

CUSCAPI BERHAD

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2022  
(The figures have not been audited)

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		CURRENT YEAR QUARTER ENDED 31/12/2022 RM	PRECEDING YEAR QUARTER ENDED 31/12/2021 RM	CURRENT YEAR TO DATE 31/12/2022 RM	PRECEDING YEAR TO DATE 31/12/2021 RM
REVENUE	A8	1,968,383	2,631,311	4,073,041	6,230,870
COST OF GOOD SOLD		(1,604,131)	(1,557,167)	(3,143,114)	(3,498,422)
GROSS PROFIT/(LOSS)		364,252	1,074,144	929,927	2,732,448
OTHER OPERATING INCOME		460,239	88,953	547,750	174,408
OPERATING EXPENSES		(1,923,652)	(1,826,583)	(3,681,439)	(3,975,830)
LOSS FROM OPERATIONS		(1,099,161)	(663,486)	(2,203,762)	(1,068,974)
FINANCE COSTS		(100,731)	(70,415)	(235,054)	(140,219)
LOSS BEFORE TAXATION		(1,199,892)	(733,901)	(2,438,816)	(1,209,193)
TAXATION	B4	(94,411)	(47,229)	(167,245)	(81,988)
LOSS FOR THE PERIOD		(1,294,303)	(781,130)	(2,606,061)	(1,291,181)
OTHER COMPREHENSIVE INCOME					
- FAIR VALUE (LOSS)/GAIN ON OTHER INVESTMENT		601,327	270,597	89,640	165,937
- FOREIGN CURRENCY TRANSLATION		(3,141)	(150,309)	424,576	(79,012)
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD		(696,117)	(660,842)	(2,091,845)	(1,204,256)
LOSS ATTRIBUTABLE TO:					
OWNERS OF THE PARENT		(1,295,736)	(784,935)	(2,600,481)	(1,286,992)
NON-CONTROLLING INTEREST		1,433	3,805	(5,580)	(4,189)
		(1,294,303)	(781,130)	(2,606,061)	(1,291,181)
TOTAL COMPREHENSIVE LOSS ATTRIBUTABLE TO:					
OWNERS OF THE PARENT		(697,550)	(664,647)	(2,086,265)	(1,200,067)
NON-CONTROLLING INTEREST		1,433	3,805	(5,580)	(4,189)
		(696,117)	(660,842)	(2,091,845)	(1,204,256)
Loss per share (sen)					
- Basic/diluted	B10	(0.14)	(0.09)	(0.28)	(0.15)

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 2022**

	(UNAUDITED) AS AT 31/12/2022 RM	(AUDITED) AS AT 30/6/2022 RM (Restated)
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	1,281,938	1,701,724
Right of use assets	1,483,582	1,862,928
Investment property	10,112,400	10,112,400
Intangible assets	13,238,390	13,238,390
Other investments	26,944,128	30,797,349
Trade Receivable	1,176,650	1,091,744
	54,237,088	58,804,535
<b>CURRENT ASSETS</b>		
Inventories	1,177,207	1,434,014
Trade & other receivables, prepayment	2,780,391	2,737,071
Tax recoverable	307,744	275,216
Cash and short-term deposits	1,755,925	16,752,695
	6,021,267	21,198,996
<b>TOTAL ASSETS</b>	60,258,355	80,003,531
<b>EQUITY</b>		
Share capital	203,374,573	203,374,573
Reserves	(153,195,533)	(151,109,268)
Equity attributable to owners of the parent	50,179,040	52,265,305
Non-controlling interest	(88,750)	(83,170)
<b>TOTAL EQUITY</b>	50,090,290	52,182,135
<b>NON-CURRENT LIABILITIES</b>		
Lease liabilities	709,703	965,765
Provision and retirement benefits obligations	170,085	170,085
	879,788	1,135,850
<b>CURRENT LIABILITIES</b>		
Lease liabilities	1,043,446	2,641,793
Trade & other payables	7,998,895	23,819,380
Current tax liabilities	245,936	224,373
	9,288,277	26,685,546
<b>TOTAL LIABILITIES</b>	10,168,065	27,821,396
<b>TOTAL EQUITY AND LIABILITIES</b>	60,258,355	80,003,531
Net assets per share attributable to owners of the parent (RM)	0.053	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 31 DECEMBER 2022**  
(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 2022</b>	203,374,573	(1,538,581)	12,326,188	(161,896,875)	52,265,305	(83,170)	52,182,135
<b>Net loss for the period</b>	-	-	-	(2,600,481)	(2,600,481)	(5,580)	(2,606,061)
<b>Other comprehensive income</b>							
- Foreign currency translation	-	-	424,576	-	424,576	-	424,576
- Fair value gain on other investments	-	89,640	-	-	89,640	-	89,640
	-	89,640	424,576	(2,600,481)	(2,086,265)	(5,580)	(2,091,845)
<b>As at 31 December 2022</b>	<u>203,374,573</u>	<u>(1,448,941)</u>	<u>12,750,764</u>	<u>(164,497,356)</u>	<u>50,179,040</u>	<u>(88,750)</u>	<u>50,090,290</u>
<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 period</b>	-	-	-	(1,286,992)	(1,286,992)	(4,189)	(1,291,181)
<b>Other comprehensive income</b>							
- Foreign currency translation	-	-	(79,012)	-	(79,012)	-	(79,012)
- Fair value gain on other investments	-	165,937	-	-	165,937	-	165,937
	-	165,937	(79,012)	(1,286,992)	(1,200,067)	(4,189)	(1,204,256)
<b>As at 31 December 2021</b>	<u>181,114,569</u>	<u>879,672</u>	<u>12,022,248</u>	<u>(133,677,560)</u>	<u>60,338,929</u>	<u>(76,038)</u>	<u>60,262,891</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 31 DECEMBER 2022**  
(The figures have not been audited)

	31/12/2022	31/12/2021
	RM	RM
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss before tax	(2,438,816)	(1,209,193)
Adjustments for :-		
Non-cash items	875,485	970,901
Non-operating items	(9,647)	28,482
<b>Operating loss before changes in working capital</b>	<u>(1,572,978)</u>	<u>(209,810)</u>
Net changes in current assets	146,564	431,654
Net changes in current liabilities	4,231,332	997,908
<b>Cash flows generated from operation</b>	<u>2,804,918</u>	<u>1,219,752</u>
Taxation	(167,245)	(81,988)
<b>Net cash generated from operating activities</b>	<u>2,637,673</u>	<u>1,137,764</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest received	25,191	111,737
Net changes of other investment	349,727	-
Net changes of property, plant and equipment	(65,324)	(100,455)
<b>Net cash generated from investing activities</b>	<u>309,594</u>	<u>11,282</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Interest paid	-	(1,623)
Payment to lease liabilities	(1,959,866)	(510,916)
<b>Net cash (used in)/generated from financing activities</b>	<u>(1,959,866)</u>	<u>(512,539)</u>
<b>NET CHANGES IN CASH AND CASH EQUIVALENTS</b>	987,401	636,507
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR</b>	<u>768,524</u>	<u>1,107,983</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR</b>	<u>1,755,925</u>	<u>1,744,490</u>
<b>Analysis of cash and cash equivalents:-</b>		
Short-term deposits placed with licensed banks	-	15,770,028
Cash and bank balances	1,755,925	1,634,249
	<u>1,755,925</u>	<u>17,404,277</u>
Less : Fixed deposits held as security value	-	(15,659,787)
	<u>1,755,925</u>	<u>1,744,490</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 31 DECEMBER 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 six (6) months financial quarter ended 31 December 2022 are as follows: -

<b>31 DECEMBER 2022</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	2,240	2,392	(559)	4,073
Segment Results	(1,479)	140	-	(1,339)
Finance Cost	(213)	(22)	-	(235)
Depreciation and Amortisation	(673)	(192)	-	(865)
<b>Consolidated Loss Before Tax</b>				<b>(2,439)</b>
<b>ASSETS</b>				
<i>Segment Assets</i>	55,982	4,276	-	60,258
<b>LIABILITIES</b>				
<i>Segment Liabilities</i>	7,193	2,975	-	10,168
<b>OTHER INFORMATION</b>				
<i>Capital Expenditure on:-</i>				
<i>Property, plant and Equipment</i>	65	-	-	65
<i>Depreciation and Amortisation</i>	673	192	-	865

<b>31 DECEMBER 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	4,053	4,320	(2,142)	6,231
Segment Results	(1,788)	1,668	-	(120)
Finance Cost	(122)	(18)	-	(140)
Depreciation and Amortisation	(786)	(163)	-	(949)
<b>Consolidated Loss Before Tax</b>				<b>(1,209)</b>
<b>ASSETS</b>				
<i>Segment Assets</i>	86,038	5,379	-	91,417
<b>LIABILITIES</b>				
<i>Segment Liabilities</i>	27,214	3,940	-	31,154
<b>OTHER INFORMATION</b>				
<i>Capital Expenditure on:-</i>				
<i>Property, plant and Equipment</i>	77	23	-	100
<i>Depreciation and Amortisation</i>	786	163	-	949

**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**

- (a) On 8 December 2022, the Company subscribed 1 ordinary share in Megalodon Capital Management Limited, a company incorporated in British Virgin Islands at an issue price of US\$1.00 representing 100% issued share capital in Megalodon Capital Management Limited, at total investment cost of USD\$1.00.
- (b) On 4 January 2023, the Company subscribed 100 management shares in Megalodon Capital SPC, a company incorporated in Cayman Islands at an issue price of US\$0.01 representing 100% issued share capital in Megalodon Capital SPC, at total investment cost of USD\$1.00.

**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-to-Date Versus Preceding Year-to-Date**

	Current Year Second (2 <sup>nd</sup> ) Quarter 31 Dec 2022 RM	Preceding Year Second (2 <sup>nd</sup> ) Quarter 31 Dec 2021 RM	Variance	
			RM	%
Revenue	4,073,041	6,230,870	(2,157,829)	-35%
Loss before tax	(2,438,816)	(1,209,193)	(1,229,623)	102%

For the cumulative six (6) months ended 31 December 2022 under review, the Group's revenue decreased by 35% as compared to the preceding year corresponding quarter ended 31 December 2021. The decrease was mainly due to decrease in revenue from software.

The current year-to-date quarter ended 31 December 2022, the Group recorded a loss before tax of approximately RM2.4 million as compared to preceding year-to-date quarter ended 31 December 2021 of RM1.2 million, mainly attributable to the following: -

Description	RM	Note
Decrease in gross profit	(1,802,521)	1
Increase in other operating income	373,342	2
Decrease in operating expenses	199,556	3
<b>Net increase in loss before tax</b>	<b>(1,229,623)</b>	

**Notes:**

1. Decrease in gross profit mainly due to lower revenue from the sales of software during the current financial quarter to-date ended 31 December 2022.
2. Increase in other operating income mainly due to dividend income from quoted investments, gain on disposal of quoted shares and grant subsidies from Government.
3. Decrease in operating expenses is mainly due lower staff-related costs and depreciation expenses during the current financial quarter to-date ended 31 December 2022. .

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### B.1.2 Current Year Quarter Versus Preceding Year Quarter

	Current Year Second (2 <sup>nd</sup> ) Quarter 31 December 2022 RM	Preceding Year Second (2 <sup>nd</sup> ) Quarter 31 December 2021 RM	Variance	
			RM	%
Revenue	1,968,383	2,631,311	(662,928)	-25%
Loss before tax	(1,199,892)	(733,901)	(465,991)	63%

The Group recorded revenue of RM 1.9 million and loss before tax of RM1.2 million for the current year quarter ended 31 December 2022 under review as compared to the preceding year quarter ended 31 December 2021 revenue of RM 2.6 million and loss before tax of RM734K, mainly attributable to the following: -

Description	RM	Note
Decrease in gross profit	(709,892)	1
Increase in other operating income	371,286	2
Increase in operating expenses	(127,385)	3
<b>Net increase in loss before tax</b>	<b>(465,991)</b>	

#### Notes:

1. Decrease in gross profit mainly due to lower sales of software and service during the current year quarter ended 31 December 2022.
2. Increase in other operating income in the current year quarter ended 31 December 2022 mainly due to dividend income from quoted investments, gain on disposal of quoted shares and grant subsidies from Government.
3. Increase in operating expenses in the current year quarter ended 31 December 2022 mainly due to higher legal expenses and discounted interest.

### B.1.3 Current Year Quarter Versus Immediate Preceding Quarter

	Current Year Second (2 <sup>nd</sup> ) Quarter 31 December 2022 RM	Immediate Preceding First (1 <sup>st</sup> ) Quarter 30 September 2022 RM	Variance	
			RM	%
Revenue	1,968,383	2,104,658	(136,275)	-6%
Loss before tax	(1,199,892)	(1,238,924)	39,032	-3%

For the current year quarter ended 31 December 2022 under review, the Group's revenue decreased by 6% as compared to the immediate preceding quarter ended 30 September 2022. The decrease was mainly due to lower revenue from the sales of software and services.

For the current year quarter ended 31 December 2022 under review, the Group recorded a lower loss before taxation by RM39,032 as compared to the immediate preceding quarter ended 30 September 2022 mainly attributable to:

<b>Description</b>	<b>RM</b>	<b>Note</b>
Decrease in gross profit	(201,423)	1
Increase in other operating income	372,728	2
Increase in operating expenses	(132,273)	3
<b>Net decrease in loss before tax</b>	<b>39,032</b>	

**Notes:**

1. Decrease in gross profit in the current year second quarter ended 31 December 2022 mainly due to lower revenue from the sales of software and services as compared to the immediate preceding first quarter ended 30 September 2022.
2. Increase in other operating income in the current year quarter ended 31 December 2022 mainly due to dividend income from quoted investments, gain on disposal of quoted shares and grant subsidies from Government.
3. Increase in operating expenses mainly due to higher staff-related costs and legal fees during the current financial quarter ended 31 December 2022.

**2. Prospects**

The global economy continues to be weighed down by elevated cost pressures, higher interest rates, and COVID-19-related disruptions in China. Core inflation remains above historical averages. Central banks are expected to continue raising interest rates, albeit at a slower pace, to manage inflationary pressures. This will continue to pose headwinds to the global growth outlook.

In Malaysia, growth in 2023 is expected to moderate amid a slower global economy. Downside risks to the domestic economy continue to stem from a weaker-than-expected global growth, higher risk aversion in global financial markets amid more aggressive monetary policy tightening in major economies, further escalation of geopolitical conflicts, and re-emergence of significant supply chain disruptions. Over the course of 2023, headline and core inflation are expected to moderate but remain at elevated levels amid lingering demand and cost pressures.

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 and 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.

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 optimistic 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	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
	RM	RM	RM	RM
Current income tax provision	(94,411)	(47,229)	(167,245)	(81,988)
	<u>(94,411)</u>	<u>(47,229)</u>	<u>(167,245)</u>	<u>(81,988)</u>

**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 31 December 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	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
	RM	RM	RM	RM
Loss attributable to owners of the parent (RM)	(1,295,736)	(784,935)	(2,600,481)	(1,286,992)
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)	(0.09)	(0.28)	(0.15)

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	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
	RM	RM	RM	RM
Depreciation and amortisation	(433,596)	(418,146)	(865,117)	(949,305)
Interest expenses	(100,731)	(70,414)	(235,054)	(140,219)
Interest income	24,291	55,850	25,191	111,737
Provision for and write off of receivables	(4,404)	(9,045)	(10,852)	(24,477)

**B12. Authorised for Issue**

The Condensed Report was authorised for issue by the Board in accordance with a resolution of the Directors on 28 February 2023.