERHAD

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 30 SEPT 2022
(The figures have not been audited)

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		CURRENT YEAR QUARTER ENDED 30/09/2022 RM	PRECEDING YEAR QUARTER ENDED 30/09/2021 RM	CURRENT YEAR TO DATE 30/09/2022 RM	PRECEDING YEAR TO DATE 30/09/2021 RM
REVENUE	A8	2,104,658	3,599,559	2,104,658	3,599,559
COST OF GOOD SOLD		(1,538,983)	(1,941,255)	(1,538,983)	(1,941,255)
GROSS PROFIT/(LOSS)		565,675	1,658,304	565,675	1,658,304
OTHER OPERATING INCOME		87,511	85,455	87,511	85,455
OPERATING EXPENSES		(1,757,787)	(2,149,247)	(1,757,787)	(2,149,247)
LOSS FROM OPERATIONS		(1,104,601)	(405,488)	(1,104,601)	(405,488)
FINANCE COSTS		(134,323)	(69,804)	(134,323)	(69,804)
LOSS BEFORE TAXATION		(1,238,924)	(475,292)	(1,238,924)	(475,292)
TAXATION	B4	(72,834)	(34,759)	(72,834)	(34,759)
LOSS FOR THE PERIOD		(1,311,758)	(510,051)	(1,311,758)	(510,051)
OTHER COMPREHENSIVE INCOME					
- FAIR VALUE (LOSS)/GAIN ON OTHER INVESTMENT		(511,687)	(104,660)	(511,687)	(104,660)
- FOREIGN CURRENCY TRANSLATION		427,717	71,297	427,717	71,297
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD		(1,395,728)	(543,414)	(1,395,728)	(543,414)
LOSS ATTRIBUTABLE TO:					
OWNERS OF THE PARENT		(1,304,745)	(502,057)	(1,304,745)	(502,057)
NON-CONTROLLING INTEREST		(7,013)	(7,994)	(7,013)	(7,994)
		(1,311,758)	(510,051)	(1,311,758)	(510,051)
TOTAL COMPREHENSIVE LOSS ATTRIBUTABLE TO:					
OWNERS OF THE PARENT		(1,388,715)	(535,420)	(1,388,715)	(535,420)
NON-CONTROLLING INTEREST		(7,013)	(7,994)	(7,013)	(7,994)
		(1,395,728)	(543,414)	(1,395,728)	(543,414)
Loss per share (sen)					
- Basic/diluted	B10	(0.14)	(0.06)	(0.14)	(0.06)

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 SEPT 2022

	(UNAUDITED) AS AT 30/9/2022 RM	(AUDITED) AS AT 30/6/2022 RM (Restated)
NON-CURRENT ASSETS		
Property, plant and equipment	1,522,967	1,701,724
Right of use assets	1,666,188	1,862,928
Investment property	10,112,400	10,112,400
Intangible assets	13,238,390	13,238,390
Other investments	30,284,694	30,797,349
Trade Receivable	1,091,744	1,091,744
	57,916,383	58,804,535
CURRENT ASSETS		
Inventories	1,297,652	1,434,014
Trade & other receivables, prepayment	3,249,384	2,737,071
Tax recoverable	222,911	275,216
Cash and short-term deposits	1,445,192	16,752,695
	6,215,139	21,198,996
TOTAL ASSETS	64,131,522	80,003,531
EQUITY		
Share capital	203,374,573	203,374,573
Reserves	(152,497,983)	(151,109,268)
Equity attributable to owners of the parent	50,876,590	52,265,305
Non-controlling interest	(90,183)	(83,170)
TOTAL EQUITY	50,786,407	52,182,135
NON-CURRENT LIABILITIES		
Lease liabilities	748,168	965,765
Provision and retirement benefits obligations	170,085	170,085
	918,253	1,135,850
CURRENT LIABILITIES		
Lease liabilities	2,653,872	2,641,793
Trade & other payables	9,689,465	23,819,380
Current tax liabilities	83,525	224,373
	12,426,862	26,685,546
TOTAL LIABILITIES	13,345,115	27,821,396
TOTAL EQUITY AND LIABILITIES	64,131,522	80,003,531
Net assets per share attributable to owners of the parent (RM)	0.054	0.055

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 SEPT 2022
(The figures have not been audited)

	-----> Attributable to Owners of the Parent <----->				Total RM	Non-controlling Interest RM	Total Equity RM
	Share Capital RM	Other Reserve RM	Translation Reserve RM	Accumulated Loss 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	-	-	-	(1,304,745)	(1,304,745)	(7,013)	(1,311,758)
Other comprehensive income							
- Foreign currency translation	-	-	427,717	-	427,717	-	427,717
- Fair value loss on other investments	-	(511,687)	-	-	(511,687)	-	(511,687)
	-	(511,687)	427,717	(1,304,745)	(1,388,715)	(7,013)	(1,395,728)
As at 30 Sept 2022	<u>203,374,573</u>	<u>(2,050,268)</u>	<u>12,753,905</u>	<u>(163,201,620)</u>	<u>50,876,590</u>	<u>(90,183)</u>	<u>50,786,407</u>
As at 1 July 2021 (Restated)	181,114,569	713,735	12,101,260	(156,601,687)	37,327,877	(71,849)	37,256,028
Net loss for the period	-	-	-	(502,057)	(502,057)	(7,994)	(510,051)
Other comprehensive income							
- Foreign currency translation	-	-	71,297	-	71,297	-	71,297
- Fair value loss on other investments	-	(104,660)	-	-	(104,660)	-	(104,660)
	-	(104,660)	71,297	(502,057)	(535,420)	(7,994)	(543,414)
As at 30 Sept 2021	<u>181,114,569</u>	<u>609,075</u>	<u>12,172,557</u>	<u>(157,103,744)</u>	<u>36,792,457</u>	<u>(79,843)</u>	<u>36,712,614</u>

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 2022
(The figures have not been audited)

	30/09/2022	30/09/2021
	RM	RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before tax	(1,238,924)	(475,292)
Adjustments for :-		
Non-cash items	436,916	556,564
Non-operating items	132,999	12,307
Operating loss before changes in working capital	<u>(669,009)</u>	<u>93,579</u>
Net changes in current assets	(382,399)	(368,323)
Net changes in current liabilities	2,047,361	1,708,146
Cash flows used in operation	<u>995,953</u>	<u>1,433,402</u>
Taxation	(72,834)	(27,834)
Net cash used in operating activities	<u>923,119</u>	<u>1,405,568</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	900	55,887
Net changes of other investment	-	(3,081)
Net changes of property, plant and equipment	(65,324)	(29,153)
Net cash (used in)/generated from investing activities	<u>(64,424)</u>	<u>23,653</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	-	(812)
Payment to lease liabilities	(261,002)	(239,929)
Net cash generated from/(used in) financing activities	<u>(261,002)</u>	<u>(240,741)</u>
NET CHANGES IN CASH AND CASH EQUIVALENTS	597,693	1,188,480
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR	<u>847,499</u>	<u>1,107,982</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	<u>1,445,192</u>	<u>2,296,462</u>
Analysis of cash and cash equivalents:-		
Short-term deposits placed with licensed banks	-	15,715,112
Cash and bank balances	1,445,192	2,241,137
	<u>1,445,192</u>	<u>17,956,249</u>
Less : Fixed deposits held as security value	-	(15,659,787)
	<u>1,445,192</u>	<u>2,296,462</u>

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 2022

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 three (3) months financial quarter ended 30 September 2022 are as follows: -

30 SEPTEMBER 2022	Malaysia RM' 000	Other than Malaysia RM' 000	Elimination RM' 000	Consolidation RM' 000
External Sales	1,068	1,196	(159)	2,105
Segment Results	(721)	48	-	(673)
Finance Cost	(123)	(11)	-	(134)
Depreciation and Amortisation	(335)	(97)	-	(432)
Consolidated Loss Before Tax				(1,239)
ASSETS				
<i>Segment Assets</i>	59,429	4,703	-	64,132
LIABILITIES				
<i>Segment Liabilities</i>	9,945	3,400	-	13,345
OTHER INFORMATION				
<i>Capital Expenditure on:-</i>				
<i>Property, plant and Equipment</i>	65	-	-	65
<i>Depreciation and Amortisation</i>	335	97	-	432

30 SEPTEMBER 2021	Malaysia RM' 000	Other than Malaysia RM' 000	Elimination RM' 000	Consolidation RM' 000
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)
Consolidated Loss Before Tax				(475)
ASSETS				
<i>Segment Assets</i>	86,747	6,224	-	92,971
LIABILITIES				
<i>Segment Liabilities</i>	27,558	4,489	-	32,047
OTHER INFORMATION				
<i>Capital Expenditure on:-</i>				
<i>Property, plant and Equipment</i>	6	23	-	29
<i>Depreciation and Amortisation</i>	449	82	-	531

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 Commitment

On 1 March 2022, the Company entered into Subscription Agreement for the subscription of 9,000,000 units of Redeemable Convertible Preference Shares ("RCPS") in MX Global Sdn. Bhd. for a total subscription of RM9,000,000 to be satisfied in cash. The Company has made advance payment of RM405,000 in the previous financial year.

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 Quarter Versus Preceding Year Corresponding Quarter

	Current Year First (1 st) Quarter 30 Sept 2022 RM	Preceding Year First (1 st) Quarter 30 Sept 2021 RM	Variance	
			RM	%
Revenue	2,104,658	3,599,559	(1,494,901)	-42%
Loss before tax	(1,238,924)	(475,292)	(763,632)	161%

For the current quarter under review, the Group's revenue decreased by 42% compared to the preceding year corresponding quarter ended 30 September 2021. The decrease was mainly due to decrease in revenue from software.

For the current quarter under review, the Group recorded a loss before tax of approximately RM1.2 million as compared to preceding year corresponding quarter ended 30 September 2021 of RM475k mainly attributable to the following: -

Description	RM	Note
Decrease in gross profit	(1,092,629)	1
Decrease in other operating income	2,056	
Decrease in operating expenses	326,941	2
Net increase in loss before tax	(763,632)	

Notes:

1. Decrease in gross profit mainly due to decreased sales of software during the current financial quarter ended 30 September 2022.
2. Decrease in operating expenses is mainly due lower staff-related costs and depreciation expenses in current financial quarter ended 30 September 2022.

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B.1.2 Current Year Quarter Versus Immediate Preceding Quarter

	Current Year First (1 TH) Quarter 30 September 2022 RM	Immediate Preceding Fourth (4 th) Quarter 30 June 2022 RM	Variance	
			RM	%
Revenue	2,104,658	1,750,054	354,604	20%
Loss before tax	(1,238,924)	(2,655,098)	1,416,174	-53%

For the current year quarter ended 30 September 2022 under review, the Group's revenue increased by 20% compared to the immediate preceding quarter ended 30 June 2022, mainly due to higher revenue from the sales of services during the current year quarter.

For the current year quarter ended 30 September 2022 under review, the loss before taxation for the Group has reduced by approximately RM1.4 million compared to the immediate preceding quarter ended 30 June 2022, mainly attributable to:

Description	RM	Note
Increase in gross profit	714,428	1
Decrease in other operating income	(1,388,910)	2
Decrease in operating expenses	2,090,656	3
Net decrease in loss before tax	1,416,174	

Notes:

- Increase in gross profit in the current quarter ended 30 September 2022 mainly due to higher revenue from the sales of services and no inventories written off compared to the immediate preceding fourth quarter ended 30 June 2022.
- Decrease in other operating income in the current quarter ended 30 September 2022 mainly due to no interest income from fixed deposits, lower sundry income and no foreign exchange gain.
- Decrease in operating expenses in the current quarter mainly due to lower staff related cost and other operating expenses such as late payment interest and provision of doubtful debts during current quarter ended 30 September 2022.

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B2. Prospects

Global economic activity is experiencing a sharp slowdown, with inflation higher than seen in several decades. The cost-of-living crisis, tightening financial conditions in most regions, Russia's invasion of Ukraine, and the lingering COVID-19 pandemic all weigh heavily on the outlook. Global inflation is forecast to rise from 4.7 percent in 2021 to 8.8 percent in 2022, with the US and Europe forecast to experience recessions in the very near term and China to suffer significantly weaker growth in 2023.

In October 2022, Malaysia revised up its growth forecasts for 2022 to 6.5%-7.0% from 5.3%-6.3%, but it expects economic growth to slow to 4.0%-5.0% next year. 2023 is the fourth straight year in which the Malaysia government's revenue is not expected to be enough to cover operating expenses. Coupled with the weakness of the ringgit, Malaysia's government plans to reduce spending in 2023, including proposed reduced subsidies.

As the economy continues to be buffeted by multiple shocks, business should prepare for continued volatility in the years ahead. Amid these uncertainties, Cuscapi will continue to prioritise the company's operations, products and services and maintain business recovery momentum, to ensure the well-being of the employees, to strengthen the resilience of the businesses against any future headwinds. Cuscapi will continue to focus on its state-of-the-art technology and innovation for its F&B and automotive solutions whilst remaining customer-centric to improve our solution delivery capabilities. Furthermore, in keeping with the Group's lean organisational structure, improvements in operational efficiency and continuous cost structure rationalisation remains a priority to steer this global economic storm.

To remain sustainable, the Group will continue to align our business strategies with market changes to achieve a better financial performance in FYE 2023. Barring any unforeseen circumstances, the Board of Directors is confident that the Group's prospects for the current FY 2023 remain 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	
	30/09/2022	30/09/2021	30/09/2022	30/09/2021
	RM	RM	RM	RM
Current income tax provision	(72,834)	(34,759)	(72,834)	(34,759)
	(72,834)	(34,759)	(72,834)	(34,759)

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 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

There were no material litigations against the Group or taken by the Group for the current financial quarter under review.

B9. Dividends

The Board has not recommended any dividend for the financial period ended 30 September 2022.

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 Period Ended	
	30/09/2022	30/09/2021	30/09/2022	30/09/2021
	RM	RM	RM	RM
Loss attributable to owners of the parent (RM)	(1,304,745)	(502,057)	(1,304,745)	(502,057)
Weighted average number of ordinary share in use	944,884,476	859,269,076	944,884,476	859,269,076
Basic loss per share (sen)	(0.14)	(0.06)	(0.14)	(0.06)

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 loss before tax:

	Individual Quarter Ended		Cumulative Period Ended	
	30/09/2022	30/09/2021	30/09/2022	30/09/2021
	RM	RM	RM	RM
Depreciation and amortisation	(431,521)	(531,159)	(431,521)	(531,159)
Interest expenses	(134,323)	(69,804)	(134,323)	(69,804)
Interest income	900	55,887	900	55,887
Provision for and write off of receivables	(6,448)	(15,432)	(6,448)	(15,432)

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 2022.