cuscapi®

ANNUAL REPORT

CONTENTS

MISSION

To provide world-class solutions and services to bring our clients and their customers closer together.

VISION

To empower businesses to develop meaningful relationships with their customers.

OUR VALUES

Our “**EDICT**” values are what we uphold as an organisation. This guides our decisions, our actions and our approach to the challenges to our organisation and business. Through these values, we develop a consistent and single-minded approach in all that we do.

EXCELLENCE

We are always committed to deliver excellence to create true business value to our clients.

DRIVE

We are passionate about making a difference to our clients and their customers with enthusiasm in everything we do.

INTEGRITY

We conduct ourselves in a professional and honourable manner, contributing to the success of our company and our clients.

CREATIVITY

We see innovation as a means to contribute for client success. We thrive on creative thinking, constant challenging the way we approach our business and serve our clients, including their customers.

TEAM SPIRIT

We are at our best when we work as a team, sharing our collective knowledge to help our clients to realise value.

CORPORATE INFORMATION

BOARD OF DIRECTORS

DATUK JAYAKUMAR A/L PANNEER SELVAM
Executive Chairman

DATO' SRI KHAZALI BIN HAJI AHMAD
Executive Director

DATUK MAT NOOR BIN NAWI
Independent Non-Executive Director

DATO' SHEAH KOK FAH
Independent Non-Executive Director

PUAN MOHAINI BINTI MOHD YUSOF
Independent Non-Executive Director

AUDIT AND RISK MANAGEMENT COMMITTEE

Datuk Mat Noor Bin Nawi
Chairman

Dato' Sheah Kok Fah
Member

Puan Mohaini Binti Mohd Yusof
Member

NOMINATION AND REMUNERATION COMMITTEE

Puan Mohaini Binti Mohd Yusof
Chairperson

Dato' Sheah Kok Fah
Member

COMPANY SECRETARIES

Tan Tong Lang
(SSM PC No. 202208000250)
(MAICSA 7045482)

Tan Lay Khoon
(SSM PC No. 202208000544)
(MAICSA 7077867)

REGISTERED OFFICE

B-21-1, Level 21, Tower B
Northpoint Mid Valley City
No. 1, Medan Syed Putra Utara
59200 Kuala Lumpur
Tel : +603 9770 2200
Fax : +603 2201 7774
Email : boardroom@boardroom.com.my

CORPORATE OFFICE

Level 27 & 28, Block N
Empire City Damansara
No. 8, Jalan Damansara
PJU 8, 47820 Petaling Jaya
Selangor Darul Ehsan
Tel : +603 7623 7777
Fax : +603 7622 1999
Website : www.cuscapi.com
Email : information@cuscapi.com

EXTERNAL AUDITORS

UHY
(AF 1411)
Suite 11.05, Level 11
The Gardens South Tower
Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur
Tel : +603 2279 3088
Fax : +603 2279 3099

INTERNAL AUDITORS

Crowe Governance Sdn. Bhd.
Level 13, Tower C
Megan Avenue II
12 Jalan Yap Kwan Seng
50450 Kuala Lumpur
Tel : +603 2788 9999
Fax : +603 2788 9998

SHARE REGISTRAR

Aldpro Corporate Services Sdn. Bhd.
[Registration No. 202101043817 (1444117-M)]
B-21-1, Level 21, Tower B,
Northpoint Mid Valley City
No. 1, Medan Syed Putra Utara
59200 Kuala Lumpur
Tel : +603 9770 2200
Fax : +603 2201 7774
Email : admin@aldpro.com.my

PRINCIPAL BANKERS

Standard Chartered Bank Malaysia Berhad
Malayan Banking Berhad
HSBC Bank Malaysia Berhad

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad
Stock Name : CUSCAPI
Stock Code : 0051

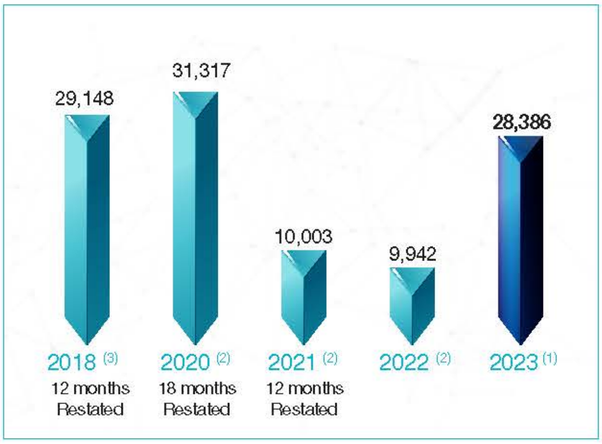
CORPORATE STRUCTURE

cuscapi®
CUSCAPI BERHAD

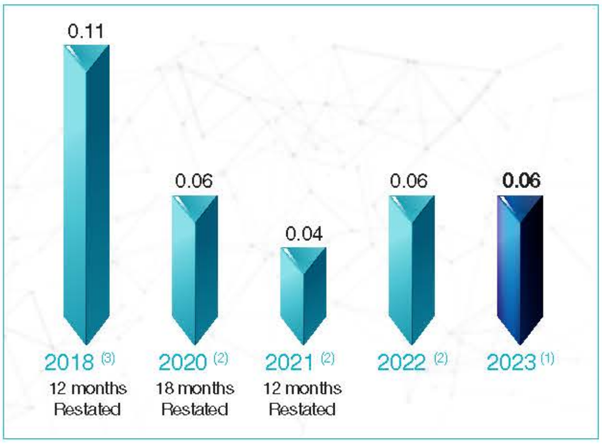
- 100% CUSCAPI MALAYSIA SDN. BHD.
- 100% CUSCAPI INNOVATION LAB SDN. BHD.
- 100% CUSCAPI SOLUTIONS SDN. BHD.
- 100% CUSCAPI CONSULTING SERVICES SDN. BHD.
- 100% CUSCAPI OUTSOURCING SDN. BHD.
- 100% CUSCAPI INTERACTIVE SOLUTIONS SDN. BHD.
- 100% CUSCAPI BLOCKCHAIN SDN. BHD.
- 100% CUSCAPI (BD) LTD
- 100% LITAR PASIFIKA SDN. BHD.
- 100% CUSCAPI INTERNATIONAL SDN. BHD.
  - 100% CUSCAPI HONG KONG LIMITED
    - 100% CUSCAPI SUZHOU CO. LTD.
    - 100% CUSCAPI GUANGZHOU CO. LTD.
    - 100% CUSCAPI BEIJING CO. LTD.
    - 100% CUSCAPI SHANGHAI CO. LTD.
    - 99.99% CUSCAPI PHILIPPINES, INC.
      - 99.99% TILLS N LABELS SYSTEM MARKETING, INC.
    - 100% CUSCAPI INTERACTIVE TECHNOLOGY (CHINA) PTY. LTD.
      - 100% SHANGHAI CUSCAPI INTERACTIVE NETWORK TECHNOLOGY CO. LTD.
- 100% CUSCAPI INTERNATIONAL PTE. LTD.
  - 100% CUSCAPI (THAILAND) CO. LTD.
  - 100% CUSCAPI SINGAPORE PTE. LTD.
  - 52.18% PT CUSCAPI INDONESIA
- 47.82% PT CUSCAPI INDONESIA
- 70% CUSCAPI VIETNAM COMPANY LIMITED
- 100% MEGALODON CAPITAL MANAGEMENT LIMITED
- 100% MEGALODON CAPITAL SPC

FINANCIAL HIGHLIGHTS

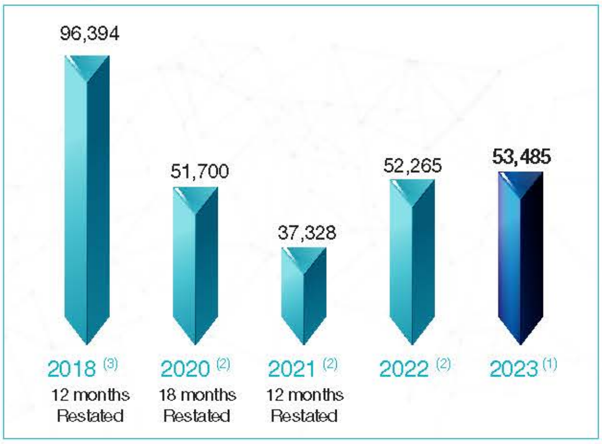
REVENUE
(RM'000)



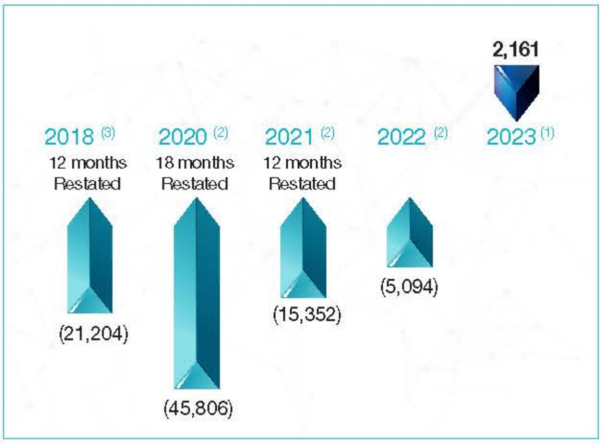
NET ASSETS PER SHARE
(RM)



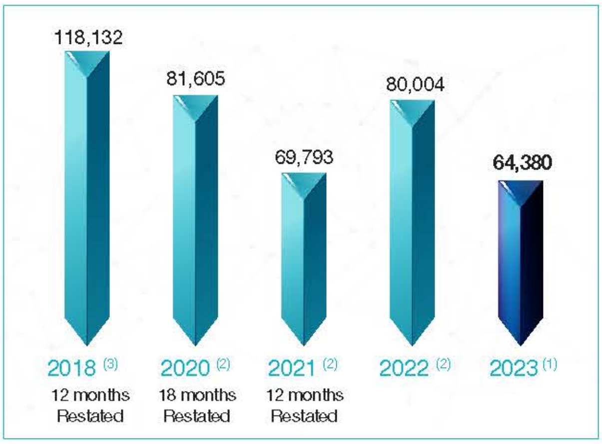
SHAREHOLDERS' EQUITY
(RM'000)



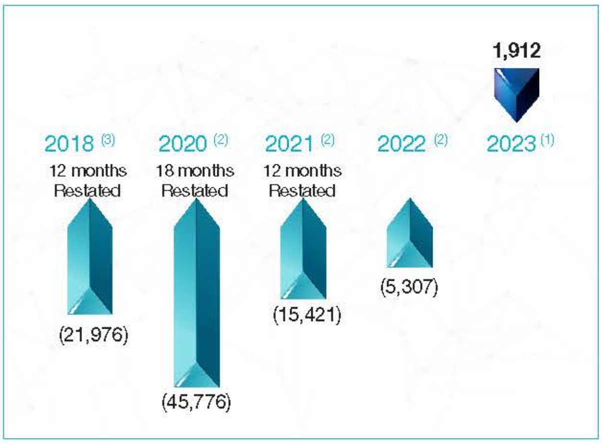
(LOSS)/PROFIT BEFORE TAXATION
(RM'000)



TOTAL ASSETS
(RM'000)



(LOSS)/PROFIT AFTER TAXATION
(RM'000)



Notes:

(1) Cuscapi had on 9 June 2023 changed its financial year end from 30 June to 31 December. The FPE 31 December 2023 was made up results for 18 monts covering the period from 1 July 2022 to 31 December 2023.

(2) Financial Year Ended 30 June

(3) Financial Year Ended 31 December

BOARD OF DIRECTORS

Front left to right:
Datuk Jayakumar A/L Panneer Selvam, Dato' Sri Khazali Bin Haji Ahmad, Dato' Sheah Kok Fah, Datuk Mat Noor Bin Nawi, Puan Mohaini Binti Mohd Yusof

MANAGEMENT DISCUSSION AND ANALYSIS OF BUSINESS OPERATION AND FINANCIAL PERFORMANCE 2023

DEAR SHAREHOLDERS,

On behalf of the Board of Directors, I hereby present the Annual Report and Audited Financial Statements of the Group and the Company FPE 31 December 2023.

Datuk P.S. Jaya
Executive Chairman

The following Management Discussion and Analysis ("**MD&A**") provides an analysis of the financial performance of Cuscapi Berhad ("**the Company**") and its subsidiaries ("**the Group**") for the financial period ended 31 December 2023 ("**FPE 31 December 2023**"). In addition, the MD&A contains commentary from the Management on the performance of the Group and of the Company to give investors and shareholders a better understanding of the business, operations and financial position for the FPE 31 December 2023. The MD&A should be read in conjunction with the Company's consolidated financial statements and notes.

1. Overview of Operations

Cuscapi Group is involved primarily in the provision of restaurant management solutions and offers a comprehensive range of integrated solutions for the industry, including but not limited to the point of sales solutions, outlet management solutions, information technology security solutions, IT consulting services and contact centre outsourcing services. Cuscapi Group also provides IT solutions to businesses across various industries, including retail, hospitality, and automotive.

Cuscapi established in Malaysia on 16 November 1978, has more than 40 years of combined in-depth industry experience and knowledge in implementing world-class solutions.

Currently, Cuscapi is based in Petaling Jaya, and we have several service centres nationwide and a strong presence with support infrastructure and customer care in regional countries.

1.1 Our operating segments are as follow: -

(a) Geographical locations

(i) Malaysia

Involves in software development, the provision of remedial services for point of sales and related software implementation and support services, the provision of point of sales and business management solutions, the provision of project management, business and IT-related consultancy services, the provision of network infrastructure and security solutions and services and system integration services, across various industries, including retail, hospitality and automotive industries.

MANAGEMENT DISCUSSION AND ANALYSIS OF BUSINESS OPERATION AND FINANCIAL PERFORMANCE 2023

1. Overview of Operations (continued)

1.1 Our operating segments are as follow: - (continued)

(a) Geographical locations (continued)

(ii) South-East Asia

Cuscapi provides the provision of point of sales and business management solutions, the provision of remedial services for point of sales hardware and related software implementation and support services, project management, and business and IT-related consultancy services in the South East Asia region other than Malaysia.

(b) Business units

(i) Sales of POS

This segment is involved in sale of software, hardware, maintenance services and other support services of point-of-sales to all the customers for the Group.

(ii) Trading of digital assets

This segment is involved in trading of the digital assets.

(iii) Group Corporate

This segment is involved in Group-level corporate services, and treasury functions.

1.2 Our revenue is derived through our group of companies of which the principal activities are summarised as below: -

	Subsidiaries	Date and place of incorporation	Principal activities
1.	Cuscapi Berhad	16 November 1978 Malaysia	Investment holding
2.	Cuscapi Consulting Services Sdn. Bhd.	20 September 1997 Malaysia	Provision of project management, business and IT-related consultancy services
3.	Cuscapi Malaysia Sdn. Bhd.	17 July 2000 Malaysia	Provision of restaurant management and business management solutions, remedial services for restaurant management hardware and related software implementation and support services
4.	Cuscapi Innovation Lab Sdn. Bhd.	11 April 2002 Malaysia	Software development
5.	Cuscapi International Sdn. Bhd.	20 February 2003 Malaysia	Investment holding
6.	Cuscapi Solutions Sdn. Bhd.	24 May 2003 Malaysia	Software development
7.	Cuscapi Interactive Solutions Sdn. Bhd.	3 September 2003 Malaysia	Provision of software development, interactive devices solutions, restaurant management and business management solutions
8.	Cuscapi International Pte. Ltd.	18 October 2007 Singapore	Investment holding

MANAGEMENT DISCUSSION AND ANALYSIS OF BUSINESS OPERATION AND FINANCIAL PERFORMANCE 2023

1. Overview of Operations (continued)

1.2 Our revenue is derived through our group of companies of which the principal activities are summarised as below: - (continued)

	Subsidiaries	Date and place of incorporation	Principal activities
9.	Cuscapi Beijing Co. Ltd.*	18 October 2007 China	Provision of restaurant management and business management solutions, remedial services for restaurant management hardware and related software implementation and support services, project management business, and IT related consultancy services
10.	Cuscapi Singapore Pte. Ltd.	12 January 2009 Singapore	Provision of restaurant management and business management solutions, remedial services for restaurant management hardware and related software implementation and support services, project management business, and IT related consultancy services
11.	Cuscapi Outsourcing Sdn. Bhd.	30 May 2008 Malaysia	Provision of a contract centre for outsourcing services
12.	Cuscapi Suzhou Co. Ltd.*	31 October 2008 China	Software development
13.	Cuscapi (Thailand) Co. Ltd.	12 March 2011 Thailand	Provision of restaurant management and business management solutions, remedial services for restaurant management hardware and related software implementation and support services, project management business, and IT related consultancy services
14.	PT Cuscapi Indonesia	11 March 2011 Indonesia	Provision of restaurant management and business management solutions, remedial services for restaurant management hardware and related software implementation and support services
15.	Cuscapi Shanghai Co. Ltd.*	1 August 2011 China	Provision of restaurant management and business management solutions, remedial services for restaurant management hardware and related software implementation and support services, project management business, and IT related consultancy services
16.	Cuscapi Hong Kong Ltd.	31 October 2011 Hong Kong	Investment holding
17.	Tills N Labels System Marketing, Inc.	3 November 2011 Philippines	Provision of restaurant management and business management solutions, remedial services for restaurant management hardware and related software implementation and support services, project management business, and IT related consultancy services
18.	Cuscapi Guangzhou Co. Ltd.	14 February 2012 China	Dormant
19.	Cuscapi Philippines, Inc.	16 May 2012 Philippines	Investment holding
20.	Cuscapi Interactive Technology (China) Pty. Ltd.	30 August 2013 Hong Kong	Investment holding

MANAGEMENT DISCUSSION AND ANALYSIS OF BUSINESS OPERATION AND FINANCIAL PERFORMANCE 2023

1. Overview of Operations (continued)

1.2 Our revenue is derived through our group of companies of which the principal activities are summarised as below: - (continued)

	Subsidiaries	Date and place of incorporation	Principal activities
21.	Shanghai Cuscapi Interactive Network Technology Co. Ltd.*	23 December 2016 China	Software development, interactive devices solutions, restaurant management, business management solutions and other related services and products
22.	Cuscapi Blockchain Sdn. Bhd.	25 July 2018 Malaysia	To operate a cryptocurrency exchange in Philippines and other IT related business
23.	Litar Pasifika Sdn. Bhd.	15 August 2018 Malaysia	Investment holding
24.	Cuscapi (BD) Ltd	20 February 2019 Bangladesh	Dormant
25.	Cuscapi Vietnam Company Limited	28 January 2011 Vietnam	Computer programming, information technology service and other services related to the computer, data processing, leasing and other related activities
26.	Megalodon Capital Management Limited	8 December 2022 British Virgin Island	Dormant
27.	Megalodon Capital SPC	4 January 2023 Cayman Island	Dormant

** The business operation of the subsidiary has ceased since previous financial years.*

2. Share Performance

The following table sets out the summary of share performance for the FPE 31 December 2023:-

Date	Open	High	Low	Close	Volume
Jul-22	0.225	0.235	0.225	0.225	3,541,500
Aug-22	0.230	0.235	0.230	0.235	3,327,800
Sep-22	0.205	0.205	0.195	0.200	906,400
Oct-22	0.250	0.255	0.245	0.245	2,805,900
Nov-22	0.215	0.230	0.215	0.225	3,133,800
Dec-22	0.230	0.230	0.225	0.225	310,100
Jan-23	0.240	0.240	0.225	0.235	1,907,100
Feb-23	0.230	0.230	0.220	0.220	8,263,600
Mar-23	0.195	0.200	0.185	0.185	2,732,700
Apr-23	0.190	0.200	0.185	0.190	1,445,200
May-23	0.160	0.165	0.160	0.165	578,400
Jun-23	0.165	0.165	0.160	0.165	668,800
Jul-23	0.185	0.190	0.180	0.180	900,700
Aug-23	0.190	0.200	0.190	0.195	1,840,800
Sep-23	0.190	0.195	0.190	0.190	573,900
Oct-23	0.165	0.175	0.165	0.170	322,800
Nov-23	0.180	0.185	0.180	0.180	676,100
Dec-23	0.175	0.180	0.170	0.175	521,800

As of 31 December 2023, Cuscapi market capitalisation at RM165.35 million in the number of shares issued at 944,884,476.

MANAGEMENT DISCUSSION AND ANALYSIS OF BUSINESS OPERATION AND FINANCIAL PERFORMANCE 2023

3. Financial Performance and Position(1)

For the 18 months financial period ended 31 December 2023, the Group registered revenue of approximately RM 28.4 mil and pre-tax profit of RM 2.16 mil during the current financial period 2023. Higher revenue during the financial period is mainly from the trading of Digital Assets.

Notes: -
(1) Cuscapi had on 9 June 2023 changed its financial year-end from 30 June to 31 December. The FPE 31 December 2023 was made up of results for 18 months covering the period from 1 July 2022 to 31 December 2023.

3.1 Revenue by Region

The breakdown of our revenue by countries is set out below: -

Country	FPE 31 December 2023 (1) RM	FYE 30 JUNE 2022 RM
Malaysia	23,319,542	3,730,431
Other than Malaysia	5,066,470	6,211,594
Total	**28,386,012**	**9,942,025**

Notes: -
(1) Cuscapi had on 9 June 2023 changed its financial year-end from 30 June to 31 December. The FPE 31 December 2023 was made up of results for 18 months covering the period from 1 July 2022 to 31 December 2023.

3.2 Revenue by Products

The breakdown of our revenue by products is set out below: -

Product	FPE 31 December 2023 (1)		FYE 30 JUNE 2022	
	RM	%	RM	%
Transight & C360	14,128,341	50%	8,174,734	83%
EDMS	2,499,943	9%	1,529,179	15%
Others	11,757,728	41%	238,112	2%
Total	**28,386,012**	**100%**	**9,942,025**	**100%**

Notes: -
(1) Cuscapi had on 9 June 2023 changed its financial year-end from 30 June to 31 December. The FPE 31 December 2023 was made up of results for 18 months covering the period from 1 July 2022 to 31 December 2023.

3. Profit/(Loss) Before Taxation

3.3 Profit/(Loss) before Taxation by Region

The breakdown of profit/(loss) before taxation by countries are set out below: -

Country	FPE 31 December 2023 (1) RM	FYE 30 JUNE 2022 RM
Malaysia	4,107,672	(5,614,791)
Other than Malaysia	(1,946,753)	520,442
Total	**2,160,919**	**(5,094,349)**

Notes: -
(1) Cuscapi had on 9 June 2023 changed its financial year-end from 30 June to 31 December. The FPE 31 December 2023 was made up of results for 18 months covering the period from 1 July 2022 to 31 December 2023.

MANAGEMENT DISCUSSION AND ANALYSIS OF BUSINESS OPERATION AND FINANCIAL PERFORMANCE 2023

3. Revenue and Profit/(Loss) (continued)

3.4 Assets, Liabilities and Liquidity

i) There is changes in the Group's bank deposits and cash and bank during the FPE 31 December 2023 mainly due to the settlement of litigation.
ii) Trade and other receivables increased by 639% mainly due to the trading of Digital Assets.
iii) Trade and other payables decreased by 57%, mainly due to decrease of other payables compared to the preceding year.
iv) The Group's inventories decreased during the FPE 31 December 2023 mainly due to written-off inventories and better planning.

4. Anticipated of Known Risk Affecting Group's Results, Operations and Financial Condition

Our Group's financial condition and results of operations have been, and will continue to be affected by, amongst others, the following key factors: -

i) Our Group's ability to stay competitive vis-à-vis our competitors by providing good quality services;

ii) Our Group's ability in developing and implementing marketing strategies, expansion of our service offerings and solutions to suit customers' needs, and to keep abreast with new restaurant management technologies;

iii) Our Group's ability to develop good working relationships with our customers, suppliers as well as staff, and implement incentive-driven plans to improve the efficiency of our staff;

iv) The developments in the political and economic conditions in Malaysia and globally which may materially and adversely affect the business, operations and financial performance of our Group;

v) Our dependence on the abilities and continued performance of our Directors, key management and key technical personnel for our Group's success as any loss of these key personnel could materially affect our Group;

vi) Foreign exchange fluctuations and translation losses may result in our Group incurring foreign exchange losses or gains due to the fluctuations in the exchange rates; and

vii) Legal and regulatory changes in the countries we operate, which may adversely affect our business costs and sustainability.

4.1 Impact of foreign exchange rates/ interest rates/ commodity prices on operating profits

i) Impact from foreign currency exchange rates

Our Group is exposed to foreign currency risks as our sales and purchases are partly denominated in foreign currencies, namely in USD, SGD, THB, IDR, PHP, VND, HKD, BDT and RMB. As such, any appreciation or depreciation of USD, SGD, THB, IDR, PHP, VND, HKD, BDT and RMB against RM will result in us incurring foreign exchange gains or losses.

ii) Impact from commodity prices

The FPE 31 December 2023, our Group's financial performance was not affected by commodity prices.

4.2 Impact of inflation

Our Group's financial performance during the FPE 31 December 2023 was not significantly affected by inflation.

4.3 Government / Economic / Fiscal or monetary policies

The financial performance of our Group had not been materially affected by any government, economic, fiscal or monetary policies or factors for the FPE 31 December 2023.

MANAGEMENT DISCUSSION AND ANALYSIS OF BUSINESS OPERATION AND FINANCIAL PERFORMANCE 2023

5. Prospects

In January 2024, the World Bank states that the global economy is set for its weakest performance in 30 years. According to the United Nations' report in January 2024, there are increasing geopolitical tensions and extreme weather events. Food price inflation and debt sustainability remain critical issues due to supply chain disruptions, high debt burdens and rising interest rates.

According to Reuters in January 2024, the Malaysia economy is set to remain weak due to elevated interest rates, cooling labour market, soft foreign demand and subdued commodity prices. RAM stated in December 2023 that a spike in global food price and the ripple effects of the subsidy reform could pressure domestic demand and inflation outlook in 2024.

In view of the challenging economic environment, Cuscapi will continue to be prudent in its operational business cost and efficiency optimization. The Group will leverage on its extensive customer networks and regional presence to actively pursue new growth opportunities. Cuscapi has also established new strategic partnerships to upsell and cross-sell new solution and expand the customer base for its business.

Cuscapi is also proud to be selected as a recipient of MDEC's Global Technology Grant (GTG) in September 2022 and as a Digital Partner (DP) in MDEC's SME Digitalization Grant in August 2023 to develop new products, improve our sales and help to boost Malaysia's economy.

The Group remains ever vigilant in ensuring that Cuscapi stays competitive in the current landscape to deliver sustainable growth. Barring any unforeseen circumstances, the Board is cautiously optimistic that the long-term outlook for Cuscapi remains positive.

DIRECTORS' PROFILES

Datuk Jayakumar A/L Panneer Selvam

Malaysian, Aged 57, Male,
Executive Chairman

Datuk Jayakumar A/L Panneer Selvam was appointed to the Board as Alternate Director on 4 April 2018. Subsequently, he was re-designated to the position of Executive Chairman on 4 June 2018.

Datuk Jayakumar holds a Diploma in Computer Science and commenced his professional journey with Kumpulan Wang Simpanan Pekerja in 1989, followed by a tenure at Arab Malaysia Finance Bank from 1990 to 1992. His career in IT initiated at PDX Teknologi Sdn. Bhd. in 1992, where he served as the Major Accounts Executive. Subsequently, he ascended to the role of Executive Director of PDX.Com Sdn. Bhd. in 2004, playing a pivotal role in the company's initiatives. He secured the MSC Electronic Government Flagship Application (eServices Project) and was appointed as the official Gateway Provider of the Government in 2000. In 2009, he was appointed as a Chief Executive Officer/Executive Director of PDX.com Sdn. Bhd. His extensive experience in the IT industry has empowered him to explore investments in IT-related companies.

In 2009, Datuk Jayakumar assumed the role of Managing Director at MYEG Integrated Networks Sdn. Bhd. (MINT), where he played a crucial role in shaping the development and operation strategies of the company. His expertise extends to the creation of a suite of Electronic Cash Register (ECR) solutions in collaboration with Point of Sales solution vendors. These suite encompasses a wide range of tools, such as comprehensive online Goods and Services Tax (GST) accounting tools, tax declaration systems and Electronic Information Systems (EIS).

Except for his directorship in Cuscapi Berhad, Datuk Jayakumar does not hold directorship in any other public companies or public listed companies.

He has no conflict of interest with the Company and the subsidiaries, and there was no record of any convictions for offence within the past five (5) years, aside from possible traffic offences. Furthermore, Datuk Jayakumar does not have any family relationship with any other Director and/or any major shareholder of the Company.

There was no sanction or penalty imposed on him by relevant regulatory bodies.

DIRECTORS' PROFILES

Dato' Sri Khazali Bin Haji Ahmad

Malaysian, Aged 68, Male,
Executive Director

Dato' Sri Khazali Bin Haji Ahmad was appointed to the Board on 9 July 2019. He possesses a Master's Degree in Economics from the University of Central Oklahoma, USA and a Bachelor's Degree in Agricultural Economics from Universiti Kebangsaan Malaysia. He was granted Excellence Service Awards in 2003 and 2006 by the Ministry of Finance and was recognised as Asia Tax Commissioner of the Year in 2015 for his leadership of the Royal Malaysian Customs.

Dato' Sri Khazali had a distinguished career in the Malaysian Civil Service, reaching the pinnacle as the Director-General of Customs from 2012 until his retirement in 2017. Prior to this role, he held diverse positions, such as Federal Secretary of the State of Sabah and as Special Functions Officer to the Chief Secretary to the Government in the Prime Minister's Department. Presently, Dato' Sri Khazali served as a Director on the boards of Shangri-La Hotels (Malaysia) Berhad, Favelle Favco Berhad and Muhibbah Engineering (M) Berhad.

He has no conflicts of interest with the Company and the subsidiaries, and there was no records of any convictions for offences within the past five (5) years, aside from possible traffic offences. Furthermore, he does not have any family relationship with any other Director and/or any major shareholder of the Company.

There was no sanction or penalty imposed on him by relevant regulatory bodies.

DIRECTORS' PROFILES

Dato' Sheah Kok Fah

Malaysian, Aged 59, Male,
Independent Non-Executive Director

Dato' Sheah Kok Fah was appointed as the Independent Non-Executive Director on 12 April 2018. He held a Degree in LLB (Hons) from the University of Malaya and was admitted to the Bar in 1989. He is the member of both the Audit and Risk Management Committee and Nomination and Remuneration Committee.

Dato' Sheah boasts an exceptional career, excelling as both an advocate and solicitor and corporate practitioner with over 30 years in legal practice since 1988. He has held the position of partner of Messrs Sheah, Tan and Rahman since 1996.

Apart from his directorship in Cuscapi Berhad, Dato' Sheah does not hold directorship in any other public companies or public listed companies.

He does not have any conflict of interest with the Company and subsidiaries, and there was no records of any convictions for offences within the past five (5) years, aside from possible traffic offences. Furthermore, he does not have any family relationship with any other Director and/or any major shareholder of the Company.

There was no sanction or penalty imposed on him by relevant regulatory bodies.

DIRECTORS' PROFILES

Datuk Mat Noor Bin Nawi
Malaysian, Aged 68, Male,
Independent Non-Executive Director

Datuk Mat Noor Bin Nawi was appointed to the Board of the Company on 24 May 2018. He is also the Chairman of the Audit and Risk Management Committee.

Datuk Mat Noor holds a Master of Science (Policy Economics) from the University of Illinois at Urbana-Champaign, USA and a Bachelor of Science (Resource Economics) from the Universiti Putra Malaysia.

Datuk Mat Noor dedicated over 30 years of service to the Government of Malaysia. His career commenced in the Malaysian civil service in 1981 as an Agriculture Economist at the Federal Agriculture Marketing Authority (FAMA). In 1983, he transitioned to the Economic Planning Unit (EPU) at the Prime Ministers Department, where he continued to contribute in various roles. His tenure with EPU culminated in the position of Deputy Director-General, EPU and subsequently he joined the Ministry of Finance (MOF) in October 2011.

He served as the Deputy Secretary-General, Treasury (Investment) at the MOF and later assumed the role of Deputy Secretary-General, Treasury (Policy) from 16 November 2012. His tenure in the Malaysian civil service concluded with his retirement on 6 June 2015.

Currently, he holds positions on the boards of PDX.com Sdn Bhd, Carrier International Sdn Bhd, MX Global Sdn Bhd, Megah Perkasa Security Services and Excel Force MSC Berhad.

He does not have any conflict of interest with the Company and subsidiaries, and there was no records of any convictions for offences within the past five (5) years, aside from possible traffic offences. Furthermore, he does not have any family relationship with any other Director and/or any major shareholder of the Company.

There was no sanction or penalty imposed on him by relevant regulatory bodies.

DIRECTORS' PROFILES

Puan Mohaini Binti Mohd Yusof

Malaysian, Aged 57, Female,
Independent Non-Executive Director

Puan Mohaini Binti Mohd Yusof was appointed to the Board of the Company on 3 September 2018. She is the Chairperson of the Nomination and Remuneration Committee and also a member of the Audit and Risk Management Committee.

Puan Mohaini earned her degree in Mass Communications from University of Technology MARA in 1989. Her professional journey commenced as an Executive at the The Lion Group from 1989 to 1990. Subsequenlty, she advanced her career by serving as a Manager at Malaysian Resources Corporation Berhad ("MRCB") in 1996. Over time, she assumed the role of General Manager, Head of Corporate Communications at MRCB from 2006 onwards.

With over 30 years of experience, Puan Mohaini was well-versed in strategic communications, branding, event management, crisis management, media relations, advertising, publications, CSR/Foundation, Government relations, corporate sponsorship, awards submissions, and social media management. Notably, she also created several brands for both MRCB Group and Media Prima Berhad. In addition, Puan Mohaini has actively participated in initiatives with Yayasan MRCB, PINTAR Foundation and GLC Disaster Response Network (GDRN).

At present, she is the Independent Non-Executive Director at MY E.G. Services Berhad.

She does not have any conflict of interest with the Company and subsidiaries, and there was no records of any convictions for offences within the past five (5) years, aside from possible traffic offences. Furthermore, she does not have any family relationship with any other Director and/or any major shareholder of the Company.

There was no sanction or penalty imposed on her by relevant regulatory bodies.

KEY SENIOR MANAGEMENT'S PROFILE

FANG KOK HONG, PETER
Chief Executive Officer
Aged 47, Male, Malaysian

Mr. Peter graduated with a Bachelor of Engineering (First Class Honors) from the University of Melbourne, Australia in 1998. He was certified as a Project Management Professional (PMP) from the Project Management Institute (PMI) in 2007. Peter was appointed as Chief Executive Officer of Cuscapi Berhad on 1 June 2022. He has more than 20 years of management and IT experience specializing in Business Strategy, Management Consulting, Project Delivery, Product Development, R&D, Enterprise Architecture and IT Operations.

Peter started his career in 1999 as an Analyst with Accenture Solutions Sdn Bhd (Accenture Malaysia), a management and technology consulting company, where he was involved in projects in Malaysia and Singapore. He was promoted to Consulting Manager in 2004 and left Accenture Malaysia in 2005.

In 2005, Peter joined interTouch Malaysia Sdn Bhd as Systems Development Director, where he was responsible for the design and delivery of products and solutions for the hospitality industry. interTouch was subsequently rebranded as DOCOMO interTouch. DOCOMO interTouch is a global telecommunications service provider primarily serving the hospitality broadband industry worldwide. He left in 2008.

In 2008, Peter joined UltioTech as Director of Software Services where he was responsible for managing the software development and research and development functions of the company. In 2010, he became the Vice President of Software Services and was subsequently promoted to Chief Technology Officer in 2012. In 2016, Peter was appointed as Chief Operating Officer and subsequently as Chief Executive Officer in 2018.

ENG SZI LOK, YULISE
Financial Controller
Age 27, Female, Malaysian

Ms. Yulise graduated with Institute of Chartered Accountants in England and Wales ("ICAEW") from Sunway University, Malaysia in year 2020.

She is a member of ICAEW Chartered Accountant ("CA"), ICAEW Business and Finance Professional ("BFP") and a member of Malaysian Institute of Accountants ("MIA").

She started her career in Deloitte PLT as a Transfer Pricing trainee in year 2015 and External Auditor in year 2016. She involved in audit of various sectors such as Manufacturing, Plantation, Agriculture, FMCG, Retails and Consumer Products.

During her time at Deloitte PLT, she was seconded to Deloitte Audit and Assurance Advisory, majorly involved in MFRS 15 and MFRS 16 training service provided to Fortune 500 MNC operating in oil and gas. She also involved in public seminar on the latest IFRS related topic conducted by Deloitte PLT.

In year 2021, she joined Smart Glove Corporation as an Accountant, particular to assist in IPO matters and pre-listing process.

In November 2021, she joined Cuscapi Berhad as an Accountant and she was promoted to Finance Manager on March 2022. Further in April 2024, she was promoted to Financial Controller oversees and handling Group finance operations.
Currently, she is the Independent Non-Executive Director of MYTECH Group Berhad.

KEY SENIOR MANAGEMENT'S PROFILE

MOHD RASHIDI OTHMAN
Regional Operations Manager
Age 45, Male, Malaysian

Mr Mohd Rashidi joined Cuscapi on 3rd Feb 2014. His role was to lay the groundwork, provide technical consultation, prepare and present solutions proposal for the sales team to be successful. Analyse the market, run focus groups and craft pitches for Sales Consultants to use in the field. He manages projects, support and deployment teams for F&B business. In year 2022, he was promoted as Regional Operations Manager.

He hold a Diploma in Computer Science from Nilai International College with more than 18 year working experience as Presales Consultant, Support Manager and Technical Support in F&B industry.

Before joining Cuscapi he was managing technical support for F&B market players.

JASON HOO KIM THOE
General Manager Of Sales And Marketing
Age 43, Male, Malaysian

Mr Jason Hoo graduated with a Degree in Microbiology from University Sains Malaysia in 2004.

In 2005, he started his career as a Sales Executive in Bayer Healthcare Sdn Bhd and subsequently continued his career at MCSB System (M) Berhad as Account Development Manager in 2012.

In 2015, he joined Cuscapi as an Account Manager, handling all key accounts customers. However, he left Cuscapi in early 2018 for personal reasons and rejoined in August 2018 as Senior Sales Manager, Head of Sales for Malaysia, leading Malaysia business unit. Later, he was promoted to General Manager Sales & Marketing, handling the regional sales and marketing team till the present.

RISMA EMELIA MOHD ISA
Assistant Human Resources Manager
Age 47, Female, Malaysian

Mrs. Risma Emelia Mohd Isa obtained a Diploma in Hotel Management from the MARA Institute of Technology in Terengganu before she graduated from MARA University of Technology in Shah Alam with a BBA (H) in Human Resources Management.

Prior to joining Cuscapi, she was attached to a few large and medium corporations, including construction, manufacturing and retail and has more than 20 years of experience in various areas of HR, recruitment and corporate affairs matters. She started her career at Scicom (MSC) Berhad as a Customer Service Executive, after that she joined DRB-HICOM Berhad in the special projects department as a Secretary. Subsequently, she worked for a few companies which include Times Publishing Group, Gardenia Bakeries (KL) Sdn. Bhd., and Panasonic LCD (M) Sdn. Bhd. and A.T.E.S Sdn. Bhd. to handle HR matters such as recruitment, payroll management, training and development and corporate affairs before she joined Cuscapi on January 2020 as senior Human Resources Executive and she was promoted to Assistant Human Resource Manager to oversee Group Human Resource operations on September 2022.

<u>Other information in respect of all the Key Senior Management :-</u>

1. None of the Key Senior Management have any conflict of interest or potential conflict of interest with the Company or its subsidiaries.

2. None of the Key Senior Management has been convicted any offences, aside from possible traffic offences.

3. None of the Key Senior Management has family relationship with the Directors or any major shareholders of the Company.

4. Save as disclosed above, none of the Key Senior Management has any directorship in public companies or public listed companies.

SUSTAINABILITY STATEMENT

Information Technology ("IT") has become ubiquitous in today's society and can, therefore, be a major force that drives industries towards delivering sustainable products and services. To this end, Cuscapi is committed to creating shared value by providing sustainable solutions and services that empower businesses through state-of-the-art technologies.

ABOUT THIS STATEMENT

This statement is our means of appraising our stakeholders about our sustainable the strategies and practices that we have implemented in our consistent effort to integrate sustainability into our business operations and the progress we have reached in this endeavour.

This report has been reviewed and approved by the Board on 18 April 2024. At the present, the Group has not sought external assurance for this report.

Scope and Boundary:

This statement covers the Group's Malaysian operations, including subsidiaries directly controlled by the Group and those held through a majority stake.

Reporting Period and Cycle:

This report coincides with our financial period ended 31 December 2023 reporting period. Historical information from previous years is included to facilitate comparative assessments and actionable patterns.

Given the change in our financial period from 30 June to 31 December, this report covers the Financial Period ended ("FPE") 18 months from 1 July 2022 to 31 December 2023. In the data tables, the 2023 refers FPE. After that, the Group's financial year shall revert to twelve (12) months ending 31 December, and the sustainability report for the subsequent year will have a cycle of one (1) year.

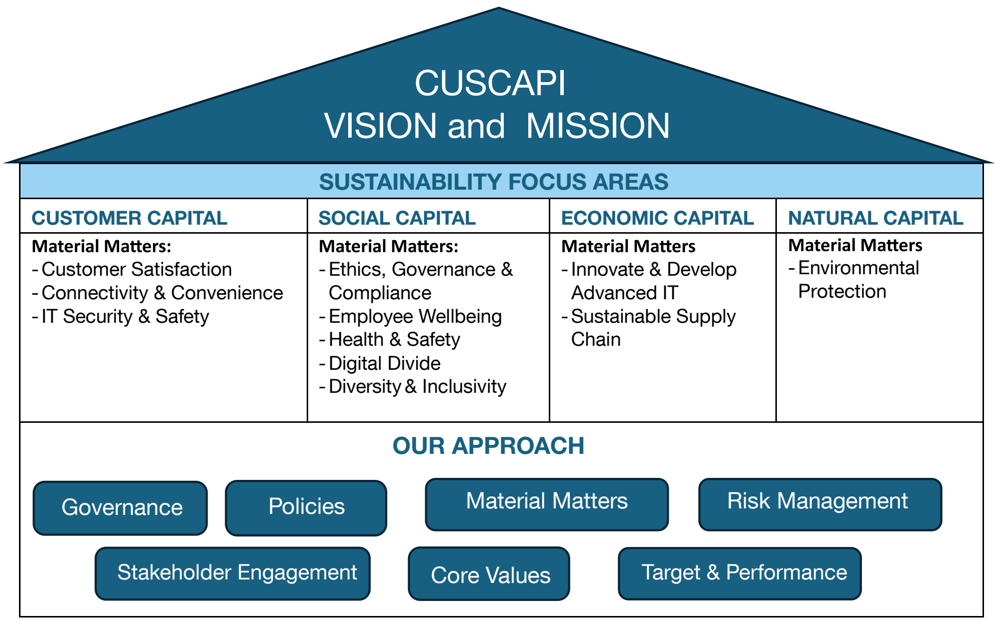
Report Guidelines:

Bursa Malaysia Sustainability Reporting Guide (3rd Edition)
Malaysian Code of Corporate Governance

OUR APPROACH TO SUSTAINABILITY

SUSTAINABILITY FRAMEWORK

This Sustainability Framework captures the essence of our approach to sustainability. It indicates our Vision and Mission, our sustainability focus area, and the corresponding material matters and our approach. Our framework is also aligned with the UN SDGs, to enable us to push for an equitable future for all.



SUSTAINABILITY STATEMENT

SDGs OUTCOMES

Goal 3: Ensure healthy lives and promote well-being for all at all ages.
- We educate our workers about important health and safety issues as well as expand their awareness about health and wellness in the IT work environment.

Goal 5: Achieve gender equality and empower all women and girls.
- We make all employment decisions according to the indicated job qualifications and without discrimination based on race, colour, sex, age, national origin, ancestry, religion, pregnancy, marital status or veteran status.

Goal 9: Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation.
- Our business operations are focused on the development and innovation of advanced IT solutions.
- We offer digital payment and QR ordering platforms to give our consumers easy access to information.

Goal 16: Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels.
- We uphold good governance practices which are enshrined in our Code of Ethics and Business Conduct, Whistle-Blowing Policy and Anti-Bribery and Corruption Policy and Sustainability Policy.

CUSCAPI SUSTAINABILITY GOVERNANCE

We have created a sustainability governance structure to facilitate the implementation of our sustainability strategies across our business. The structure states the clear lines of accountability and responsibility across the Group.

BOD	Mainly in charge of supervising the organisation's sustainability direction. • Prioritises the Group's sustainability agenda. • Ensures that sustainability is integrated into the business strategy. • Approves and reviews the sustainability targets and performance. • Keeps informed of all sustainability issues relevant to the company, particularly risks and opportunities, to support long-term strategy and success.
SBC	**ARMC:** • Approves and monitors the sustainability strategies, targets and performance, policies, materiality assessment process & outcome and sustainability Statement. • Ensures the integration of sustainability and climate-related risks and opportunities within the Group's Risk Management. • Oversees assurance activities of the company's sustainability reporting processes. • Scrutinises the links between the company's material sustainability matters and financial performance. **NRC:** • Reviews the Board and senior management performance evaluation against agreed sustainability-linked KPIs.

SMG	Drives the strategic management of material sustainability matters under the leadership of the CEO with the assistance of the Key Management Team. The SMG is responsible for aligning the Group's sustainability strategies with long-term business growth and goals. • Sets sustainability targets and monitor progress. • Addresses sustainability matters using strategies approved by the Board. • Appraises and evaluates the sustainability performance. • Identifies issues that may require intervention. • Reports and make recommendations to the SBC.
SWG	Headed by the sustainability manager and consisting of representatives from Head of Department and Functions and Heads of Subsidiaries The sustainability manager coordinates and works closely with the SMG and SWG. • Supports strategic decisions and is in charge of developing, implementing, monitoring and improving sustainability initiatives. • Makes sure that sustainability is integrated into every aspect of the organisation. • Reviews the progress of the sustainability measures against the targets. • Reports their findings to the SMG.

STAKEHOLDER ENGAGEMENT

Technological advancements have reached unprecedented heights in recent years. These breakthroughs have transformed the way of life of countless people worldwide. At Cuscapi, we reach new technological heights through frequent and meaningful collaborations with our stakeholders. Constant communication enables us to keep track of their concerns, resolve problems and propose strategic directions that promote sustainability. Furthermore, these engagements enable us to provide timely solutions that will positively contribute to the growth of the IT industry.

Our engagement process involves identifying our stakeholders, determining their concerns and applying the necessary solutions. In drafting this report, we thoroughly analysed all of the information collected during our numerous engagements with our stakeholders to understand their most urgent concerns. Doing so allows us to prioritise them and formulate strategic solutions driven by sustainability.

The table below presents our key stakeholders, their issues of interest, and the Group's engagement approaches.

STAKEHOLDER GROUPS	CONCERNS	ENGAGEMENT OPPORTUNITIES
Customers	- Downtime - Quality (Hardware & Software) - New Solutions	- Operational Training - Downtime Reduction Measures - Connectivity - Equipment Maintenance - Quality Monitoring - On-site and Off-site Support - Customer Hotline - Development of Advanced IT Solutions - Discussion & Demonstration of Solutions - Timely Response to New System Adoption
Employees	- Working Environment - Health & Safety - Training & Career Development - Compensation & Benefits	- Flexible & Remote Working - Town Hall Meetings - Satisfactory Surveys - COVID-19 Prevention - Bonus & Share Option Scheme - Performance Reviews - Training Courses - Promoting Gender Balance
Government / Regulatory Bodies	- Compliance & Standards - National Agenda	- Regulatory Compliance - Commitment to Fintech Technology - Human Development Training - IT Infrastructure Development - Digitalisation

SUSTAINABILITY STATEMENT

STAKEHOLDER GROUPS	CONCERNS	ENGAGEMENT OPPORTUNITIES
Shareholders / Investors	- Quality & Correct Information	- AGM Meetings - Timely and Accurate Disclosure of Financial Reports on Our Company Website
Suppliers	- Pricing - Transparency - Quality	- Fair Terms and Conditions - Transparent Purchasing Practices - Product and Pricing Comparison
Community	- Welfare - Digital Divide	- Social Responsibility - Introduction of SME Digitalisation

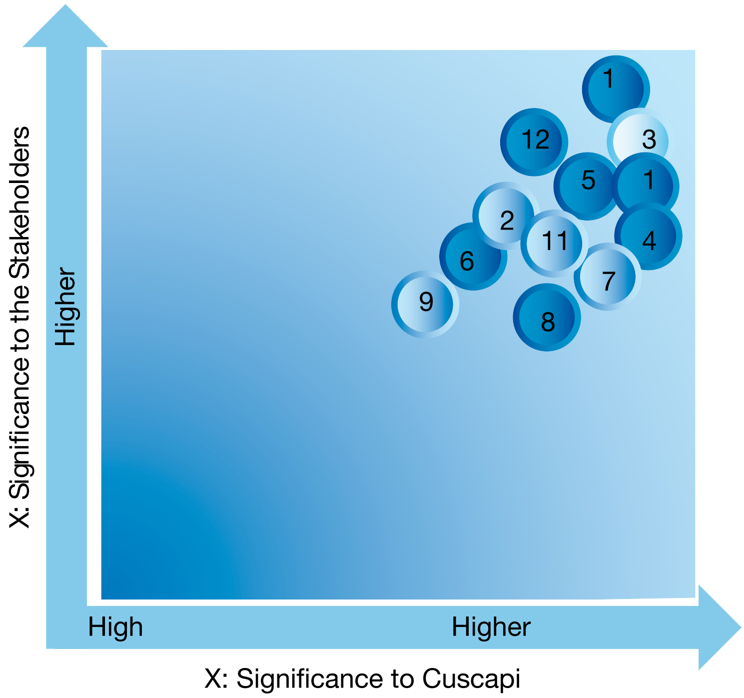
MATERIAL MATTERS

Sustainability matters refer to the current and potential economic, environmental, social and governance ("EESG") impacts and their relative importance to Cuscapi and our stakeholders. In our latest materiality review, we have added Diversity & Inclusivity as material aspects to our stakeholders and the Group. All other previously identified material themes have remained consistent with the current status of our operations.

Materiality Matrix

In the matrix below, each issue's significance level to Cuscapi and our stakeholders is plotted along the X-axis and the Y-axis, respectively. Thus, the most important themes to the Group and our stakeholders are located in the upper right-hand quadrant. These are (1) Innovate & Develop Advanced IT, (3) Customer Satisfaction, (10) Ethics, Governance & Compliance, and (5) Develop IT Professionals. A new inclusion in our matrix is Diversity & Inclusivity. The new Bursa guidelines encourage an expanded female representation in the Board and the Senior Management. As such, this issue is also high in our priority.

Health & Safety played a significant role in ensuring business continuity during the pandemic, so we categorised it as a high priority despite our stakeholders only considering it of medium importance. Digital Divide appears to be lowest in importance, but we have incorporated IT services to mitigate this situation.



ESG THEMES

1. Innovate & Develop Advanced IT
2. Connectivity & Convenience
3. Customer Satisfaction
4. IT Security & Safety
5. Develop IT Professionals
6. Employee Wellbeing
7. Health & Safety
8. Sustainable Supply Chain
9. Digital Divide
10. Ethics, Governance & Compliance
11. Environmental Protection
12. Diversity and Inclusivity

RISK MANAGEMENT

Material Matters	Risks	Opportunities
ECONOMIC RISKS		
Innovate & Develop Advanced IT	- Stagnation - Market loss	>Introduce new technology and encourage adoption
Develop IT Professionals	- Failed Service Agreement ("SLA") - Slow case management	>Improve system reliability and customer trust
ENVIRONMENTAL RISKS		
Environmental Protection	- Energy consumption	>Energy-efficient practices
SOCIAL RISKS		
Health & Safety, Employee well-being	- Working environment	>Flexible & Remote Working >Town Hall Meetings >Satisfactory Surveys >Minimise hazards at workplace
Diversity and Inclusivity	- Discrimination	>Ensures the hiring process is conducted in a fair, effective and consistent manner >Established policies and processes to ensure all employees and prospective staff members are treated equally
Customer satisfaction	- Customer complaints - Market loss	>Improve and retain customers
IT Security & Safety	- Data protection - System Uptime	>Outsourced IT security to experts >Enterprise security tools used
Connectivity & Convenience Digital Divide	- Customer alienation	>Lowering entry threshold
GOVERNANCE RISK		
Ethics and governance	- Non-compliance	>Review, update & comply with company policies and procedures

SUSTAINABILITY STATEMENT

PERFORMANCE SCORECARD

Focus Area	Material Matters	Target	Progress Vs. Target
Economic	Innovate & Develop Advanced IT Develop IT Professionals	- FRS design <10% deviation from customer requirements. - Failed SLA < 2%	- 10% deviation - Monthly improvement of 0.4% to 4.2% - Monthly improvement of 0.4% to 4.2%
Environment	Environmental Protection	Recycle, refurbish, reuse & reduce	Computers, devices and parts are repaired & recycled until they are rendered unusable.
Social	Employee Diversity and Inclusivity Employee Wellbeing Health & Safety Suppliers Sustainable Supply Chain	Working Environment Health & Safety Training, Career Development & Remuneration Pricing, transparency & quality	- Flexible & remote working - Employee engagements - Performance review Training course - Employee development plan - Practice fair market pricing standards. - Transparent purchasing practices. - Product & pricing comparison
Governance	Ethics, Governance & Compliance	Compliance & standards	Review & update policies and procedures. Training courses

ECONOMIC CAPITAL

INNOVATE & DEVELOP ADVANCED IT

In the past years, IT has strongly influenced economic growth, which accounts for a substantial percentage of the GDP and is still growing rapidly. It is, therefore, not surprising that many countries worldwide are leveraging IT to boost their economies. The correlation between IT-related growth and increased living standards has brought about national policies and agendas such as the National Fourth Industrial Revolution (4IR) and the 12th Malaysia Plan - Game Changer XI: Enhancing Digital Connectivity for Inclusive Development as strategies for improving and growing.

Cuscapi has responded positively to align with the national agenda by having an MSC status and Designing innovative IT solutions to transform human activities into more systematic and efficient operations, ultimately resulting in sustainable business, social, cultural and administrative practices.

Direct Economic Impact

Our revenue and equivalent tax payments, employee salaries, new product launches, and equity reflect our direct economic contributions.

2023 Direct Economic Impact	
Revenue (RM'000)	RM 28.386
Taxes Paid (RM'000)	RM 0.249
Number of Employees	40

Geographical Economic Impact

Malaysia

Singapore

Philippines

Thailand

Indonesia
&Other Countries

Our operations provide direct job opportunities, training and capacity building on both local and international scales. Thus, the benefits of our IT solutions are not limited to the local economy but produce cascading global impacts. Launching new products opens our economic opportunities to other management- and service-related industries, such as Business Process Outsourcing (BPO).

Indirect Economic Impact

The indirect impact on the local economy can be recognised through the company's spending on the supply chain. Our proportion of spending on local suppliers has consistently been 100%. We prioritise local suppliers to support businesses and minimise transportation distances, positively impacting the environment and the local economy.

SUSTAINABLE SUPPLY CHAIN

The proportion of spending on local suppliers			
Period	Total amount of spending on all suppliers (RM/Million)	Total Amount spent on local suppliers (RM/Million)	The proportion of spending on local suppliers
FPE2023	1.17	117	100%
FYE2022	1.31	1.31	100%
FYE 2021	0.98	0.98	100%

The IT potential also reinforces the indirect economic growth to:

- Reduce the cost of transactions to produce and distribute goods and services.
- Increase management efficiency by enabling firms to manage their supply chains more effectively and communicate within and with customers and partners.
- Heighten competition, making prices more transparent and broadening markets for buyers and sellers.
- Strengthen the effectiveness of marketing and pricing.
- Widen consumer choice, convenience and satisfaction in a variety of ways.

SUSTAINABILITY STATEMENT

CUSTOMER CAPITAL

The Group material matters linked to customer concerns are Connectivity & Convenience, Customer Satisfaction and IT Security & Safety. Many potential efficiency gains from using Web-based technology are managing supply chains more effectively and reducing inventory, timely scheduling, information-sharing across the company, and more efficient interaction with stakeholders in the supply chain.

Aligned with our mission, we are a tool to be the catalyst for our clients' success by bringing their customers closer through world-class solutions and services.

CONNECTIVITY AND CONVENIENCE

In a fast-paced environment, access to information to make thoughtful yet quick decision-making is essential. The convenience of accessing data to connect many people empowers businesses with better economic opportunities. To this end, we create a service that allows convenience and makes it easier for businesses, customers and supply chains to connect and run smoothly. We deliver innovative solutions to connect the systems and people together for better productivity and a greater growth potential. A prime example of our service that responds to this particular material matter is the C360Engage; this cloud-based solution maintains business continuity should internet connectivity be temporarily lost.

CUSTOMER SATISFACTION

We realise our pursuit to maximise CUStomer CAPItal and deliver satisfaction by embodying three core customer care values: *Excellence, Creativity and Zeal*

Serving with Excellence

We ensure that our products and services meet or even exceed the expectations set by our clients. We have established strict quality control policies at all stages of our operations, from design and conceptualisation to production and testing. Prior to their delivery, our product releases must pass our meticulous User Acceptance Testing (UAT). We monitor our daily activities through an internal control system to maintain excellent quality.

Our on-site and offsite support teams promptly respond to our customers' needs. Our service support staff are highly skilled and well-trained to solve technical problems. In addition, we have multilingual employees who can cater to every customer needing support regardless of their country of origin.

Serving with Creativity

We design and reinvent solutions that give clients a competitive advantage to achieve their goals and future expansions. We try to understand our clients and their customers' needs to create a system that would help them implement reliable, efficient, secure and resilient technology.

Serving with Zeal

We always strive to identify the most effective ways to serve our customers. We comprehensively review and analyse the data and identify patterns and processes to derive the most precise results.

IT SECURITY AND SAFETY

For our customers, trust is the cornerstone of IT security and private data protection. Rather than an additional burden, we consider data protection as a welcome opportunity to strengthen our reputation, products and brand. Privacy is what builds customer trust. As such, we adhere to the Personal Data Protection Act (PDPA) in all countries where we operate.

We have built a strong foundation of privacy and security controls. We protect our customers by adopting a rigorous set of security best practices. For example, our data protection protocol secures all transactions in and out of the system. In addition, we perform robust monitoring of all system users and maintain an audit trail to deter any unauthorised user behaviour and ensure that all users, even the most privileged ones, are held accountable.

As of the current date, we proudly disclose that there have been no reported breaches of customer data privacy as shown on the table below.

Indicator	Target	2023	2022	2021
Number of complaints concerning breaches of customer privacy and losses of customer data	Zero Incident	0	0	0

SOCIAL CAPITAL

Policy

Policy Commitments:
Human Rights
Health and Safety
Diversity and inclusivity
Labour Standards
Grievance Procedures
For details of our policy, please go to https://cuscapi.com/investor-relation/corporate-governance/

We adhere to the prescribed employment acts and regulations imposed by each country where we have operations. We fully support the needs of our employees, and we have initiated programmes that will develop their professional growth. In our effort to advance the material matters associated with our society, we have created policies that would address the issues of our stakeholders impacted by the social themes. Based on these policies, we strive to offer actionable measures.

DEVELOP IT PROFESSIONALS

The Development of IT professionals and their continuing education and career training is one of our material matters. The IT industry constantly evolves, suggesting that professional growth is critical in maintaining a competitive edge, increasing job satisfaction and meeting customer requirements. In this light, we expose our employees to training programmes to enhance their skills, abilities and knowledge to attain holistic personal growth and contribute to the Group's success.

Our training is both external and internal. The former is conducted by industry experts brought in to give more information on the latest trends or requirements. The latter is training conducted by senior team members imparting information to new hires or offering refreshers or current information to the team.

2023 External Employee Training Summary

Types of Training	No. of Hours	No. of Employees
Health and Safety	28	5
Career Development (with certification)	98	4
Operational (finance, technical, risk management, IT, Others.)	119	11
Total	245	20

Internship Programmes

Our internship programme offers undergraduates the opportunity to gain insights and real-life working experience in the working world. Our programme also serves as a platform to assess highly driven undergraduates who may potentially join us.

SUSTAINABILITY STATEMENT

HEALTH AND SAFETY ("H&S") and EMPLOYEE WELLBEING

Many new working arrangements in a digitalised working environment do not fit into classic occupational safety models. Digitalisation can bring a great deal of innovation, productivity, and flexibility. However, unanticipated emerging health and safety challenges have arisen from the increased digitalisation of work, necessitating new approaches and solutions.

Employee Well-Being

With the rise of remote work and increasing reliance on digital platforms, employee experience and well-being have become crucial for organisations.

Working Hours: Working hours at Cuscapi are set according to the regulatory requirements. In addition, we have introduced a flexible working hour policy to encourage work–life balance. This policy offers our employees more freedom to fit their working schedules around their family life and commuting needs.

Leaves: Apart from the regulatory requirements, our employees are entitled to extended maternity and paternity leaves, congratulatory leaves such as marriage leaves, examination leaves for courses relevant to the employees' line of work, compassionate leaves, calamity and emergency leaves.

Social and Recreational Activities: We organise various events and activities that stimulate team chemistry and nurture our employees' physical and social well-being.

Left to Right: Christmas Party and Hari Raya Celebration

Health And Safety

Unlike the traditional work, the regulatory requirements and unclear boundaries for rest breaks, ergonomics and social interactions is health and safety challenge for IT industry. Also, the case of blended work hours and where and when the work happens can lead to work invading the employee's private life. To this end, we strive to enact measures to minimise occupational safety and health hazards to our IT professionals. These measures are intended to prevent disorders such as back pain and eye illnesses associated with working at a desk for long hours.

H&S Indicators

2023 Health and Safety Training	Number of Hours	Number of Employees
Basic Occupational First Aid, CPR & AED Training	14	1
Basic Fire Fighting Training.	14	5

Lost Time Incident Rate ("LTIR")				Fatality (C5(a)
Period	Total number of hours worked in the reporting period	Amount of time lost due to workplace injuries	Lost Time Incident Rate ("LTIR")	
2023	1952	0	0.00	0
2022	1928	0	0.00	0
2021	1976	0	0.00	0

Period	Total Number of Employees	Total Number of employees trained on health and safety standards	% of employees trained on health and safety standards
2023	40	5	12.50%

DIVERSITY AND INCLUSIVITY

We adhere to the prescribed employment acts and regulations imposed by each country where we have operations. We fully support the needs of our employees, and we have initiated programmes that will develop their professional growth.

% of Employees by Gender & Age Group Category			
	2023	**2022**	**2021**
Gender			
Male	63%	51%	46%
Female	38%	49%	54%
Age			
<30 Years	35%	31%	20%
30-50 Years	53%	56%	71%
>50 Years	13%	13%	10%

% of Director by Gender & Age Group			
% of Directors by Gender			
Gender	**2023**	**2022**	**2021**
Male	80%	80%	80%
Female	20%	20%	20%
% of Directors by Age Group			
Age	2023	2022	2021
<30	0%	0%	0%
31-40	0%	0%	0%
41-50	0%	0%	0%
51>	100%	100%	100%
% Directors by Ethnicity			
Race	**2023**	**2022**	**2023**
Malay	8%	8%	7%
Chinese	3%	3%	2%
Indian	3%	3%	2%
Non-Malaysian	0%	0%	0%

% Employee Ethnicity			
	2023	**2022**	**2023**
Malay	55%	46%	49%
Chinese	38%	46%	41%
Indian	8%	8%	7%
Other Ethnic Minorities	0%	0%	2%
Non-Malaysian	0%	0%	0%

EMPLOYMENT TYPE: % of employees			
	2023	**2022**	**2021**
Contractual	0%	0%	0%
Permanent	100%	100%	100%
TOTAL	100%	100%	100%

PERIOD	% of Employees by Gender & Age Group Category				
2023	**Gender**		**Age**		
Employee Category	**Male**	**Female**	**<30 Years**	**30-50 Years**	**>50 Years**
Senior Management	100%	0%	0%	80%	20%
Management	55%	45%	9%	64%	27%
Executive	57%	43%	57%	43%	0%
Non-Executive	100%	0%	0%	0%	100%
Total	63%	38%	35%	53%	13%
2022					
Employee Category	**Male**	**Female**	**<30 Years**	**30-50 Years**	**>50 Years**
Senior Management	100%	0%	0%	60%	40%
Management	64%	36%	9%	73%	18%
Executive	32%	68%	50%	50%	0%
Non-Executive	100%	0%	0%	0%	100%
Total	51%	49%	31%	56%	13%
2021					
Employee Category	**Male**	**Female**	**<30 Years**	**30-50 Years**	**>50 Years**
Senior Management	100%	0%	0%	75%	25%
Management	45%	55%	9%	82%	9%
Executive	35%	65%	35%	60%	5%
Non-Executive	50%	50%	0%	83%	17%
Total	**46%**	**54%**	**20%**	**71%**	**10%**

CLOSING THE DIGITAL DIVIDE

Information inequality reduces the potential of the labour force and innovation, which are considered growth sectors. At Cuscapi, our goal is to enhance the community value by striving to close the gap between geographics and demographics. That is, we aim to provide access to modern information and communications technology, particularly to those who have restricted access or completely no access at all. Furthermore, our management solutions are not exclusive to large multinational companies but are also designed for small Food & Beverage ("F&B") operators who desire to scale up their business across a geographically diverse location.

HUMAN RIGHTS

At Cuscapi, we are alert to different forms of discrimination against different countries and cultural contexts. Our subcontractors must comply with all relevant national labour laws in recruiting foreign and local labour in the country where they are located. Our Whistle-Blowing Procedures and contact information can be found on our website. In the year under review, no violation was received regarding human rights issues.

Where appropriate, we take action to address the adverse impacts of our services. To protect the human rights of everyone, we define what customers and users can and cannot do with our products and services and establish mechanisms to implement policies and terms. Regarding technology and design choice, we set limitations to service functionality to restrict how it can be used and customised, preventing potential adverse human rights violations.

NATURAL CAPITAL

At Cuscapi, we define environmental stewardship as an endeavour to preserve the environment by minimising the impacts of climate change in our operations and offering services that do not compromise the environment.

ENVIRONMENTAL PROTECTION

Cuscapi's nature of business is providing software technology-based services. We do not manufacture physical products. We exert environmental impacts in two areas: our internal operations and our capacity to positively influence our client's ecological impacts when they utilise our services.

In line with Malaysia's National Determined Contribution to reduce climate change, to cut carbon intensity against GDP by 45% by 2030 compared to 2005 levels. We have joined as a signatory of the Malaysia Digital Climate Action Pledge ("MDCAP") under the umbrella of Malaysia Digital Economy Corporation ("MDEC") as a signatory.

By signing up for the pledge, Cuscapi has committed to:

- Environmentally conduct business operations through reduce, reuse and recycle practices.
- Encourage stakeholder dialogue on the Group's sustainability practices.

Eco-Friendly Operations

Waste Management: Computer Lifespan Extension Programme

Most computers expect a five-year lifespan, depending on the upgrading components; most of our computers survive up to 6-8 years through our computer lifespan extension programme.

Refurbish, Reuse, Recycle and Reduce

As an IT company, our operations do not directly impact the environment saves for energy use and hardware. We assess whether their disposal and energy consumption match our environmental standards in purchasing hardware. Typical computers and hardware with a two-to-five-year lifespan lead to the production of unnecessary electronic waste.

To extend their life cycle, all computers, devices, and parts are refurbished, repaired and recycled until rendered unusable. Refurbishing means that the damaged parts of an electronic device are removed and replaced with new components. The electronic waste generated at the end of a hardware's lifecycle is appropriately disposed of by a scheduled waste contractor certified by the Department of Environment ("DOE").

SUSTAINABILITY STATEMENT

Commuting Video Conferencing and Remote Work

Online conferences and remote work invariably reduce Greenhouse Gas ("GHG") emissions because workers no longer need to use their vehicles. Video conferences minimise unnecessary travel as business meetings have been shifted to their desks. Since employees engaged in remote work are not obligated to report to their physical offices, carbon emissions arising from transportation use would be minimised.

GREEN IT OPERATIONS AT WORK				
Period	**% Conferences**	**% In-Person Meetings**	**Number of International Business Trips**	**Number of Domestic Business Trips**
FPE 2023	35	20	2	0
FYE 2022	20	20	3	5
FYE 2021	20	20	1	1

Eco-Friendly Habits

The Group operates in leased offices. As such, our carbon footprint is limited to the energy we consume in the office and the commute of our employees. Nonetheless, we recognise that we can further step up in reducing our environmental impacts in order to eliminate unnecessary costs and diminish our carbon emissions even more.

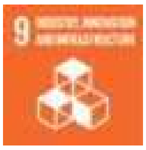
We use centralised air conditioning in the building to save energy from individual units. The centralised air conditioning are also automatically set to turn on at 8:30 am and turn off at 6 pm every weekday to save electricity.

We encourage employees to put all idle laptops and desktop computers in hibernation mode. Going paperless reduces our paper wastage and cuts the energy required to run printers, which, in turn, reduces our energy costs and extends the lifespan of our printers. Documents are distributed in the form of softcopies. Our emails promote this practice with the slogan: 'Save the Environment: Please Print Only When Necessary!' Employees are reminded to switch off all printers, scanners, microwave ovens and lights that are not in use. This policy applies to auxiliary lights along corridors, stairs, pantries, reception rooms, conference rooms and workstations.

Eco-friendly purchasing

Our procurement department implements the 'Buy energy-efficient devices' practice. Most of our hardware consists of Android tablets and laptops, which are more energy-saving than desktop computers. Such investments might incur more costs upfront but can produce significant savings in the long run.

Environment-Friendly Solutions



Notwithstanding the surging data required in applying IT solutions, organisations can navigate the digital transformation landscape by aligning innovation with eco-conscious decision-making while concurrently advancing towards long-term environmental sustainability. This strategy ensures that technological advancements drive progress and uphold the responsibility of safeguarding the planet for future generations.

A case in point is that data analytics can play a central role by extracting meaningful insights from vast datasets, enabling organisations to make informed decisions that minimise resource consumption. Examples of environmental benefits are reducing paper, waste and electricity; another is remote work, and virtual collaboration tools reduce the need for extensive travel and associated carbon footprints.

Powered by Cloud

Cuscapi's cloud-based computing system saves energy because it applies the joint use of virtual space. Sharing the storage capacity and outsourcing the programmes and functions of one's own computer over the internet are practices that demonstrate Green IT and promote sustainability. Cloud-based services minimise the total ownership cost and help the organisation go paperless. In addition, cloud-based solutions reduce the electronic-waste ("e-waste") emanating from the disposal of IT hardware.

Food Waste: Our Transight Point-Of-Sale ("POS") solution has an enterprise-class inventory system that allows our clients to manage F&B inventories effectively, covering the end-to-end stock management process. Our solution empowers our clients to leverage advanced inventory performance data to curtail waste reduction and boost loss prevention efforts through real-time digital decision-making and digitalised task management.
Material Waste: The GENPACX Dealer Management solution helps minimise the automation of key variables such as delivery time, manpower usage, and others, resulting in better inventory and stock management distribution. This solution helps material visibility detecting and predicting problems that could lead to material waste.

Web-Based Application

Our web-based application, Electronic Dealer Management System ("EDMS"), connects assemblers, distributors and dealers with government agencies' initiatives to facilitate their participation in e-Eksais, NIK and e-Daftar. Through the EDMS, vehicle registration and payment of duties can be seamlessly submitted online. The online submission removes face-to-face meetings, and physically submitting applications which translated to a significant reduction of CO2 emissions during commuting.

SUSTAINABILITY PERFORMANCE DATA

Indicator	Measurement Unit	2023
Bursa (Anti-corruption)		
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category		
Management	Percentage	11.00
Executive	Percentage	23.00
Non-executive/Technical Staff	Percentage	1.00
General Workers	Percentage	0.00
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	0.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0
Bursa (Community/Society)		
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	0.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	0
Bursa (Diversity)		
Bursa C3(a) Percentage of employees by gender and age group, for each employee category		
Age Group by Employee Category		
Management Under 30	Percentage	9.00
Management Between 30-50	Percentage	64.00
Management Above 50	Percentage	27.00
Executive Under 30	Percentage	57.00
Executive Between 30-50	Percentage	43.00
Executive Above 50	Percentage	0.00
Non-executive/Technical Staff Under 30	Percentage	0.00
Non-executive/Technical Staff Between 30-50	Percentage	0.00
Non-executive/Technical Staff Above 50	Percentage	100.00

Indicator	Measurement Unit	2023
General Workers Under 30	Percentage	0.00
General Workers Between 30-50	Percentage	0.00
General Workers Above 50	Percentage	0.00
Gender Group by Employee Category		
Management Male	Percentage	55.00
Management Female	Percentage	45.00
Executive Male	Percentage	57.00
Executive Female	Percentage	43.00
Non-executive/Technical Staff Male	Percentage	100.00
Non-executive/Technical Staff Female	Percentage	0.00
General Workers Male	Percentage	0.00
General Workers Female	Percentage	0.00
Bursa C3(b) Percentage of directors by gender and age group		
Male	Percentage	80.00
Female	Percentage	20.00
Under 30	Percentage	0.00
Between 30-50	Percentage	0.00
Above 50	Percentage	
Bursa (Energy management)		
Bursa C4(a) Total energy consumption	Megawatt	37,310.00
Bursa (Health and safety)		
Bursa C5(a) Number of work-related fatalities	Number	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0.00
Bursa C5(c) Number of employees trained on health and safety standards	Number	5
Bursa (Labour practices and standards)		
Bursa C6(a) Total hours of training by employee category		
Management	Hours	70
Executive	Hours	210
Non-executive/Technical Staff	Hours	0
General Workers	Hours	0
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	0.00
Bursa C6(c) Total number of employee turnover by employee category		
Management		
Executive	Number	12
Non-executive/Technical Staff	Number	0
General Workers	Number	0
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0
Bursa (Supply chain management)		
Bursa C7(a) Proportion of spending on local suppliers	Percentage	100.00
Bursa (Data privacy and security)		
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0
Bursa (Water)		
Bursa C9(a) Total volume of water used	Megalitres	0.000000

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors ("**Board**") of Cuscapi Berhad ("**Cuscapi**" or "**the Company**") recognises the significance of good corporate governance and is dedicated to ensuring the sustainability of the Company's business and operations by adhering to the good governance ethnics as outlined in the Malaysia Code on Corporate Governance 2021 ("**MCCG**"). The Board believes that upholding good corporate governance is key to delivering stakeholders' value.

This statement is to be read together with the Corporate Governance Report 2023 ("**CG Report**"), prepared in accordance with the prescribed format as per Paragraph 15.25 of the Main Market Listing Requirements ("**MMLR**") of Bursa Malaysia Securities Berhad ("**Bursa Securities**"). The CG Report is made available on the Company's website at www.cuscapi.com and through an announcement on the website of Bursa Securities.

The Board presents this statement to provide an overview of the corporate governance practices of the Company under the guidance of the Board with reference to three (3) key corporate governance principles as below:

(a) Board Leadership and Effectiveness;
(b) Effective Audit and Risk Management; and
(c) Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

PART 1 - BOARD RESPONSIBILITIES

Board and Board Committees

The Board holds responsibility to the stakeholders of the Company and its subsidiaries ("**Group**"), overseeing the overall performance of the Group. Their primary role involves managing and supervising the management of the Group and guiding them towards achievement of short and long-term objectives. This includes setting corporate strategies for growth and new business development. Additionally, the Board must ensure the availability of essential resources for the Group to fulfill its objectives and generate sustainable value for its stakeholders.

The Board acknowledges the significance of establishing well-defined roles and responsibilities of the Board and the Senior Management to achieve a balanced approach between the strategy foundation and policies making on one hand and the conformance roles of executive supervision and accountability on the other. The delegation of the Board's authority to the Senior Management is subject to clearly defined limits and the delegated authority is structured in accordance with hierarchical delegation framework below the Board level. The Board remains itself with specific key matters for decision, which include the following:

- approval of corporate plans and programmes;
- approval of annual budgets, including major capital commitments;
- approval of new ventures;
- approval of material acquisitions and disposals of undertakings and properties; and
- changes to the management and control structure within the the Group, including key policies, and delegated authority limits.

To ensure the effective discharge of its responsibilities, the Board also has established two (2) Board Committees, namely Audit and Risk Management Committee ("**ARMC**") and Nomination and Remuneration Committee ("**NRC**") to assist in its oversight function. The Board Committees operate under clearly defined Terms of Reference which are available on the Company's website at www.cuscapi.com.

The Chairman of the respective Board Committees are responsible for reporting the key deliberations from their Board Committee meetings to the Board and present recommendations to the Board for approval, where deemed necessary. The ultimate responsibility for the final decisions, however, lies with the Board.

Besides, there is a clear separation of the positions and roles between the Chairman and Chief Executive Officer ("**CEO**") of the Company to enhance governance and transparency. This is to ensure that there is a balance of power and authority to promote accountability, such that no one individual has unfettered decision-making powers.

The Chairman is primarily carries a leadership role and responsible for the orderly conduct and working of the Board, while the CEO primarily in charge of providing the vision and strategic direction of the Group, formulating and implementing appropriate corporate strategies, and ensure the efficiency and effectiveness of the Group's operations.

In view of this, the Company has complied with the recommendation of the MCCG whereby the positions of Chairman and CEO are held by different individuals.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

PART 1 - BOARD RESPONSIBILITIES (CONTINUED)

Board and Board Committees (Continued)

The Company has also complied with Practice 1.4 of the MCCG whereby the Chairman of the Board should not be a member of the Board Committees. Currently, the Chairman of the Board, Datuk Jayakumar A/L Panneer Selvam is not a member of ARMC and NRC.

Board Charter

The Board has formalised a Board Charter which functions as a guidance for Directors in fulfilling their fiduciary duties. The Board Charter sets out the respective roles and responsibilities of the Board, individual directors and management. The Board Charter will undergo periodic reviews to ensure that it complies with the legislations and best practices as well as aligns with the dynamic needs of the Group.

A copy of the Board Charter is available for reference at the corporate website at www.cuscapi.com.

Qualified and Competent Company Secretaries

The Board is supported by two (2) suitably qualified and competent Company Secretaries who are members of The Malaysian Institute of Chartered Secretaries and Administrators (MAICSA). These Company Secretaries stay updated on regulatory changes, development in corporate governance, evolution of the Company Secretary's roles and business trends through continuous training.

The Board has full access to the independent advice and dedicated support services of the Company Secretaries to facilitate the effective discharge of their duties. They provide guidance to the Board and Management on statutory, regulatory, and corporate development, as well as on the implementation of corporate governance measures and compliance relevant to the Group.

Board Meetings and Supply of Information to the Board

The Board convenes regular meetings of no less than four (4) times annually and has other ad-hoc informal meetings to discuss strategic and policy matters. They will also promptly convene additional meetings upon the Company's annual results and upcoming quarterly results were finalised for review and approval before submission to Bursa Securities. Special Board meetings may be called as necessary to consider urgent proposals or matters that requiring expeditious review or consideration by the Board. The details of the Directors' attendance at the Board meetings during FPE 2023 are as follows:

Name of Directors	Attendance	Percentage of Attendance
Datuk Jayakumar A/L Panneer Selvam	7/8	87.5%
Dato' Sri Khazali Bin Haji Ahmad	7/8	87.5%
Dato' Sheah Kok Fah	8/8	100%
Datuk Mat Noor Bin Nawi	7/8	87.5%
Puan Mohaini Binti Mohd Yusof	8/8	100%

Each Board member is expected to achieve at least 50% attendance of total Board Meetings in any applicable financial year as stipulated in MMLR with appropriate leave of absence be notified to the Chairman and/or Company Secretary, where applicable.

Based on the attendance, the Directors have demonstrated their ability to devote sufficient time and commitment to their roles and responsibilities as Directors of the Company. The Board is satisfied with the level of time and commitment given by the Directors of the Company towards fulfilling their duties and responsibilities. This is evidenced by the attendance record of the Directors as set out in the section above.

The agenda of meetings and the relevant meeting materials are distributed to the Board members seven (7) days in advance of the scheduled Board meetings. This timeframe allows the members ample time to review, prepare, facilitate comprehensive discussion, and contribute constructively.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

PART 1 - BOARD RESPONSIBILITIES (CONTINUED)

Board Meetings and Supply of Information to the Board (continued)

The Board has direct access, unrestricted and immediate access to information on the Group's business and affairs in discharging their duties. They routinely examine reports detailing progress towards financial goals and business development and they also receive frequent updates through reports and presentations covering strategy, risk profiles and significant litigation matters. Moreover, the Board reserved the right to request additional information or clarification, especially concerning of complex and technical issues. They will also receive relevant training and have the authority to seek independent professional advice to ensure effective discharge of their duties.

Furthermore, all issues discussed and decisions made during the Board meetings, along with specific action designated to responsible parties, will be properly recorded in the meeting minutes and meticulously maintained.

Code of Ethics and Business Conduct, Anti-Bribery and Anti-Corruption Policy and Whistleblowing Policy

The Board understands that the responsibility of maintaining good governance and ethics lies with them and as such they strive to adhere to the principles and best practices of corporate governance. To this end, the Board has adopted the Anti-Bribery and Anti-Corruption Policy ("**ABAC Policy**") and takes a "zero tolerance" approach on all forms of corruption, and bribery which is outlined in the policy. The ABAC Policy offers guidance on addressing improper solicitation, bribery and other corrupt activities and issues that may arise in the course of business. Additionally, it mandates that the Directors and employees conduct themselves professionally, fairly and integrity in all business dealing and relationships.

Besides, the Board committed to conducting business in alignment with the utmost standards of integrity, business ethnics and compliance with applicable laws and regulations. In line with the recommendations of MCCG, the Board has established a Code of Ethics and Business Conduct to cultivate a corporate culture which emphasises ethnical behaviour throughout the Company. The Code outlines the expected behaviours for all the employees aimed at enhancing corporate governance and standards of corporate behaviour. Moreover, the Code is intended to ensure the establishment of appropriate internal systems to support, promote, and ensure compliance to its principles.

The Board has also instituted a Whistleblowing Policy to foster a culture of constructive whistleblowing within the Company. The policy sets out the principles and grievance procedures for employees and the public to raise legitimate concerns of potential improprieties within the Group. Aligned with the policy, the Company offers platforms for reporting concerns regarding misconduct and ensuring their proper handling in accordance with the core objectives of Whistleblower Protection Act 2010. The Board aims for the employees or stakeholders to report and disclose any improper or unethical activities concerning the Group through the established platform.

The relevant policies and code are available for reference at the corporate website at www.cuscapi.com.

Training and Development of Directors

The Board acknowledges the importance of ongoing education and training to ensure effective performance of its responsibilities. The Directors are expected to dedicate time and effort to refine their skill sets through relevant training programs to stay updated on new developments in the business environment.

During the financial period ended 31 December 2023 ("FPE 2023"), the Directors have attended the trainings/seminars as below:-

Name	Description
Puan Mohaini Binti Mohd Yusof	• In-House Blockchain Technology Briefing • SIDC SRI2023: Revving Up the Race for Sustainability • Corporate Governance and Corporate Value – Needed Tool or Necessary Bane? • National Integrity Forum 2023 – Leading Governance with Integrity • Breakfast Briefing (Integreting Sustainability in Finance: Unpacking the Why & Wherefore) • JC3 Journey to Zero Conference 2023
Dato' Sri Khazali Bin Haji Ahmad	• Mandatory Accreditation Programme Part II: Leading for Impact (LIP)
Datuk Mat Noor Bin Nawi	• Sustainable Development Goals (SDG) dan Environment, Social and Governance (ESG): Strategi Syarikat Zaman Digital

Other than the above-mentioned Directors, the remaining Directors have not attending any training/seminar during the FPE 2023 due to the busy working schedule. However, all the Directors' were being updated with the latest rules development, especially on the MMLR or the accounting standards by the Company Secretaries or external auditors.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

PART 2 - BOARD COMPOSITION

Composition of the Board

Currently, the Board consists of a total of five (5) members, comprising of one (1) Executive Chairman, one (1) Executive Director and three (3) Independent Non-Executive Directors. The Company has complied with the Paragraph 15.02 of the MMLR of having at least two (2) or one third (1/3) of the Board comprising independent directors. In the event of any vacancy of the Board, resulting in non-compliance with Paragraph 15.02 of the MMLR, the Company will fill the vacancy within three (3) months.

Besides that, the Board will include regular assessments of the independence of each Independent Director as part of annual evaluation process. These assessments will consider factors such as the Independent Director's relationship with the Company and their involvement in significant transactions. Furthermore, all Directors are obligated to disclose any conflicts of interest or duty, as well as any material personal interests in matters related to the Company's affairs to the Board.

As recommended by MCCG, an Independent Director should not serve beyond a term limit of nine (9) years. However, an extension of their tenure may be considered if the Board provides solid recommendations and obtain shareholders' approval through a two-tier voting process at the general meeting. Nonetheless, as at the date this CG Overview Statement, the Board of the Company has yet to adopt a policy to limit the tenure of Independent Directors and none of the Independent Directors has accumulate a tenure of nine (9) years with the Company.

The brief profile of each Board member is presented under the Directors' Profile of this Annual Report.

Board Diversity

The Board committed to fostering diversity within its membership, embracing gender, ethnicity, skills, experience and age diversity, and is strives to maintain a well-balanced composition for effective functioning of the Board.

The members of the Board are persons of high integrity and calibre who have sound knowledge and understanding of the Group's businesses and offering breadth in experience and knowledge. They possess the background and expertise in fields of IT, finance, accounting, legal, communications, contributing a broad spectrum of competencies, capabilities, technical skills and relevant business experience which are critical to the Group's businesses and sustainability.

Currently, the Board has one (1) female director on the Board. Recognising the importance of gender diversity and in compliance with MCCG requirements, the Board will access potential female candidates for future appointments, should the necessity arise.

The Board believes that a truly diverse and inclusive Board will leverage the differences among its members to achieve effective stewardship, and thereby maintaining its competitive advantage.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee comprises of two (2) members as follows:

Name of Directors	Directorship	Designation
Puan Mohaini Binti Mohd Yusof	Independent Non-Executive Director	Chairperson
Dato' Sheah Kok Fah	Independent Non-Executive Director	Member

There was one (1) meeting held by NRC during the financial period ended 31 December 2023.

The NRC's role is to support and advise the Board in discharging their duties and responsibilities in ensuring the Board comprises individuals with an optimal mix of qualifications, skills and experience in order. They are responsible for identifying and recommending suitable candidates to fill vacancies on the Board based on their qualifications, abilities and experience.

The NRC also performed evaluation on the effectiveness of the Board and its Committees, as well as on the distribution of each individual Director and assessing the independence of Independent Directors.

Additionally, their responsibilities entails establishing formal procedures for assessing and reviewing remuneration packages of Directors and Senior Management, ensuring alignment with corporate and individual performance.

The Terms of Reference of the NRC are available for reference at www.cuscapi.com.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

PART 2 - BOARD COMPOSITION (CONTINUED)

Re-election and Re-appointment of Directors

The Constitution of the Company provides that at least one-third of the Directors are subject to retirement of by rotation at every Annual General Meeting ("**AGM**"). If the total number of Directors is not three (3) or multiple of three (3), the number nearest to one-third shall retire from office but remains eligible for re-election. The Constitution further provides that all Directors all retire from office at least in each three (3) years but shall be eligible for re-election. In addition, the Directors who are to retire each year are those who have been longest in office since their last election.

The details of the Directors seeking re-election at the forthcoming 44th AGM are disclosed on page 16 and 17 of this Annual Report.

Board Effectiveness Evaluation

To ensure that the Board and its Committees operate effectively, the Company undertakes an annual formal evaluation process to assess their performance.

During the financial period, the Company had conducted an evaluation on the overall effectiveness of the Board and its committees using a survey method with the assistance from the Company's Secretarial team. The evaluation was conducted based on specific criteria including:

- Board's structure, operations, roles and responsibilities and others; and
- Board Committees – composition, expertise, support and communications.

Based on the evaluation results, the NRC will make recommendations to the Board to assist them in fulfilling their duties and responsibilities. Overall, the Board is satisfied that its composition is fairly balanced with a good mix of skills and experience which add value in governing the strategic direction of the Group. Additionally, the Board expressed satisfaction with the commitment of the Directors and the time dedicated to their responsibilities.

PART 3 - REMUNERATION

The Board acknowledges that a well-structured remuneration framework helps to maintain competitiveness in attracting and retaining talented individuals serving the Company, ultimately contributing to its long-term success by fostering business stability and growth.

The Board has established the NRC to assist them in their oversight function on matters pertaining to remuneration of the Directors and the Senior Management of the Company. The NRC will propose the remuneration and benefits of Executive Directors based on corporate and individual performance. As for the remuneration of Non-Executive Directors, it will be determined by the entire Board based on the experience and level of responsibilities undertaken by the Non-Executive Directors.

The aggregate annual Directors' fees and other benefits payable are to be approved by shareholders at the AGM based on recommendations of the Board.

The detailed breakdown of the Directors' fees and other benefits paid to the Directors of the Company and Group for the FPE 2023 are as follows: -

	Company		Group	
Directors	**Fees (RM)**	**Salaries and other emoluments (RM)**	**Fees (RM)**	**Salaries and other emoluments (RM)**
Datuk Jayakumar A/L Panneer Selvam	90,000	0	90,000	0
Dato' Sri Khazali Bin Haji Ahmad	180,000	0	180,000	0
Dato' Sheah Kok Fah	90,000	0	90,000	0
Datuk Mat Noor Bin Nawi	90,000	0	90,000	0
Puan Mohaini Binti Mohd Yusof	180,000	0	180,000	0
Total	**630,000**	**0**	**630,000**	**0**

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

PART 3 - REMUNERATION

Remuneration of Senior Management

The remuneration paid to the Senior Management during the FPE 2023, are as follows:-

Range of Remuneration	Number of Senior Management
Below RM100,000	1
RM100,001 – RM300,000	5
RM300,001 – RM500,000	1

Due to confidentiality and sensitivity of the remuneration package of the senior management as well security concern, the Board opts not disclose the senior management's remuneration component on named basis.

PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT

AUDIT AND RISK MANAGEMENT COMMITTEE

Audit and Risk Management Committee

The ARMC plays a key role in the Group's governance structure. Through the exclusive inclusion of Independent Non-Executive Directors, the ARMC ensures comprehensive and impartial oversight on financial reporting, audit and risk management processes. The ARMC is also chaired by Independent Director who is not the Chairman of the Board to safeguard the objectivity of the Board's examination of the ARMC's findings and recommendations, maintaining a clear and unbiased perspective.

The composition and performance of the ARMC are evaluated annually through the Board Evaluation Assessment to ensure its independence and effectiveness. Membership on the ARMC is granted to Independent Non-Executive Directors who are financially literate, possess the appropriate level of expertise and experience, and demonstrate strong understanding of the Company's business operations, ensuring the committee's continued effectiveness and independence.

The ARMC is responsible to carry out a review on performance of External Auditor ("**EA**") which includes assessing their independence and sustainability in fulfilling their responsibilities as External Auditor. During the financial period, the ARMC recommended changing the EA from Messrs Mazars PLT to UHY due to the perceived excessive proposed audit fees when considering the Group current revenue and income levels. The proposal was then approved by the Board. The ARMC secured requisite written assurance from the new EA, affirming that they were and had been independent throughout the conduct of the audit engagement in accordance with By-Laws of the Malaysian Institute of Accountants and the International Code of Ethnics for Professional Accountants.

The ARMC also undertakes an annual assessments of audit quality, encompassing the External Auditor's performance. This evaluation includes consideration on adequacy of resources and experience, quality of services, communication with the ARMC, level and nature of non-audit fees, as well as objectivity and professionalism. After thorough evaluation and confirmation of the satisfactory discharge of functions and duties by the EA, the ARMC has recommended their re-appointment at the AGM of the Company.

Risk Management and Internal Control Framework

The Board is satisfied that the risk management policies and procedures designed and implemented by the Company's Management through the ARMC. These measures facilitate the Board in accessing key areas of risk exposure and ensuring the effectiveness of internal control and risk management systems for risk mitigation.

On a quarterly basis, the ARMC reviews and deliberates the internal audit report, its findings and management's response. Additionally, the committee annually reviews and approves the internal audit plan and the Group's risk profile.

The details of the Risk Management and Internal Control Framework of the Group are disclosed in the Company's Annual Report under Statement of Risk Management and Internal Control.

PRINCIPLE C – INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

EFFECTIVE COMMUNICATION WITH STAKEHOLDERS

The Company strives to maintain an open transparent channel communications with its stakeholders, aiming to offer a clear and complete picture of the Group’s performance and financial position. Hence, the Board has formalised a set of Corporate Disclosure Policy and Procedures to direct the communication and disclosure of material information to both shareholders and investing public. The communication channels mainly used by the Company to disseminate information on a timely basis are the Company’s website, announcement to Bursa Securities and general meetings.

The Company's website at www.cuscapi.com incorporates an Investor Relations section which provide corporate information on the Company. The Annual Reports are made available on the company’s website to communicates comprehensive information on how the Company delivers value for the stakeholders. The stakeholders may also forward their queries and suggest improvements to the Company via email address displayed in "Contact Us" section.

To ensure equal and fair access to information by the public, the Company fulfils its disclosure obligations in accordance with Bursa Securities’s Corporate Guidelines. The Boad recognise that the material information must be promptly announced through Bursa Securities. These announcements are also featured in the Investor Relations section of the Company’s website, contributing to the enhancement of Investor Relations functions.

Besides disseminating through its website and announcements to Bursa Securities, the Board considers the annual and any extraordinary general meetings as ideal opportunities to communicate with shareholders.

CONDUCT OF GENERAL MEETINGS

The AGM and any general meetings serves as important forum for shareholders to engage with Directors and Senior Management of the Company. During the AGM, the Board has the opportunity to gather valuable feedback, leverage insights from shareholders and enhance shareholders’ understanding of the Company’s businesses, governance and performance.

In line with good governance practice, the AGM notices were dispatched to shareholders of with the Annual Report at least 28 days prior to the meeting. This grants shareholders adequate time to review the Group’s financial and operational performance and consider the resolutions tabled during the AGM. Shareholders will also have the opportunity to pose questions or seek clarification on the agenda items. The upcoming AGM is set to be conducted virtually through live streaming and online remote voting via the remote participation and voting facilities.

All the resolutions set out in the Notice of the AGM were subjected an electronic poll for voting. Shareholders were receiving guidance on the voting procedures from the poll administrator prior to the poll voting and an independent scrutineer was appointed to validate the votes cast. The outcome of the AGM was announced to Bursa Securities on the same meeting date.

STATEMENT OF COMPLIANCE

Overall, the Company has substantially complied with most of the practices of the MCCG for the FPE 2023, except for some departures which set out in the CG Report.

The Board remains dedicated and will continue to enhance the implementation of the corporate governance practices and procedures throughout the Group, with the aim of safeguarding the interest of both shareholders and stakeholders.

This Statement was approved by the Board of Directors of the Company on 18 April 2024.

ADDITIONAL COMPLIANCE INFORMATION DISCLOSURES

During the financial period ended 31 December 2023 ("**FPE 2023**"), the amount of audit fee and non-audit fee paid or payable to the Company's External Auditors by the Group and the Company respectively as follows:-

Type of fees	Group (RM)	Company (RM)
Audit fees	446,939	110,000
Non-audit fees	5,000	5,000
Total	451,939	115,000

MATERIAL CONTRACTS

There was no material contract outside the ordinary course of business entered into by the Company and its subsidiaries involving Director's and major shareholder's interest during the FPE 2023.

UTILISATION OF PROCEEDS

During the FPE 2023, there was no proceed raised by the Company from any corporate proposals.

RECURRENT RELATED PARTY TRANSACTIONS ("RRPT")

There was no RRPT of a revenue or trading nature entered by the Company or its subsidiaries during the FPE 2023.

DIRECTORS' RESPONSIBILITY STATEMENT

IN RESPECT OF AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2023 ("FPE 2023")

The Board is aware of its responsibilities to the shareholders and the necessity to present a balanced and meaningful assessment of the Group's financial position, by means of the annual financial and quarterly report's statements and other published information.

The Directors are required to ensure that the financial statements of the Group and the Company are drawn up in accordance with the Malaysia Financial Reporting Standards and the requirements of the Companies Act in Malaysia. This is to accurately reflect the true and fair view of the state of affairs of the Group and the Company for FPE 2023.

While preparing the financial statements, the Directors consistently chosen and applied appropriate accounting policies. They have also exercised reasonable and prudent judgements and made estimates in a consistent manner.

Additionally, the Directors bear a general responsibility to take reasonable measures to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

This Statement was approved by the Board of Directors on 18 April 2024.

STATEMENT OF RISK MANAGEMENT AND INTERNAL CONTROL

1. INTRODUCTION

The Malaysian Code of Corporate Governance requires listed companies to maintain a sound Risk Management system and Internal Control to safeguard shareholders' investments and Group assets. In addition, the Listing Requirements of Bursa Malaysia Securities Berhad require directors of listed companies to include a statement in the annual reports on the state of their Risk Management and Internal Control on a group basis.

The Group has recognised and established Risk Management, and Internal Control procedures in discharging its stewardship responsibilities are primarily in accordance with the guidance provided in the "Statement on Risk Management & Internal Control: Guidelines for Directors of Listed Issuers". These procedures, which are subject to continuous review by the Board, provide a systematic and ongoing process for identifying, evaluating and managing the significant business risks faced by the Group that may affect the achievement of its business objectives.

In recognition of this responsibility, the Board of Directors of Cuscapi Berhad ("**the Board**") hereby issues the following statement, which is prepared in accordance with these requirements.

2. BOARD RESPONSIBILITY

The Board recognises the importance of a sound framework of Risk Management and Internal Control for good corporate governance and safeguarding the shareholders' interests. Towards this end, the Board is committed to maintaining a sound system of Risk Management and Internal Control for the Group and ensuring its continued effectiveness, adequacy and integrity through a process of periodic review.

The Board has delegated the responsibility of undertaking this periodic review process to the Audit and Risk Management Committee. The delegation of responsibility is defined in the Audit and Risk Management Committee's Terms of Reference. However, the Board as a whole remains ultimately responsible for the effectiveness, adequacy and integrity of the system of risk management and internal controls.

The Board maintains full control over strategic, financial, organisational and compliance issues and has put in place an organisation with lines of responsibility, clear segregation of duties and appropriate delegation of authority. The Board has delegated to the Senior Management the implementation of the Risk Management and Internal Control system within an established framework throughout the Group.

The Board also acknowledges the need to establish an ongoing process for identifying, evaluating and managing significant risks faced by the Group and regularly reviewing this process in conjunction with the "Statement on Risk Management & Internal Control: Guidelines for Directors of Listed Issuers".

3. CONTROL STRUCTURE & RISK MANAGEMENT FRAMEWORK

During the financial period ended 31 December 2023, the Chief Executive Officer in charge of the day-to-day management of the Company following the instructions and orders given by the Board. The Chief Executive Officer sets the framework of the internal control environment by providing leadership and direction to senior managers and reviewing how they control the business. This control is exercised through Senior Management in respect of commercial, financial and operational aspects of the Company. The Chief Executive Officer and Senior Management meet regularly in respect of such matters.

The Board fully supports the contents of the Statement on Risk Management & Internal Control: Guidelines for Directors of Listed Issuers and through the Audit and Risk Management Committee continually reviews the adequacy and effectiveness of the Risk Management processes in place within the various operating units to strengthen the Risk Management functions across the Group.

Risks may include strategy, financial, operational, compliance, or external risks, such as country, market, currency, or regulatory risk.

Management also acknowledges its responsibility for the management of risks, for developing, operating and monitoring the system of internal control and assuring the Board that it has done so under the policies adopted by the Board. The Board and the Management also recognise and acknowledge that the development of effective risk management and internal control system is an ongoing process and, to this end, maintains a continuous commitment to strengthening the existing internal control environment of the Group.

4. INTERNAL AUDIT FUNCTION

The internal audit function assesses the efficiency and appropriateness of operations and examines the functioning of internal control. In addition, the internal audit seeks to ensure the reliability of financial and operational reporting, compliance with applicable laws and regulations, and proper management of the Company's assets.

Internal audit is independent of the operational management and is performed by an external service provider. In a desire to maintain total independence in the management of the internal control environment and remain in compliance with the Bursa Malaysia Securities Berhad Listing Requirements, the Company has appointed Crowe Governance Sdn Bhd to manage the Company's internal audit function on an outsourced basis.

Crowe Governance Sdn Bhd reports independently and directly to the Audit and Risk Management Committee in respect of the internal audit function. The Audit and Risk Management Committee, together with Crowe Governance Sdn. Bhd agrees on the scope and planned internal audit activity annually, and all audit findings arising therefrom are reported to the Audit and Risk Management Committee quarterly if possible.

Follow-up reviews are also carried out to assess the implementation status of management action plans based on internal audit recommendations. The results of these follow up reviews are also highlighted to the Audit and Risk Management Committee.

5. OTHER KEY INTERNAL CONTROL ELEMENTS

Apart from the risk management framework and internal audit, the other key elements of the Group's system of internal control are stated as below:

Board Meetings

The Board meets at least quarterly and has a formal agenda on matters for discussion. The Chief Executive Officer and the Financial Controller lead the presentation of board papers and comprehensively explain pertinent issues. In arriving at any decision, on the recommendation by the management, a thorough deliberation and discussion by the Board is a prerequisite. Besides, the Board is kept updated on the Group's activities and operation regularly.

The Board has also received assurance from the Group Chief Executive Officer that the Group's risk management and internal control system are operating adequately and efficiently in all material aspect based on the risk management and internal control system of the Group.

Organisational Structure with Formally Defined Responsibility Lines and Delegation of Authority

There is an organisational structure with formally defined responsibility lines and authorities to facilitate quick response to changes in the evolving business environment, adequate supervision of day-to-day business conduct and accountability for operational performance. The procedures include establishing authority limits for all aspects of the business, which is subject to periodic review throughout the year as to their implementation and continuing suitability.

Group Policies and Guidelines

The documented policies and procedures form an integral part of the internal control system to safeguard shareholders' investment and the Group's assets against material losses and ensure complete and accurate financial information. The internal procedures and policies are clearly documented in manuals and reviewed and revised periodically to meet changing business, operational and statutory reporting needs. This procedure and policies ensure proper documentation, authorisations and effective control over operating units within the Group.

Operating manuals are also available within the Group, and these set out policies and procedures for day-to-day operations and act as guidance for employees on the necessary steps to be taken in a given set of circumstances. The manuals enable tasks to be carried out with minimal supervision.

Formalised Strategic Planning and Operating Plan Processes

The Group undertakes a comprehensive business planning and budgeting process each year to establish plans and targets against which performance is monitored on an ongoing basis. Key business risks are identified during the business planning process and are reviewed regularly during the year. A detailed budgeting process has been implemented in the Group where each department/business unit prepares a budget for the upcoming financial year for the approval of the Board. The budget is monitored, and significant variances are followed up by the respective management.

STATEMENT OF RISK MANAGEMENT AND INTERNAL CONTROL

5. OTHER KEY INTERNAL CONTROL ELEMENTS (CONTINUED)

Reporting and Review

Adequate financial and operational information systems are in place to capture and present timely and pertinent internal business information. A clear reporting structure ensures financial (e.g. Monthly management accounts and variance reporting) and operational reports (Weekly sales and collection report, HR report etc.) are periodically prepared and presented to management for discussion and review on a timely basis. In addition, scheduled and ad-hoc meetings are held at operational and management levels to identify, discuss and resolve business and operational issues.

Monitoring

The Group monitors compliance with its internal controls through management reviews and internally reviewed reports by key personnel. Regular internal audit visit is conducted on the key activities of the Group's business and functional units to monitor compliance with procedures and to assess the adequacy and effectiveness of internal control.

Procedures and Control Environment

Control procedures and environments at Group and individual business unit levels have been established. Established control activities for day-to-day financial and operational activities are in place, covering preventive controls, predictive controls, manuals controls, computer controls and management controls. These include top-level financial and operating performance reviews, authorisations, verifications, reconciliation, physical controls over assets, segregation of duties, and controls over information systems.

In addition to internal financial controls, the directors have ensured that safety and health regulations, environmental controls and political risks have been considered and complied with by the Group.

Quality and Ability of Employee

Every employee of the Group is contractually bound to observe prescribed standards of business ethics in the manner of conducting themselves at work and their relationships with external parties such as customers and suppliers. The Group expects each employee to conduct himself/herself with integrity and objectivity and not to place himself/herself in a position of conflict of interest. The competence of staff personnel is maintained through a structured recruitment process, performance measurement and rewarding system and a wide variety of training and development programmes.

Human resource policies have been established, and it reflects the Group's objective on human resource management with the emphasis on development in areas relating to succession planning and competency. Policies also include code of conduct and performance management as control measures on staff's overall conduct and performance. In addition, ongoing internal and external training is provided to improved employees' technical and non-technical competence and skills.

6. WEAKNESSES IN INTERNAL CONTROL

Management continues to take appropriate measures and maintains an ongoing commitment to continuously monitor the Group's control environment and processes to strengthen its internal control structure and the management of risks.

The Board of Directors is of the opinion that there is no significant weakness in the system of internal control, contingencies or uncertainties that could result in material loss and adversely affect the Group.

7. CONCLUSION

The Board believes that the existing internal control system is adequate to achieve the Group's business objectives to safeguard shareholders' investments and the Group's assets. However, the Board will continuously assess the adequacy of the Group's system of internal control and make improvements and enhancements to the system as and when necessary.

This statement is made in accordance with the resolution of the Board of Directors dated 18 April 2024.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

In line with the Main Market Listing Requirements ("**MMLR**") of Bursa Malaysia Securities Berhad ("**Bursa Securities**"), the Audit and Risk Management Committee ("**ARMC**") has been entrusted by the Board to execute its governance and oversight responsibility in reporting practices and risk management within the Group. The terms of reference ("**TOR**") of ARMC were published under the Investor Relation's section of the Company's website at www.cuscapi.com.

COMPOSITION OF THE ARMC

The ARMC comprises of three (3) members as follows, all of whom are Independent Non-Executive Directors, which aligns with the Paragraph 15.09 of MMLR of Bursa Securities and Practice 9.4 of Malaysian Code on Corporate Governance 2021 ("**MCCG**").

Name	Position	Designation
Datuk Mat Noor Bin Nawi	Chairman	Independent Non-Executive Director
Dato' Sheah Kok Fah	Member	Independent Non-Executive Director
Puan Mohaini Binti Mohd Yusof	Member	Independent Non-Executive Director

The ARMC Chairman is an independent director and no alternate directors had been appointed as the members of the ARMC. In compliance with Practice 9.1 of the MCCG, the ARMC Chairman is not the Chairman of Board of Directors of the Company. All the ARMC members have extensive experience and commercial expertise skills and knowledge required in discharging their roles and responsibilities.

The Company acknowledges the importance of maintaining the independence of its external auditors and ensuring the absence of any potential conflict of interest. The ARMC took note on the Practice 9.2 of the MCCG to have a policy that requires a former audit partners of existing external auditors engaged by the Group to observe a cooling-off period of at least three (3) years before appointed as a member of the ARMC. Currently, none of the ARMC members were former audit partners of the external auditors engaged by the Group.

ATTENDANCE OF MEETINGS

The ARMC conducted eight (8) meetings during the financial period under review. The details of the attendance of the ARMC members were as below: -

	Name	Attendance
(a)	Datuk Mat Noor Bin Nawi	7/8
(b)	Dato' Sheah Kok Fah	8/8
(c)	Puan Mohaini Binti Mohd Yusof	8/8

The ARMC convenes on a quarterly basis and as required. According to the TOR, two (2) of its members with a majority of Independent Directors present shall form a quorum. These meetings were structured with agendas which were distributed to the ARMC with sufficient notification.

The Chief Executive Officer, Chief Financial Officer and Finance Manager were invited to all the ARMC meetings to facilitate direct communications and to provide clarification of financial reports. In addition, the Company Secretaries and their representatives were present at all ARMC meetings to record and prepare minutes of the said meetings. Internal Auditors and External Auditors were invited to certain of these meetings for presentations on audit plan, audit findings and review of unaudited statements. Other Board members and designated members of the management may also attend the ARMC meetings upon the invitation from the ARMC.

Minutes of each meeting were recorded and tabled for confirmation at the following ARMC meeting and subsequently presented to the Board for notation.

EVALUATION OF THE ARMC

During the year under review, the Nomination and Remuneration Committee reviewed the terms of office and performance of the ARMC and each of its members. The Board was satisfied that the ARMC and each of its members have discharged their functions, duties and responsibilities in accordance with the TOR and supported the Board in ensuring the Group upholds the appropriate Corporate Governance Standards.

SUMMARY OF THE WORK OF THE ARMC

In line with the terms and reference of the ARMC, the following activities were carried out by the ARMC during the financial period ended 31 December 2023 ("**FPE 2023**") in discharging its functions and duties:

1. **Financial Reporting and Compliance**

   (a) Reviewed and deliberated on all quarterly financial results and annual audited financial statements for recommendation to the Board for approval; and

   (b) Discussed with Management, amongst others, the accounting principles and standards that were applied and critical judgment exercised with emphasis on accounting estimates, that may affect the financial results.

2. **Internal Audit ("IA") and Risk Management**

   (a) Reviewed with the internal auditors, the internal audit reports of the subsidiaries in scope and accessed the IA's findings and recommendations;

   (b) Considered and approved the annual internal audit plan and be satisfied as to the adequacy of the scope, coverage and audit methodologies employed;

   (c) Evaluated the adequacy and performance of internal audit function and its comprehensiveness of the coverage of activities within the Group;

   (d) Reviewed and approved the Statement of Risk Management and Internal Control required by MMLR of Bursa Securities; and

   (e) Reviewed the effectiveness and efficiency of the Group's internal controls and risk management processes.

3. **External Audit**

   (a) Reviewed and approved the external auditors' audit planning memorandum outlining their scope of work and area of audit emphasis;

   (b) Reviewed the audited financial statements FPE 2023 before recommending for Board's approval;

   (c) Discussed on findings, problems and recommendations arising from the statutory audits and any matters the external auditors wished to discuss as well as reviewed the extent of cooperation and assistance given by employees of the Group to the external auditors;

   (d) Meet with external auditors without the presence of executive board members and management to discuss any key audit concerns and findings of the Group; and

   (e) Assessed the performance, independence and objectivity of the external auditors and recommended to the Board on their reappointment and remuneration.

SUMMARY OF THE WORK OF THE ARMC (CONTINUED)

4. **Others**

   (a) Reviews and recommended to the Board for approval, the Corporate Governance Report, as well as the Corporate Governance Overview Statement, Statement on Risk Management and Internal Control and ARMC Report for inclusion in the Annual Report;

   (b) Reviewed related party transactions and conflict of interest situation that may arise within the Company or the Group, if any; and

   (c) Reviewed quarterly announcements prior to recommendation to the Board for approval to ensure that the announcements reflect the situation and are representative of their views.

INTERNAL AUDIT FUNCTION

The Group's internal audit function was performed by a professional firm named Crowe Governance Sdn Bhd ("**Crowe Governance**" or "**IA**"). The IA independently reviews the risk identification procedures and control processes implemented by the Management, conducts audits to review critical areas of the Group's operations, and reports to the AC.

The introduction of the internal audit functions facilitates the execution of corrective measures to tackle identified weaknesses in the systems and controls of the respective operating areas. The initiative aimed to enhance efficiency and optimise resource management across all aspects of the Group's operations.

The appointment and resignation of the internal audit function as well as the proposed audit fees are subject to review by the AC and for its reporting to the Board for the ultimate approval.

The total costs incurred by the Internal Auditor function in respect of the financial period ended 2023 amounted to RM45,850.

DIRECTORS' REPORT

The Directors have pleasure in submitting their report together with the audited financial statements of the Group and of the Company for the financial period ended 31 December 2023.

PRINCIPAL ACTIVITIES

The principal activities of the Company consist of investment holding and provision of management services to its subsidiaries.

The principal activities of its subsidiaries are mainly software development, provision of project management, business and IT related consultancy services, provision of restaurant management and business management solutions, remedial services for restaurant management hardware and related software implementation and support services, interactive devices solutions, provision of a contract centre for outsourcing services, operate a cryptocurrency exchange in Philippines, investment holding activities, computer programming, information service and other services related to the computer, data processing, leasing and other related activities.

CHANGED OF FINANCIAL YEAR END

On 9 June 2023, the Company changed its financial year end from 30 June to 31 December. Accordingly, the financial statements for the current financial period are made up of eighteen months from 1 July 2022 to 31 December 2023.

FINANCIAL RESULTS

	Group RM	Company RM
Profit/(Loss) for the financial period	1,912,240	(24,210,133)
Attributable to:		
Owners of the parent	1,895,502	(24,210,133)
Non-controlling interests	16,738	-
	1,912,240	(24,210,133)

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial period other than as disclosed in the financial statements.

DIVIDENDS

There were no dividends proposed, declared or paid by the Company since the end of the previous financial year. The Directors do not recommend any dividend in respect of the current financial period.

ISSUE OF SHARES AND DEBENTURES

There was no issuance of shares and debentures during the financial period.

OPTIONS GRANTED OVER UNISSUED SHARES

No option was granted to any person to take up unissued shares of the Company during the financial period.

DIRECTORS

The Directors of the Company in office since the beginning of the current financial period until the date of this report are:

Datuk Jayakumar A/L Panneer Selvam*
Dato' Sheah Kok Fah*
Datuk Mat Noor Bin Nawi
Puan Mohaini Binti Mohd Yusof
Dato' Sri Khazali Bin Haji Ahmad

** Director of the Company and of its subsidiaries.*

The Directors who held office in the subsidiaries (excluding Directors who are also Directors of the Company) since the beginning of the current financial period until the date of this report are:

Joana France Cruz	
Leslie Ann Parcon	
Dato' Fadzli Shah Bin Anuar	(Appointed on 8 December 2022)
Chow Jia Wei	(Appointed on 31 December 2023)
Simon Averilla	(Appointed on 14 April 2023)
Imee Tamayo	(Appointed on 14 April 2023)
Eng Szi Lok	(Appointed on 25 March 2024)
Rachelle Camba	(Resigned on 14 April 2023)
Filomena Villa	(Resigned on 14 April 2023)
Nguyen The Hai	(Resigned on 20 December 2023)
Lee Poh Kwan	(Resigned on 31 December 2023)
Lim Sze Yean	(Resigned on 15 March 2024)

The information required to be disclosed pursuant to Section 253 of the Companies Act 2016 is deemed incorporated herein by such reference to the financial statements of the respective subsidiaries and made a part hereof.

DIRECTORS' INTERESTS IN SHARES

The interests and deemed interests in the shares of the Company and of its related corporations (other than wholly-owned subsidiaries) of those who were Directors at financial period end (including their spouses or children) according to the Register of Directors' Shareholdings are as follows:

	Number of ordinary shares			
	At 01.07.2022	**Bought**	**Sold**	**At 31.12.2023**
Interests in the Company				
Direct interests:				
Datuk Jayakumar A/L Panneer Selvam	70,303,900	318,000	(67,643,000)	2,978,900
Dato' Sheah Kok Fah	500,000	-	-	500,000
Indirect interests:				
Datuk Jayakumar A/L Panneer Selvam*	151,003,300	-	(78,125,600)	72,877,700

** Deemed interest pursuant to Section 8 of the Companies Act 2016 by virtue of the shareholdings in Ultimate Quality Success Sdn. Bhd. and Rosetta Partners Sdn. Bhd.*

None of the other Directors in office at the end of the financial period had any interest in shares in the Company or its related corporations during the financial period.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no Director of the Company has received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of remuneration received or due and receivable by Directors as shown below) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

The details of the Directors' remuneration for the financial period ended 31 December 2023 are set out below:

	Group RM	Company RM
Directors of the Company:		
Executive Directors		
Directors' fee	270,000	270,000
Allowances	22,000	22,000
	292,000	292,000
Non-Executive Directors		
Directors' fee	360,000	360,000
Allowances	15,000	15,000
	375,000	375,000
	667,000	667,000

Neither during nor at the end of the financial period, was the Group or the Company a party to any arrangement whose object was to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

INDEMNITY AND INSURANCE COSTS

There was no indemnity given to or insurance effected for any Directors, officers and auditors of the Company.

OTHER STATUTORY INFORMATION

(a) Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps:

  (i) to ascertain that action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and

  (ii) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including the value of current assets as shown in the accounting records of the Group and of the Company have been written down to an amount which the current assets might be expected so to realise.

(b) At the date of this report, the Directors are not aware of any circumstances:

  (i) which would render the amount of bad debts written off or the amount of the provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or

  (ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or

  (iii) not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading; or

  (iv) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

OTHER STATUTORY INFORMATION (CONT'D)

(c) At the date of this report, there does not exist:

(i) any charge on the assets of the Group and of the Company which has arisen since the end of the financial period which secures the liabilities of any other person; or

(ii) any contingent liability of the Group or of the Company which has arisen since the end of the financial period other than as disclosed in the financial statements.

(d) In the opinion of the Directors:

(i) no contingent liability or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial period which will or may affect the ability of the Group and of the Company to meet its obligations as and when they fall due, other than as disclosed in the financial statements;

(ii) the results of the operations of the Group and of the Company during the financial period were not substantially affected by any item, transaction or event of a material and unusual nature; and

(iii) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial period in which this report is made.

AUDITORS' REMUNERATION

The auditors' remuneration of the Group and of the Company for the financial period ended 31 December 2023 are as follow:

	Group RM	**Company RM**
Statutory audit	446,939	110,000
Other services	5,000	5,000
	451,939	115,000

AUDITORS

The Auditors, UHY, have expressed their willingness to continue in office.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors,

……………………………………………………………
DATUK JAYAKUMAR A/L PANNEER SELVAM

……………………………………………………………
DATUK MAT NOOR BIN NAWI

Kuala Lumpur
18 April 2024

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF CUSCAPI BERHAD

REGISTRATION NO.: 197801006160 (43190-H) (INCORPORATED IN MALAYSIA)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Cuscapi Berhad, which comprise the statements of financial position as at 31 December 2023 of the Group and of the Company, and the statements of profit and loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial period from 1 July 2022 to 31 December 2023, and notes to the financial statements, including material accounting policies, as set out on pages 60 to 127.

In our opinion the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2023, and of their financial performance flows for the financial period from 1 July 2022 to 31 December 2023 in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial period. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters	How we addressed the key audit matters
1. Impairment assessment of goodwill As at 31 December 2023, the carrying amount of goodwill recognised by the Group amounted to RM988,390, as disclosed in Note 10 to the financial statements. The Group is required to perform annual impairment assessment of the cash-generating units ("CGUs") to which goodwill has been allocated in accordance with MFRS 136 *Impairment of Assets*. The Group estimated the recoverable amounts of the CGUs to which the goodwill is allocated based on value-in-use ("VIU"). Estimating the VIU involves discounting the estimated future cash inflows and outflows expected to be derived from the CGUs to its present value using an appropriate discount rate. We identified this as a key audit matter as the VIU determined using discounted cash flows is complex and involves significant management's judgement and estimates, specifically the key assumptions on the sales growth rate and discount rate.	• We have compared to prior period budgets to actual outcomes to assess reliability of management's forecasting process; • We have obtained an understanding of the methodology adopted by the management in estimating the VIU; • We have assessed and evaluated the management's key assumptions used in estimating the VIU and compared the key assumptions against historical trend; and • We have performed sensitivity analysis on key assumptions that will significantly affect the recoverable amounts of the CGUs.

Key Audit Matters (Cont'd)

Key Audit Matters	How we addressed the key audit matters
2. Fair value of unquoted shares As at 31 December 2023, the Group holds 20% of equity interests in unquoted shares of Konsortium Multimedia Swasta Sdn. Bhd. ("KOMMS") with carrying amount of RM13,351,000, as disclosed in Note 9 to the financial statements. The Group is has performed fair value assessment of the unquoted shares in each reporting date. The management engaged an independent valuer on the estimation of fair value for KOMMS. The fair value of KOMMS is determined based on discounted cash flows model which involves significant management's judgement and estimates relating to assumptions used. We identified this as an area of audit focus as the fair value determined using discounted cash flows is complex and involves significant management's judgement and estimates, specifically the key assumptions on the sales growth rate and discount rate.	• We have compared to prior period budgets to actual outcomes to acssess reliability of the foreasting process. • We have reviewed and reperform calculation on the fair value of unquoted shares; • We have reviewed and discussed with independent value engaged by the management on inputs and assumptions, including the appropriateness of valuation methodology; and • We have assessed and evaluated the competency and objectivity of the independent valuer.

Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company do not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of the financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF CUSCAPI BERHAD
REGISTRATION NO.: 197801006160 (43190-H) (INCORPORATED IN MALAYSIA)

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

(i) The financial statements of the Company for the preceding financial year were audited by another firm of auditors and are presented here merely for comparative purposes. The report issued by the predecessor auditor, which was dated 25 October 2022, expressed an unmodified opinion.

(ii) This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

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UHY
Firm Number: AF 1411
Chartered Accountants

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TAN GIM-HENG
Approved Number: 03595/09/2025 J
Chartered Accountant

Kuala Lumpur
18 April 2024

STATEMENTS OF **FINANCIAL POSITION**
AS AT 31 DECEMBER 2023

	Note	Group 31.12.2023 RM	Group 30.06.2022 RM	Company 31.12.2023 RM	Company 30.06.2022 RM
ASSETS					
NON-CURRENT ASSETS					
Property, plant and equipment	4	658,650	1,663,712	227,449	762,070
Investment property	5	10,500,000	10,112,400	10,500,000	10,112,400
Right-of-use assets	6	477,462	1,900,940	335,304	1,089,740
Intangible assets	7	9,527,778	12,250,000	-	-
Investments in subsidiaries	8	-	-	16,843,051	23,105,194
Other investments	9	13,361,935	30,797,349	10,935	15,177,455
Goodwill on consolidation	10	988,390	988,390	-	-
Trade receivables	11	1,130,332	1,091,744	-	-
		36,644,547	58,804,535	27,916,739	50,246,859
CURRENT ASSETS					
Inventories	12	956,155	1,434,014	-	-
Digital assets	13	5,719,430	-	5,719,430	-
Trade and other receivables	11	20,296,446	2,737,071	12,723,811	2,318,043
Tax recoverable		179,539	275,216	65,459	65,459
Cash and bank balances	14	583,620	16,752,695	85,537	15,929,438
		27,735,190	21,198,996	18,594,237	18,312,940
TOTAL ASSETS		64,379,737	80,003,531	46,510,976	68,559,799
EQUITY					
Share capital	15	203,374,573	203,374,573	203,374,573	203,374,573
Reserves	16	10,506,491	10,787,607	(374,900)	(1,347,186)
Accumulated losses		(160,396,188)	(161,896,875)	(180,076,140)	(155,866,007)
Equity attributable to owners of the parent		53,484,876	52,265,305	22,923,533	46,161,380
Non-controlling interest		(66,432)	(83,170)	-	-
Total equity		53,418,444	52,182,135	22,923,533	46,161,380
LIABILITIES					
NON-CURRENT LIABILITIES					
Retirement benefits obligations		155,658	170,085	-	-
Lease liabilities	6	44,129	965,765	-	778,787
		199,787	1,135,850	-	778,787
CURRENT LIABILITIES					
Trade and other payables	17	10,046,462	23,350,022	23,127,318	19,591,627
Contract liabilities	18	77,017	469,358	-	-
Lease liabilities	6	556,737	2,641,793	460,125	2,028,005
Tax payable		81,290	224,373	-	-
		10,761,506	26,685,546	23,587,443	21,619,632
TOTAL LIABILITIES		10,961,293	27,821,396	23,587,443	22,398,419
TOTAL EQUITY AND LIABILITIES		64,379,737	80,003,531	46,510,976	68,559,799

The accompanying notes form an integral part of the financial statements

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2023

	Note	Group		Company	
		01.07.2022 to 31.12.2023 (18 months) RM	01.07.2021 to 30.06.2022 (12 months) RM	01.07.2022 to 31.12.2023 (18 months) RM	01.07.2021 to 30.06.2022 (12 months) RM
Revenue	19	28,386,012	9,942,025	12,717,780	682,916
Cost of sales	20	(15,916,742)	(7,306,244)	(4,060,570)	-
Gross profit		12,469,270	2,635,781	8,657,210	682,916
Other income	21	1,174,257	2,276,152	1,175,743	516,420
Administrative expenses		(9,950,974)	(8,759,082)	(8,018,819)	(9,254,666)
Net (losses)/reversal of impairment of financial assets		(884,758)	(326,535)	(25,853,268)	6,497,915
Operating profit/(loss)		2,807,795	(4,173,684)	(24,039,134)	(1,557,415)
Finance income	22	34,298	227,268	23,855	225,800
Finance costs	23	(681,174)	(1,147,933)	(194,854)	(223,821)
Profit/(Loss) before tax	24	2,160,919	(5,094,349)	(24,210,133)	(1,555,436)
Tax expense	25	(248,679)	(212,161)	-	-
Profit/(Loss) for the financial period/year		1,912,240	(5,306,510)	(24,210,133)	(1,555,436)
Other comprehensive income:					
Items that are or may be reclassified subsequently to profit or loss					
Exchange translation differences for foreign operations		620,915	224,928	-	-
Items that are not or may not be reclassified subsequently					
Fair value adjustment on other investments		(1,296,846)	(2,252,316)	972,286	(1,473,751)
Other comprehensive (loss)/income for the financial period/year		(675,931)	(2,027,388)	972,286	(1,473,751)
Total comprehensive income/(loss) for the financial period/year		1,236,309	(7,333,898)	(23,237,847)	(3,029,187)
Profit/(Loss) for the financial period/year attributable to:					
Owners of the parent		1,895,502	(5,295,189)	(24,210,133)	(1,555,436)
Non-controlling interests		16,738	(11,321)	-	-
		1,912,240	(5,306,510)	(24,210,133)	(1,555,436)
Total comprehensive income/(loss) for the financial period/year					
Owners of the parent		1,219,571	(7,322,577)	(23,237,847)	(3,029,187)
Non-controlling interest		16,738	(11,321)	-	-
		1,236,309	(7,333,898)	(23,237,847)	(3,029,187)
Earnings/(loss) per share					
Basic earnings/(loss) per share (sen)	27	0.20	(0.59)	-	-

The accompanying notes form an integral part of the financial statements

STATEMENTS OF **CHANGES IN EQUITY**
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2023

Group	Attributable to Owners of the Parent							
	Non-Distributable							
	Share Capital RM	Foreign Currency Translation Reserve RM	Statutory Reserve RM	Fair Value Reserve RM	Accumulated Losses RM	Total RM	Non-Controlling Interest RM	Total Equity RM
At 1 July 2022	203,374,573	12,326,188	222,464	(1,761,045)	(161,896,875)	52,265,305	(83,170)	52,182,135
Profit for the financial period	-	-	-	-	1,895,502	1,895,502	16,738	1,912,240
Exchange translation differences for foreign operations	-	620,915	-	-	-	620,915	-	620,915
Other comprehensive loss	-	-	-	(1,296,846)	-	(1,296,846)	-	(1,296,846)
Total comprehensive income/(loss) for the financial period	-	620,915	-	(1,296,846)	-	1,219,571	16,738	1,236,309
Transfer of fair value reserve of equity instruments designated at FVTOCI	-	-	-	394,815	(394,815)	-	-	-
At 31 December 2023	203,374,573	12,947,103	222,464	(2,663,076)	(160,396,188)	53,484,876	(66,432)	53,418,444

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2023

	Attributable to Owners of the Parent							
	Non-Distributable							
Group	Share Capital RM	Foreign Currency Translation Reserve RM	Statutory Reserve RM	Fair Value Reserve RM	Accumulated Losses RM	Total RM	Non-Controlling Interest RM	Total Equity RM
At 1 July 2021	181,114,569	12,101,260	222,464	491,271	(156,601,686)	37,327,878	(71,849)	37,256,029
Loss for the financial year	-	-	-	-	(5,295,189)	(5,295,189)	(11,321)	(5,306,510)
Exchange translation differences for foreign operations	-	224,928	-	-	-	224,928	-	224,928
Other comprehensive loss	-	-	-	(2,252,316)	-	(2,252,316)	-	(2,252,316)
Total comprehensive income/(loss) for the financial year	-	224,928	-	(2,252,316)	(5,295,189)	(7,322,577)	(11,321)	(7,333,898)
Transaction with owners								
Issuance of shares:								
- Private placement	22,260,004	-	-	-	-	22,260,004	-	22,260,004
At 30 June 2022	203,374,573	12,326,188	222,464	(1,761,045)	(161,896,875)	52,265,305	(83,170)	52,182,135

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2023

	Attributable to Owners of the Parent			
	Non-Distributable			
Company	**Share Capital RM**	**Fair Value Reserve RM**	**Accumulated Losses RM**	**Total Equity RM**
At 1 July 2022	203,374,573	(1,347,186)	(155,866,007)	46,161,380
Loss for the financial period	-	-	(24,210,133)	(24,210,133)
Other comprehensive income	-	972,286	-	972,286
Total comprehensive income/(loss) for the financial period	-	972,286	(24,210,133)	(23,237,847)
At 31 December 2023	203,374,573	(374,900)	(180,076,140)	22,923,533
At 1 July 2021	181,114,569	126,565	(154,310,571)	26,930,563
Loss for the financial year	-	-	(1,555,436)	(1,555,436)
Other comprehensive loss	-	(1,473,751)	-	(1,473,751)
Total comprehensive loss for the financial year	-	(1,473,751)	(1,555,436)	(3,029,187)
Transaction with owners				
Issuance of shares:				
- Private placement	22,260,004	-	-	22,260,004
At 30 June 2022	203,374,573	(1,347,186)	(155,866,007)	46,161,380

The accompanying notes form an integral part of the financial statements

STATEMENTS OF **CASH FLOWS**
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2023

		Group		Company	
	Note	01.07.2022 to 31.12.2023 (18 months) RM	01.07.2021 to 30.06.2022 (12 months) RM	01.07.2022 to 31.12.2023 (18 months) RM	01.07.2021 to 30.06.2022 (12 months) RM
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit/(Loss) before tax		2,160,919	(5,094,349)	(24,210,133)	(1,555,436)
Adjustments for:					
Depreciation of:					
- Property, plant and equipment	4	1,039,085	1,068,771	534,621	700,634
- Right-of-use assets	6	1,155,902	725,381	754,436	502,956
Amortisation of intangible assets	7	2,722,222	-	-	-
Allowance for/(Reversal of) impairment loss on:					
- Investments in subsidiaries	8	-	-	6,262,152	(2,220,629)
- Amounts owing by subsidiaries	11	-	-	19,591,125	(4,277,286)
- Trade and other receivables	11	884,758	326,535	-	-
Inventories written off	12	221,322	245,645	-	-
Dividend income	19	(490,338)	(39,997)	(490,338)	(39,997)
Finance income	22	(34,298)	(227,268)	(23,855)	(225,800)
Finance costs	23	681,174	1,147,933	194,854	223,821
Bad debts written off		410,872	-	405,000	-
Gain on disposal of property, plant and equipment	21	(80,984)	-	-	-
Loss/(Gain) on early termination of leases	21,24	267,576	(18,622)	-	-
Waiver of debts	21	-	(416,795)	-	-
Forfeiture of downpayment from customer	21	-	(827,538)	-	-
Fair value gain on investment property	5,21	(387,600)	-	(387,600)	-
Unrealised loss/(gain) on foreign exchange differences	21,24	62,092	(839,504)	2,139,072	4,371,703

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2023

		Group		Company	
	Note	01.07.2022 to 31.12.2023 (18 months) RM	01.07.2021 to 30.06.2022 (12 months) RM	01.07.2022 to 31.12.2023 (18 months) RM	01.07.2021 to 30.06.2022 (12 months) RM
Operating profit/(loss) before changes in working capital		8,612,702	(3,949,808)	4,769,334	(2,520,034)
Changes in working capital:					
Inventories		289,690	550,888	-	-
Digital assets		(5,719,430)	-	(5,719,430)	-
Trade and other receivables		(18,508,655)	(97,678)	(32,499,760)	(613,467)
Trade and other payables		(17,577,502)	674,697	(3,221,277)	380,768
Cash flows used in operations		(32,903,195)	(2,821,901)	(36,671,133)	(2,752,733)
Interest paid		(646,614)	(41,249)	(194,854)	-
Net income tax paid		(213,230)	(111,241)	-	(1,847)
Net cash used in operating activities		(33,763,039)	(2,974,391)	(36,865,987)	(2,754,580)
CASH FLOWS FROM INVESTING ACTIVITIES					
Withdrawal of/(Placement for) pledged deposits		15,984,171	(324,383)	15,904,243	(244,455)
Net advances from/ (to) subsidiaries		-	-	5,870,723	(159,276)
Net advances from/ (repayments to) a Director		3,020,000	(3,890,000)	-	(4,800,000)
Purchase of property, plant and equipment	4	(80,692)	(488,341)	-	(73,772)
Purchase of quoted shares		-	(15,008,581)	-	(15,008,581)
Proceeds from disposal of property, plant and equipment		212,824	-	-	-
Proceeds from disposal of quoted shares		16,138,806	-	16,138,806	-
Subcription of shares in newly incorporated subsidiaries		-	-	(9)	-
Dividends received from other investments		490,338	39,997	490,338	39,997
Interest received		34,298	227,268	23,855	225,800
Net cash from/(used in) from investing activities		35,799,745	(19,444,040)	38,427,956	(20,319,212)
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from issuance of ordinary shares	15	-	22,260,004	-	22,260,004
Payments of lease liabilities		(2,159,518)	(217,663)	(1,499,493)	-
Net cash (used in)/generated from financing activities		(2,159,518)	22,042,341	(1,499,493)	22,260,004
NET CHANGES IN CASH AND CASH EQUIVALENTS		(122,812)	(376,090)	62,476	(514,863)
CASH AND CASH EQUIVALENTS BROUGHT FORWARD		768,524	1,107,982	25,195	412,993
EFFECT OF CHANGES IN EXCHANGE RATE		(62,092)	36,632	(2,134)	127,065
CASH AND CASH EQUIVALENTS CARRIED FORWARD		583,620	768,524	85,537	25,195

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2023

		Group		Company	
	Note	01.07.2022 to 31.12.2023 (18 months) RM	01.07.2021 to 30.06.2022 (12 months) RM	01.07.2022 to 31.12.2023 (18 months) RM	01.07.2021 to 30.06.2022 (12 months) RM
Analysis of cash and cash equivalents:					
Cash and bank balances		583,620	16,752,695	85,537	15,929,438
Less:					
Pledged deposits and restricted cash	14	-	(15,984,171)	-	(15,904,243)
		583,620	768,524	85,537	25,195

Reconciliation of liabilities arising from financing activities

The table below show the details changes in the liabilities of the Group and of the Company arising from financing activities, including both cash and non-cash changes:

	Group		Company	
	01.07.2022 to 31.12.2023 (18 months) RM	01.07.2021 to 30.06.2022 (12 months) RM	01.07.2022 to 31.12.2023 (18 months) RM	01.07.2021 to 30.06.2022 (12 months) RM
Lease liabilities				
At 1 July 2022/2021	3,607,558	3,114,525	2,806,792	2,582,971
Cash flows				
- Payments of lease liabilities	(2,159,518)	(217,663)	(1,499,493)	-
Non-cash flows				
- Additions	111,910	865,422	-	-
- Amount billed	(847,174)	-	(847,174)	-
- Termination	(111,910)	(378,547)	-	-
	(847,174)	486,875	(847,174)	223,821
At 31 December 2023	600,866	3,607,558	460,125	2,806,792

The accompanying notes form an integral part of the financial statements

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2023

1. CORPORATE INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Market of the Bursa Malaysia Securities Berhad.

The registered office of the Company was located at Level 5, Block B, Dataran PHB, Saujana Resort, Section U2, 40150 Shah Alam, Selangor Darul Ehsan. With effect from 2 January 2023, the Company's registered office had been relocated to B-21-1, Level 21, Tower B, Northpoint Mid Valley City, No. 1, Medan Syed Putra Utara, 59200 Kuala Lumpur.

The principal place of business of the Company is at Level 27 & 28, Block N, Empire City Damansara, No.8, Jalan Damansara PJU 8, 47820 Petaling Jaya, Selangor Darul Ehsan.

The principal activities of the Company consist of investment holding and provision of management services to its subsidiaries.

The principal activities of its subsidiaries are mainly software development, provision of project management, business and IT related consultancy services, provision of restaurant management and business management solutions, remedial services for restaurant management hardware and related software implementation and support services, interactive devices solutions, provision of a contract centre for outsourcing services, operate a cryptocurrency exchange in Philippines, investment holding activities, computer programming, information service and other services related to the computer, data processing, leasing and other related activities.

Further details of the subsidiaries have been disclosed in Note 8 to the financial statements.

2. BASIS OF PREPARATION

(a) Statement of compliance

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

The financial statements of the Group and the Company have been prepared under the historical cost convention, unless otherwise indicated in the material accounting policies below.

Adoption of amended standards

During the financial period, the Group and the Company have adopted the following amendments to MFRSs issued by the Malaysian Accounting Standards Board ("MASB") that are mandatory for the current financial period:

Amendments to MFRS 1, MFRS 9, MFRS 16 and MFRS 141	Annual Improvements to MFRS Standards 2018-2020
Amendments to MFRS 3	Reference to the Conceptual Framework
Amendments to MFRS 116	Property, Plant and Equipment - Proceeds before Intended Use
Amendments to MFRS 137	Onerous Contracts - Cost of Fulfilling a Contract
Amendments to MFRS 17	Insurance Contracts
Amendments to MFRS 17	Initial Application of MFRS 17 and MFRS 9 - Comparative Information
Amendments to MFRS 101 and MFRS Practice Statement 2	Disclosure of Accounting Policies
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current
Amendments to MFRS 108	Disclosure of Accounting Estimates
Amendments to MFRS 112	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to MFRS 112	International Tax Reform - Pillar Two Model Rules

The adoption of amendments to MFRSs did not have any significant impact on the financial statements of the Group and of the Company except as discussed below.

2. BASIS OF PREPARATION (CONT'D)

(a) Statement of compliance (Cont'd)

Material accounting policy information

The Group adopted Amendments to MFRS101 *Presentation of Financial Statements - Disclosure of Accounting Policies* for the first time in 2023. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements.

The amendments require the disclosure of 'material', rather than 'significant', accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements.

Management reviewed the accounting policies and made updates to the information disclosed in Material accounting policies (2022: Significant accounting policies) in certain instances in line with the amendments.

Standards issued but not yet effective

The Group and the Company have not applied the following new and amendments to MFRSs that have been issued by the MASB but are not yet effective for the Group and for the Company:

		Effective dates for financial periods beginning on or after
Amendments to MFRS 16	Lease liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 101	Non-current Liabilities with Covenants	1 January 2024
Amendments to MFRS 7 and MFRS 107	Supplier Finance Arrangements	1 January 2024
Amendments to MFRS 121	Lack of Exchangeability	1 January 2025
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred until further notice

The Group and the Company intend to adopt the above new and amendments to MFRSs when they become effective.

The initial application of the above-mentioned MFRSs is not expected to have any significant impacts on the financial statements of the Group and of the Company.

(b) Functional and presentation currency

These financial statements are presented in Ringgit Malaysia ("RM"), which is the Group's and the Company's functional currency.

(c) Significant accounting judgements, estimates and assumptions

The preparation of the Group's and of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2023

2. BASIS OF PREPARATION (CONT'D)

(c) Significant accounting judgements, estimates and assumptions (Cont'd)

Judgements

The following are the judgements made by management in the process of applying the Group's and the Company's accounting policies that have the most significant effect on the amounts recognised in the financial statements:

Other investments

The Group holds 20% equity interest in Konsortium Multimedia Swasta Sdn. Bhd. ("KOMMS"). The Group has no representation on Board of Directors of KOMMS. On this basis, the Group concludes that it does not has significant influence over KOMMS and thus recognised as other investment.

Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period are set out below:

Estimation of useful lives and impairment of property, plant and equipment and intangible assets

The Group and the Company review the estimated useful lives of property, plant and equipment and intangible assets at the end of each reporting period. Changes in the expected useful lives of property, plant and equipment, and intangible assets could impact future depreciation or amortisation charges.

Property, plant and equipment, and intangible assets are assessed at the end of each reporting period to determine whether there is any indication of impairment. If such an indication exists, an estimation of the recoverable amount is required. The recoverable amount is higher of an asset's fair value less cost to sell and its value-in-use. Estimating the value-in-use requires management to make an estimate of the expected future cash flows from the individual assets or the related cash generating unit.

Impairment of goodwill on consolidation

Goodwill is tested for impairment annually and at other times when such indicators exist. This requires an estimation of the value-in-use of the cash generating units to which goodwill is allocated. When value in use calculations are undertaken, the Group uses its judgement to decide the discount rates to be applied in the value-in-use amount calculation and assumptions supporting the underlying cash flow projections, including sales growth rates and gross profit margin. Cash flows that are projected based on those inputs or assumptions may have a significant effect on the Group's financial position and results if the actual cash flows are less than the expected.

Impairment of investments in subsidiaries

Investments in subsidiaries are assessed at the end of each reporting period to determine whether there is any indication of impairment. If such an indication exists, an estimation of the investment's recoverable amount is required. Estimating the recoverable amount requires management to make an estimate of the expected future cash flows from the Company's investment in subsidiaries and also choose a suitable discount rate in order to calculate the present value of those cash flows.

Fair value of other investments in unquoted shares

Where fair values of financial instruments recorded on the statements of financial position cannot be derived from active markets, they are determined using valuation techniques, including the discounted cash flow model. The inputs to these models are derived from observable market data where possible, but where this is not feasible, a cerrtain degree of estimation is required in establishing the fair values.

The key estimation include determination of an appropriate discount rate and sales growth rate. Changes in the assumptions could effect the reported fair value of financial.

2. BASIS OF PREPARATION (CONT'D)

(c) Significant accounting judgements, estimates and assumptions (Cont'd)

Key sources of estimation uncertainty (Cont'd)

Determining the loss allowance for trade receivables

Management assesses ECL for trade receivables at each reporting date. Credit losses are the difference between the contractual cash flows that are due to the entity and the cash flows that it actually expects to receive. Management applies simplified approach of MFRS 9 Financial Instruments in assessing the impairment of trade receivables.

In determining the ECL, management uses historical credit loss experience for trade receivables to estimate the ECL. Management is not only required to consider historical information that is adjusted to reflect the effects of current conditions and information that provides objective evidence that trade receivables are impaired in relation to incurred losses, but management is also considering, when applicable, reasonable and supportable information that may include forecasts of future economic conditions when estimating the ECL, on an individual and collective basis. The need to consider forward-looking information means that management exercises considerable judgement as to how changes in macroeconomic factors will affect the ECL on trade receivables.

The ECL on trade receivables as at current reporting date is primarily mainly based upon the historical credit loss experience.

Determining the loss allowance for non-trade receivables

Management assesses the ECL of receivables (other than trade receivables) at each reporting date. Credit losses are the difference between the contractual cash flows that are due to the entity and the cash flows that it actually expects to receive.

In determining the ECL, management assesses whether there has been any significant increase in credit risk since initial recognition of a receivable. Where there has not been a significant increase in credit risk since initial recognition, management determines the loss allowance by estimating an amount equal to 12-month ECL of that receivable. For those credit exposures for which there has been a significant increase in the likelihood or risk of a default occurring since initial recognition (instead of on evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring), management measures a loss allowance for credit losses expected over the remaining life of that receivable. Management exercise considerable judgement in these estimations, using historical credit loss experience as well as reasonable and supportable information that may include forecasts of future economic conditions when estimating the ECL.

Lease liabilities

Management estimates the lease term as the non-cancellable period of a lease together with both periods covered by an option to extend the lease and an option to terminate the lease. In assessing whether it is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, management exercises judgement by considering all relevant facts and circumstances that create an economic incentive to exercise the option to extend the lease, or not to exercise the option to terminate the lease.

Management measures the lease liability as the present value of the lease payments that are not paid at commencement date. The lease payments are discounted using the incremental borrowing rate.

The lease terms and discount rate are determined using certain assumptions and they represents management's best estimation. The assumptions on which it is based relate to the future. Actual outcome may be different from the estimation and the variation could be material.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2023

2. BASIS OF PREPARATION (CONT'D)

(c) Significant accounting judgements, estimates and assumptions (Cont'd)

Key sources of estimation uncertainty (Cont'd)

Income taxes

Significant judgement is involved in determining the capital allowances and deductibility of expenses during the estimation of the provision for income tax. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business.

The Group and the Company recognise liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

3. Material Accounting Policies

The Group and the Company apply the material accounting policies set out below, consistently throughout all periods presented in the financial statements.

(a) Basis of consolidation

(i) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Acquisition-related costs are expensed in profit or loss as incurred.

If the business combination is achieved in stages, the acquirer's previously held equity interest in the acquiree is re-measured at its acquisition date fair value and the resulting gain or loss is recognised in profit or loss.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (which cannot exceed one year from the acquisition date), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date, if known, would have affected the amounts recognised at that date.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of MFRS 9 Financial Instruments measured at fair value with the changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

(a) Basis of consolidation (Cont'd)

(i) Subsidiaries (Cont'd)

Inter-company transactions, balances and unrealised gains or losses on transactions between Group companies are eliminated. Unrealised losses are eliminated only if there is no indication of impairment. Where necessary, accounting policies of subsidiaries have been changed to ensure consistency with the policies adopted by the Group.

In the Company's separate financial statements, investments in subsidiaries are stated at cost less accumulated impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts are recognised in profit or loss. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. See accounting policy Note 3(l) to the financial statements on impairment of non-financial assets.

(ii) Goodwill on consolidation

The excess of the aggregate of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total consideration transferred, non-controlling interest recognised and previously held interest measured at fair value is less than the fair value of the net assets of the subsidiary acquired (ie. a bargain purchase), the gain is recognised in profit or loss.

Following the initial recognition, goodwill is measured at cost less accumulated impairment losses. Goodwill is not amortised but instead, it is reviewed for impairment annually or more frequent when there is objective evidence that the carrying value may be impaired. See accounting policy Note 3(l) to the financial statements on impairment of non-financial assets.

(b) Foreign currency translation

(i) Foreign currency transactions and balances

Transactions in foreign currency are recorded in the functional currency of the respective Group entities using the exchange rates prevailing at the dates of the transactions. At each reporting date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting date are included in profit or loss except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operation. These are initially taken directly to the foreign currency translation reserve within equity until the disposal of the foreign operations, at which time they are recognised in profit or loss. Exchange differences arising on monetary items that form part of the Company's net investment in foreign operation are recognised in profit or loss in the Company's financial statements or the individual financial statements of the foreign operation, as appropriate.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the reporting period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised in other comprehensive income. Exchange differences arising from such non-monetary items are also recognised in other comprehensive income.

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

(b) Foreign currency translation (Cont'd)

(ii) Foreign operations

The assets and liabilities of foreign operations denominated in functional currencies other than RM, including goodwill and fair value adjustments arising on acquisition, are translated to RM at the rate of exchange prevailing at the reporting date, except for goodwill and fair value adjustments arising from business combinations before 1 January 2012 (the date of transition to MFRS) which are treated as assets and liabilities of the Company. The income and expenses of foreign operations, excluding foreign operations in hyperinflationary economies, are translated to RM at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income and accumulated in the foreign currency translation reserve ("FCTR") in equity. However, if the operation is a non-wholly owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests. When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the FCTR related that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal.

When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

(c) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. The policy of recognition and measurement of impairment losses is in accordance with Note 3(l) to the financial statements.

(i) Recognition and measurement

Cost includes expenditures that are directly attributable to the acquisition of the assets and any other costs directly attributable to bringing the asset to working condition for its intended use, cost of replacing component parts of the assets, and the present value of the expected cost for the decommissioning of the assets after their use. The cost of self-constructed assets also includes the cost of materials and direct labour. For qualifying assets, borrowing costs are capitalised in accordance with the accounting policy on borrowing costs. All other repair and maintenance costs are recognised in profit or loss as incurred.

The cost of property, plant and equipment recognised as a result of a business combination is based on fair value at acquisition date. The fair value of property is the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. The fair value of other items of plant and equipment is based on the quoted market prices for similar items.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Property, plant and equipment are derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in profit or loss.

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

(c) Property, plant and equipment (Cont'd)

(ii) Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and to the Company and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in the profit or loss as incurred.

(iii) Depreciation

Depreciation is recognised in the profit or loss on straight line basis to write off the cost or valuation of each asset to its residual value over its estimated useful life. Freehold land is not depreciated. Property, plant and equipment under construction are not depreciated until the assets are ready for its intended use.

Property, plant and equipment are depreciated based on the estimated useful lives of the assets as follows:

Equipment	10% - 25%
Furniture and fittings	15% - 20%
Motor vehicles	20%
Computers	20% - 40%
Renovation	2% - 10%

The residual values, useful lives and depreciation method are reviewed at each reporting period end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the property, plant and equipment.

(d) Leases

(i) As lessee

The Group and the Company recognise a right-of-use asset ("ROU") and a lease liability at the lease commencement date. The ROU is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or site on which it is located, less any lease incentives received.

The ROU asset is subsequently measured at cost less accumulated depreciation, any accumulated impairment loss and, if applicable, adjusted for any remeasurement of lease liabilities. The ROU is depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the ROU or the end of the lease term.

The lease liability is initially measured at the present value of future lease payments at the commencement date, discounted using the Group's and the Company's incremental borrowing rates. Lease payments included in the measurement of the lease liability include fixed payments, any variable lease payments, amount expected to be payable under a residual value guarantee, and exercise price under an extension option that the Group and the Company are reasonably certain to exercise.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in rate, or if the Group or the Company changes its assessment of whether it will exercise an extension or terminate option.

Lease payments associated with short term leases and leases of low value assets are recognised on a straight-line basis as an expense in profit or loss. Short term leases are leases with a lease term of 12 months or less and do not contain a purchase option. Low value assets are those assets valued at less than USD5,000 or RM20,000 each when purchased new.

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

(d) Leases (Cont'd)

(ii) As lessor

When the Group or the Company acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. Leases in which the Group or the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases.

If the lease arrangement contains lease and non-lease components, the Group and the Company apply MFRS 15 Revenue from Contracts with Customers to allocate the consideration in the contract based on the stand-alone selling price.

The Group and the Company recognise assets held under a finance lease in its statement of financial position and presents them as a receivable at an amount equal to the net investment in the lease. The Group and the Company use the interest rate implicit in the lease to measure the net investment in the lease.

The Group and the Company recognise lease payments under operating leases as income on a straight-line basis over the lease term unless another systematic basis is more representative of the pattern in which benefit from the use of the underlying asset is diminished. The lease payment recognised is included as part of "Other Revenue". Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

(e) Investment property

Investment property is property which is owned or held under a leasehold interest to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment property is measured initially at cost, including transaction costs. Subsequently, investment property is measured at fair value which reflects market conditions at the reporting date. Gains and losses arising from changes in the fair values of investment property is recognised in profit or loss for the period in which they arise. Where the fair value of the investment property under construction is not reliably determinable, the investment property under construction is measured at cost until either its fair value becomes reliably determinable or construction is complete, whichever is earlier.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, any other costs directly attributable to bringing the investment property to a working condition for their intended use and capitalised borrowing costs.

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

Investment property is valued by independent professionally qualified valuers, having appropriate recognised professional qualifications and recent experience in the locations and segments of the investment properties valued. The management team reviewed and discussed the valuations, including valuation processes, performed by the independent valuers for financial reporting purposes.

Investment property is derecognised when either they are disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from the disposal. Any gain or loss on the retirement or disposal of an investment property is recognised in the profit or loss in the reporting period of retirement or disposal.

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

(e) Investment property (Cont'd)

Transfers are made to (or from) investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

(f) Intangible assets

(i) Research and development cost and software development cost

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Group can demonstrate:

- the technical feasibility of completing the intangible asset so that the asset will be available for use or sale;
- its intention to complete and its ability and intention to use or sell the asset;
- how the asset will generate future economic benefits;
- the availability of resources to complete; and
- the ability to measure reliably the expenditure during development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less accumulated amortisation and any accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful lives and amortisation methods are reviewed at the end of each reporting date, with the effect of any changes in estimate being accounted for on a prospective basis.

(ii) Intellectual property

Intangible assets with finite useful lives, which are acquired separately, are measured at cost less accumulated amortisation and impairment losses. Intangible assets are amortised on a straight-line basis over the estimated economic useful lives.

(iii) Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and any accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful lives and amortisation methods are reviewed at the end of each reporting date, with the effect of any changes in estimate being accounted for on a prospective basis.

(iv) Amortisation

The amortisation methods used and the estimated useful lives are as follows:

	Method	Useful lives (years)
Intellectual property	Straight-line	2-3
Development costs	Straight-line	5

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

(f) Intangible assets (Cont'd)

(v) Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

See accounting policy Note 3(l) to the financial statements on impairment of non-financial assets for intangible assets.

(g) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognised when an entity becomes a party to the contractual provisions of an instrument.

Financial assets and financial liabilities are initially recognised at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities on initial recognition.

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Subsequent measurement

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets. Financial assets are measured subsequently in the following manners:

- at amortised cost (debt instruments); or
- at fair value through other comprehensive income ("FVTOCI"), with recycling of cumulative gains and losses (debt instruments); or
- designated at FVTOCI, without recycling of cumulative gains and losses (equity instruments); or
- at fair value through profit or loss ("FVTPL").

Financial assets at amortised cost

Debt instruments that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in profit or loss when an asset is derecognised, modified or impaired.

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

(g) Financial instruments (Cont'd)

Fair value through other comprehensive income ("FVTOCI")

On initial recognition of an equity investment that is not held for trading, the Group and the Company may irrevocably elect to present subsequent changes in fair value in OCI on an investment-by-investment basis.

Financial assets categorised as FVTOCI are subsequently measured at fair value, with unrealised gains and losses recognised directly in OCI and accumulated under fair value reserve in equity. For debt instruments, when the investment is derecognised or determined to be impaired, the cumulative gain or loss previously recorded in equity is reclassified to the profit or loss. For equity instruments, the gains or losses are never reclassified to profit or loss.

Financial assets at fair value through profit or loss

All financial assets not classified as measured at amortised cost or FVTOCI, as described above, are measured at FVTPL. This includes derivative financial assets (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument). On initial recognition, the Group and the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVTOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets categorised as FVTPL are subsequently measured at their fair value with gains or losses recognised in the profit or loss.

All financial assets, except for those measured at FVTPL and equity investments measured at FVTOCI, are subject to impairment.

Impairment of financial assets

The Group and the Company recognise an allowance for expected credit losses ("ECL") for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group and the Company expect to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months ("a 12-month ECL"). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default ("a lifetime ECL").

For trade receivables, the Group and the Company apply a simplified approach in calculating ECLs. Therefore, the Group and the Company do not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group and the Company have established a provision matrix that is based on its historical credit loss experience and the economic environment.

Impairment for other receivables and intercompanies balances of the Group and of the Company are recognised based on the general approach using the forward-looking ECL model. The methodology used to determine the amount of the impairment is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. At the end of the reporting period, the Group and the Company assess whether there has been a significant increase in credit risk for financial assets by comparing the risk of default occurring over the expected life with the risk of default since initial recognition. For those in which the credit risk has not increased significantly since initial recognition of the financial asset, twelve-month ECL along with gross interest income are recognised. For those in which credit risk has increased significantly, lifetime ECL along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime ECL along with interest income on a net basis are recognised. The Group and the Company define significant increase in credit risk based on past due information, i.e. 180 days after credit term.

The carrying amount of the financial asset is reduced through the use of an allowance for impairment loss account and the amount of impairment loss is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2023

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

(g) Financial instruments (Cont'd)

Derecognition of financial assets

A financial asset is derecognised only when the contractual rights to the cash flows from the financial asset expire; or when the financial asset is transferred and substantially all the risks and rewards of ownership of the financial asset are transferred to another party.

If the Group and the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control a transferred financial asset, the Group and the Company recognises its retained interest in the financial asset and an associated liability for amounts it may have to pay. If the Group and the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group and the Company continue to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the financial asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Financial liabilities and equity instruments

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost or at FVTPL.

The Group and the Company have financial liabilities at amortised cost only.

Equity instrument

Equity instruments issued are recognised at the proceeds received. Costs incurred directly attributable to the issuance of the equity instruments are accounted for as a deduction from equity.

Financial liabilities at amortised cost

These financial liabilities are subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the obligations under the liabilities are discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

When an existing financial liability is replaced by another financial liability from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as derecognition of the original liability and the recognition of a new liability.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument or a financial liability by allocating interest income/expense over the relevant periods. The effective interest rate is the rate that exactly discounts estimated future cash receipts/payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of a debt instrument or a financial liability, to the amortised cost of the debt instrument or the financial liability.

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

(h) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statements of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

(i) Inventories and digital assets

Inventories and digital assets are stated at the lower of cost and net realisable value.

Inventories and digital assets which comprise of point of sales related equipment, components and parts and cryptocurrencies are stated at the lower of cost and net realisable value.

Cost is determined on the weighted average basis and comprises the cost of purchase and incidentals incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

(j) Contract liability

Contract liability is the obligation to transfer goods or services to customers for which the Group has received the consideration or has billed the customers. The Group's contract liability is the excess of the billings to-date over the revenue recognised. Contract liabilities are recognised as revenue when the Group performs its obligation under the contracts.

(k) Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, bank balances, demand deposits, and highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value. For the purpose of statements of cash flows, cash and cash equivalents are presented net of bank overdrafts and pledged deposits, if any.

(l) Impairment of non-financial assets

The carrying amounts of non-financial assets (except for inventories) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite useful lives, or that are not yet available for use, the recoverable amount is estimated each period at the same time.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units. Subject to operating segment ceiling test, for the purpose of goodwill impairment testing, cash-generating units to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to a cash-generating unit or a group of cash-generating units that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or cash-generating unit is the greater of its value-in-use and its fair value less costs of disposal. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit.

An impairment loss is recognised if the carrying amount of an asset or cash-generating unit exceeds its estimated recoverable amount. Impairment loss is recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amounts of any goodwill allocated to the cash-generating unit (group of cash-generating units) and then to reduce the carrying amounts of the other assets in the cash-generating unit (group of cash-generating units) on a pro rata basis.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2023

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

(l) Impairment of non-financial assets (Cont'd)

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation or amortisation, had no impairment loss been recognised for asset in prior years. Such reversal is recognised in the profit or loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

(m) Share capital

Ordinary shares

An equity instrument is any contract that evidences a residual interest in the assets of the Group and of the Company after deducting all of its liabilities. Ordinary shares are equity instruments. Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Ordinary shares are classified as equity.

Dividend distribution to the Company's shareholders is recognised as a liability in the period they are approved by the Board of Directors except for the final dividend which is subject to approval by the Company's shareholders.

(n) Employee benefits

(i) Short term employee benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the reporting period in which the associated services are rendered by employees of the Group and of the Company. Short-term accumulating compensated absences such as paid annual leave is recognised when services are rendered by employees that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick and medical leave are recognised when the absences occur.

The expected cost of accumulating compensated absences is measured as additional amount expected to be paid as a result of the unused entitlement that has accumulated at the end of the reporting period.

(ii) Defined contribution plans

As required by law, companies in Malaysia make contributions to the state pension scheme, the Employee Provident Fund ("EPF"). Some of the Group's foreign subsidiaries also make contributions to their respective countries' statutory pension schemes. Such contributions are recognised as an expense in the profit or loss as incurred. Once the contributions have been paid, the Group and the Company have no further payment obligations.

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

(o) Revenue recognition

(i) Revenue from contracts with customers

Revenue is recognised when the Group or the Company satisfied a performance obligation ("PO") by transferring a promised good or services to the customer, which is when the customer obtains control of the good or service. A PO may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied PO.

The Group and the Company recognise revenue from the following major sources:

(a) Sale of goods and installation services

Revenue from sales of goods and installation services are recognised at the point in time when control of the goods is transferred to a customer, generally upon delivery of goods.

In measuring the revenue for the sales of goods and installation services, the effects of variable consideration, the existence of significant financing component, non-cash consideration, and consideration payable to the customer, etc. are taken into consideration.

(b) Maintenance works and management services

Revenue from rendering of maintenance works and management services are recognised over time, when a customer simultaneously receives and consumes the benefits provided by the entity's performance as the entity performs.

The Group recognises revenue from maintenance services over the contractual period and enhancement services over time using an input method to measure progress towards complete satisfaction of the service, as the customer simultaneously receives and consumes the benefits provided by the Group.

(c) Trading of digital assets

Revenue from trading of digital assets are recognised at the point in time when control of the digital assets is transferred to a customer.

(d) Management fees

Management fee is recognised on an accrual basis when services are rendered.

(ii) Other revenue

(a) Dividend income

Dividend income is recognised when the Group and the Company's right to receive payment is established.

(b) Interest income

Interest income is recognised on a time-proportion basis using the applicable effective interest rate.

(c) Rental income

Rental revenue comprise of Point of Sale ("POS") equipment recognised on straight line basis over the specific tenure of the respective leases.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2023

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

(p) Income taxes

Tax expense in profit or loss comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the liability method for all temporary differences between the carrying amounts of assets and liabilities in the statements of financial position and their tax bases. Deferred tax is not recognised for the temporary differences arising from the initial recognition of goodwill, the initial recognition of assets and liabilities in a transaction which is not a business combination, that affects neither accounting nor taxable profit or loss and at the time of the transaction, does not give rise to equal taxable and deductible temporary differences. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax is based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities at the end of the reporting period. Deferred tax assets and liabilities are not discounted.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at the end of each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Unutilised reinvestment allowance and investment tax allowance, being tax incentives that is not a tax base of an asset, is recognised as a deferred tax asset to the extent that it is probable that the future taxable profits will be available against the unutilised tax incentive can be utilised.

(q) Segments reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-makers are responsible for allocating resources and assessing performance of the operating segments and make overall strategic decisions. The Group's operating segments are organised and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

(r) Contingencies

Where it is not probable that an inflow or an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the asset or the obligation is disclosed as a contingent asset or contingent liability, unless the probability of inflow or outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent assets or contingent liabilities unless the probability of inflow or outflow of economic benefits is remote.

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

(s) Fair value measurement

Fair value of an asset or a liability is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer of the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

For non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

When measuring the fair value of an asset or a liability, the Group and the Company use observable market data as far as possible. Fair value is categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: unobservable inputs for the asset or liability.

The Group and the Company recognise transfers between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfers.

(t) Earnings per ordinary shares

Basic earnings per share ("EPS") is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for the effects of all dilutive potential ordinary shares granted to shareholders.

4. PROPERTY, PLANT AND EQUIPMENT

Group 2023	Equipment RM	Furniture and Fittings RM	Motor Vehicles RM	Computers RM	Renovation RM	Total RM
At cost						
At 1 July 2022	4,808,391	225,286	1,026,338	3,574,950	2,502,741	12,137,706
Additions	56,701	-	-	23,991	-	80,692
Transfer to inventories	(75,064)	-	-	(2,040)	-	(77,104)
Disposals	(106,609)	(65,829)	-	(117,559)	(111,852)	(401,849)
Exchange differences	19,220	536	292	7,417	24,040	51,505
At 31 December 2023	4,702,639	159,993	1,026,630	3,486,759	2,414,929	11,790,950
Accumulated depreciation						
At 1 July 2022	4,064,870	217,688	653,003	3,197,961	2,340,472	10,473,994
Charge for the financial period (Note 24)	381,905	4,828	240,000	279,547	132,805	1,039,085
Transfer to inventories	(43,869)	-	-	(82)	-	(43,951)
Disposals	(73,980)	(20,598)	-	(63,990)	(111,441)	(270,009)
Exchange differences	(3,748)	(43,939)	292	(44,777)	25,353	(66,819)
At 31 December 2023	4,325,178	157,979	893,295	3,368,659	2,387,189	11,132,300
Carrying amount						
At 31 December 2023	377,461	2,014	133,335	118,100	27,740	658,650

4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Group 2022	Equipment RM	Furniture and Fittings RM	Motor Vehicles RM	Computers RM	Renovation RM	Total RM
At cost						
At 1 July 2021	4,543,796	223,008	1,028,203	3,472,234	2,526,817	11,794,058
Additions	349,819	-	-	103,711	34,811	488,341
Exchange differences	(85,224)	2,278	(1,865)	(995)	(58,887)	(144,693)
At 30 June 2022	4,808,391	225,286	1,026,338	3,574,950	2,502,741	12,137,706
Accumulated depreciation						
At 1 July 2022	3,943,394	211,114	494,868	2,646,971	2,216,937	9,513,284
Charge for the financial year (Note 24)	206,495	4,434	160,000	483,751	214,091	1,068,771
Exchange differences	(85,019)	2,140	(1,865)	67,239	(90,556)	(108,061)
At 30 June 2022	4,064,870	217,688	653,003	3,197,961	2,340,472	10,473,994
Carrying amount						
At 30 June 2022	743,521	7,598	373,335	376,989	162,269	1,663,712

4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Company

2023	**Equipment RM**	**Furniture and Fittings RM**	**Motor Vehicles RM**	**Computers RM**	**Renovation RM**	**Total RM**
Cost						
At the beginning and end of the financial period	59,093	115,330	965,000	2,360,531	1,521,977	5,021,931
Accumulated depreciation						
At 1 July 2022	45,245	113,600	591,666	2,072,187	1,437,163	4,259,861
Charge for the financial period (Note 24)	4,892	692	240,000	288,343	694	534,621
At 31 December 2023	50,137	114,292	831,666	2,360,530	1,437,857	4,794,482
Carrying amount						
At 31 December 2023	8,956	1,038	133,334	1	84,120	227,449
2022						
Cost						
At 1 July 2021	58,043	115,330	965,000	2,287,809	1,521,977	4,948,159
Additions	1,050	-	-	72,722	-	73,772
At 30 June 2022	59,093	115,330	965,000	2,360,531	1,521,977	5,021,931
Accumulated depreciation						
At 1 July 2022	42,038	113,139	431,665	1,679,630	1,292,755	3,559,227
Charge for the financial year (Note 24)	3,207	461	160,001	392,557	144,408	700,634
At 30 June 2022	45,245	113,600	591,666	2,072,187	1,437,163	4,259,861
Carrying amount						
At 30 June 2022	13,848	1,730	373,334	288,344	84,814	762,070

5. INVESTMENT PROPERTY

	Group and Company	
	31.12.2023 RM	30.06.2022 RM
Leasehold building		
At fair value		
At 1 July 2022/2021	10,112,400	10,112,400
Fair value adjustment recognised in profit and loss	387,600	-
At 31 December 2023/30 June 2022	10,500,000	10,112,400

The total estimated fair value of investment property is amounting to RM10,500,000 (30.06.2022: RM10,112,400).

Investment property comprises a commercial property which the Certificate of Completion and Compliance ("CCC") has obtained on 25 October 2023.

During the financial period, the investment property of the Group and of the Company was revalued by an independent professional qualified valuer.

The fair value of the investment property approximately RM10,500,000 at level 3 was recommended by the Directors as at the end of reporting period based on comparison method that makes reference to recent market value of a similar property in the vicinity on a price per square feet basis.

Property category	Valuation techniques used	Significant unobservable inputs	Relationship of unobservable inputs to fair value
Leasehold building	Market approach (comparison method)	Location, plot size, improvements made (if any), surrounding developments, facilities and amenities available Estimated value per square feet RM623 (30.06.2022 RM600)	The higher the price per square feet, the higher the fair value

There is no transfer between levels of fair value hierarchy during the financial period.

6. LEASES

Right-of-Use Assets

Group	Leasehold Properties RM	Motor Vehicles RM	Total RM
Carrying amount			
At 1 July 2022	1,862,928	38,012	1,900,940
Additions	111,910	-	111,910
Termination of leases	(379,486)	-	(379,486)
Depreciation (Note 24)	(1,131,347)	(24,555)	(1,155,902)
At 31 December 2023	464,005	13,457	477,462
At 1 July 2021	2,066,257	54,567	2,120,824
Additions	865,422	-	865,422
Termination of leases	(359,925)	-	(359,925)
Depreciation (Note 24)	(708,826)	(16,555)	(725,381)
At 30 June 2022	1,862,928	38,012	1,900,940

NOTES TO THE FINANCIAL STATEMENTS
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6. LEASES (CONT'D)

Right-of-Use Assets (Cont'd)

Company	**31.12.2023 RM**	**30.06.2022 RM**
Leasehold property		
Carrying amount		
At 1 July 2022/2021	1,089,740	1,592,696
Depreciation	(754,436)	(502,956)
At 31 December 2023/30 June 2022	335,304	1,089,740

Lease Liabilities

Set out below are the carrying amounts of lease liabilities and the movements during the financial period:

	Group		**Company**	
	31.12.2023 RM	**30.06.2022 RM**	**31.12.2023 RM**	**30.06.2022 RM**
At 1 July 2022/2021	3,607,558	3,114,525	2,806,792	2,582,971
Additions	111,910	865,422	-	-
Accretion of interest (Note 24)	248,544	255,227	194,854	223,821
Amount billed	(847,174)	-	(847,174)	-
Lease payments	(2,408,062)	(249,069)	(1,694,347)	-
Termination of leases	(111,910)	(378,547)	-	-
At 31 December 2023/ 30 June 2022	600,866	3,607,558	460,125	2,806,792
Disclosed as:				
Current	556,737	2,641,793	460,125	2,028,005
Non-current	44,129	965,765	-	778,787
	600,866	3,607,558	460,125	2,806,792

Included in profit or loss of the Group and the Company:

	Group		**Company**	
	31.12.2023 RM	**30.06.2022 RM**	**31.12.2023 RM**	**30.06.2022 RM**
Depreciation charge of right-of-use assets	1,155,902	725,381	754,435	502,956
Accretion of interest	248,544	255,227	194,854	223,821
Loss/(Gain) on early termination of leases	267,576	(18,622)	-	-
Expense relating to lease of short-term and low value assets	49,804	217,127	-	25,219
	1,721,826	1,179,113	949,289	751,996

The incremental borrowing rate applied to the lease liabilities of the Group and of the Company ranges from 5% to 13.71% (30.06.2022: 5% to 13.71%).

6. LEASES (CONT'D)

The Group as Lessor

In previous financial year, included in the carrying amount of property, plant and equipment is point-of-sales equipment amounted to RM435,480 subject to operating leases as lessor. The point-of-sales equipment were leased out for periods of 5 years.

Analysis of undiscounted lease payments to be received after the reporting date, on an annual basis:

	Group	
	31.12.2023 RM	**30.06.2022 RM**
Within one year	-	765,000
More than one year not less than two years	-	765,000
In the third year	-	765,000
In the fourth year	-	510,000
	-	2,805,000

7. INTANGIBLE ASSETS

Group	**Intellectual Property RM**	**Development Costs RM**	**Total RM**
Cost			
At the beginning and end of the financial period	19,904,709	50,780,416	70,685,125
Accumulated amortisation			
At 1 July 2022	7,335,762	32,994,628	40,330,390
Charge for the financial period (Note 24)	2,722,222	-	2,722,222
At 31 December 2023	7,335,762	32,994,628	43,052,612
Accumulated impairment losses			
At the beginning and end of the financial period	318,947	17,785,788	18,104,735
Carrying amount			
At 31 December 2023	9,527,778	-	9,527,778
Cost			
At 1 July 2021	7,654,709	50,780,416	58,435,125
Transfer from trade and other receivables (Note 7(a))	12,250,000	-	12,250,000
At 30 June 2022	19,904,709	50,780,416	70,685,125
Accumulated amortisation			
At the beginning and end of the financial year	7,335,762	32,994,628	40,330,390
Accumulated impairment losses			
At the beginning and end of the financial year	318,947	17,785,788	18,104,735
Carrying amount			
At 30 June 2022	12,250,000	-	12,250,000

NOTES TO THE FINANCIAL STATEMENTS
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7. INTANGIBLE ASSETS (CONT'D)

(a) Intellectual property

Intelectual property principally consists of purchase of artificial intellgence ("AI") system which was completed and ready for use during the current financial period.

In the previous financial year, a deposit amounted to RM12,250,000 was transferred to intelectual property upon commencement of development of the AI system.

(b) Development costs

Development costs principally comprise internally generated expenditure on major projects where it is reasonably anticipated that the costs will be recovered through future commercial activities. As at the reporting date, development costs have been fully amortised and impaired.

8. INVESTMENTS IN SUBSIDIARIES

	Company	
	31.12.2023 RM	**30.06.2022 RM**
Unquoted shares	42,354,805	42,354,796
Capital contribution	1,354,356	1,354,356
	43,709,161	43,709,152
Less: Accumulated impairment losses	(26,866,110)	(20,603,958)
	16,843,051	23,105,194

8. INVESTMENTS IN SUBSIDIARIES (CONT'D)

Details of the subsidiaries are as follows:

Name of company	Place of business/ Country of incorporation	Effective equity interests		Principal activities
		2023 %	2022 %	
Direct subsidiaries				
Cuscapi Innovation Lab Sdn. Bhd.	Malaysia	100	100	Software development
Cuscapi Consulting Services Sdn. Bhd.	Malaysia	100	100	Provision of project management, business and IT related consultancy services
Cuscapi Malaysia Sdn. Bhd.	Malaysia	100	100	Provision of restaurant management and business management solutions, remedial services for restaurant management hardware and related software implementation and support services
Cuscapi Interactive Solutions Sdn. Bhd.	Malaysia	100	100	Provision of software development, interactive devices solutions, restaurant management and business management solutions
Cuscapi Solutions Sdn. Bhd.	Malaysia	100	100	Software development
Cuscapi Outsourcing Sdn. Bhd.	Malaysia	100	100	Provision of a contract centre for outsourcing services
Cuscapi Blockchain Sdn. Bhd.	Malaysia	100	100	To operate a cryptocurrency exchange in Philippines and other IT related business
Litar Pasifika Sdn. Bhd.	Malaysia	100	100	Investment holding
Cuscapi International Sdn. Bhd.	Malaysia	100	100	Investment holding
Cuscapi International Pte. Ltd.*	Singapore	100	100	Investment holding
PT Cuscapi Indonesia *	Indonesia	47.82	47.82	Provision of restaurant management and business management solutions, remedial services for restaurant management hardware and related software implementation and support services
Cuscapi (BD) Ltd.*	Bangladesh	100	100	Dormant
Cuscapi Vietnam Company Limited*	Vietnam	70	70	Computer programming, information technology service and other services related to the computer, data processing, leasing and other related activities

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8. INVESTMENTS IN SUBSIDIARIES (CONT'D)

Name of company	Place of business/ Country of incorporation	Effective equity interests		Principal activities
		2023 %	2022 %	
Megalodon Capital Management Limited+	British Virgin Islands	100	-	Dormant
Megalodon Capital SPC+	Cayman	100	-	Dormant
Subsidiary of Cuscapi International Sdn. Bhd.				
Cuscapi Hong Kong Ltd.*	Hong Kong	100	100	Investment holding
Subsidiaries of Cuscapi International Pte. Ltd.				
PT Cuscapi Indonesia*	Indonesia	52.18	52.18	Provision of restaurant management and business management solutions, remedial services for restaurant management hardware and related software implementation and support services
Cuscapi Singapore Pte. Ltd.*	Singapore	100	100	Provision of restaurant management and business management solutions, remedial services for restaurant management hardware and related software implementation and support services, project management business and IT related consultancy services
Cuscapi (Thailand) Co. Ltd.*	Thailand	100	100	Provision of restaurant management and business management solutions, remedial services for restaurant management hardware and related software implementation and support services, project management business and IT related consultancy services
Subsidiaries of Cuscapi Hong Kong Ltd.				
Cuscapi Beijing Co. Ltd.*#	China	100	100	Provision of restaurant management and business management solutions, remedial services for restaurant management hardware and related software implementation and support services, project management business and IT related consultancy services.

8. INVESTMENTS IN SUBSIDIARIES (CONT'D)

Name of company	Place of business/ Country of incorporation	Effective equity interests		Principal activities
		2023 %	2022 %	
Cuscapi Shanghai Co. Ltd.*#	China	100	100	Provision of restaurant management and business management solutions, remedial services for restaurant management hardware and related software implementation and support services, project management business and IT related consultancy services.
Cuscapi Suzhou Co. Ltd.*#	China	100	100	Software development
Cuscapi Guangzhou Co. Ltd.*	China	100	100	Dormant
Cuscapi Philippines, Inc*	Philippines	99.99	99.99	Investment holding
Cuscapi Interactive Technology (China) Pty Ltd*	Hong Kong	100	100	Investment holding
Subsidiary of Cuscapi Philippines, Inc.				
Tills N Labels System Marketing, Inc*	Philippines	99.99	99.99	Provision of restaurant management and business management solutions, remedial services for restaurant management hardware and related software implementation and support services, project management business and IT related consultancy services
Subsidiary of Cuscapi Interactive Technology (China) Pty Ltd				
Shanghai Cuscapi Interactive Network Technology Co. Ltd.*#	China	100	100	Software development, interactive devices solutions, restaurant management, business management solutions and other related services and products.

** Subsidiaries not audited by UHY Malaysia*
+ Subsidiaries not subject to audit requirements
 # Subsidiaries that are ceased operations since previous financial years

8. INVESTMENTS IN SUBSIDIARIES (CONT'D)

(a) Movements in the allowance for impairment loss are as follows:

	Company	
	31.12.2023 RM	30.06.2022 RM
At 1 July 2022/2021	20,603,958	22,824,587
Reversal on impairment losses	-	(2,636,102)
Charge for the financial period/year (Note 24)	6,262,152	415,473
At 31 December 2023/30 June 2022	26,866,110	20,603,958

As at the reporting date, there were evidence base on internal reporting that indicates the performance of certain subsidiaries were below its expected level.

(i) The management performed impairment testing on its investment in a subsidiary with indication of impairment as at 31 December 2023. As a result, the management recognised impairment losses of RM6,262,152 in current financial period due to its carrying amount exceeds its recoverable amount. The recoverable amount is determined based on a value in use calculation, using cash flow projection from financial budgets approved by management covering a five-year period. The pre-tax discount rate applied to the cash flow projection is 11% (30.06.2022: 14%) per annum and the sales growth rate is 70% (30.06.2022: 5%)

In the previous financial year, reversal of impairment losses of RM2,636,102 has been recognised for this investment as a result of a subsequent increase in the recoverable amount.

(ii) The sensitivity analysis below has been derived based on changes to individual assumptions, with all other assumptions held constant:

	Increase by 1%	Decrease by 1%
At 31 December 2023		
Discount rate		
(Decrease)/Increase in impairment losses	680,372	(817,273)
Sales growth rate		
(Decrease)/Increase in impairment losses	(633,407)	297,917

(b) Non-controlling interests in subsidiaries

The Group's subsidiaries which have non-controlling interests are not material individually or in aggregate to the financial position, financial performance and cash flows of the Group.

9. OTHER INVESTMENTS

	Group		Company	
	31.12.2023 RM	**30.06.2022 RM**	**31.12.2023 RM**	**30.06.2022 RM**
Non-Current				
AT FVTOCI				
Quoted shares	10,935	15,177,455	10,935	15,177,455
Unquoted shares	13,351,000	15,619,894	-	-
	13,361,935	30,797,349	10,935	15,177,455

(a) The Group and the Company hold non-controlling interests in equity securities designated at fair value through other comprehensive income. The Group and the Company have irrevocably designated these equity securities at fair value through other comprehensive income as it is not held for trading. The fair value of quoted shares is classified under Level 1.

	Group and Company	
	31.12.2023 RM	**30.06.2022 RM**
At 1 July 2022/2021	15,177,455	1,642,625
Additions	491,112	15,008,581
Disposal	(16,629,680)	-
Fair value adjustment recognised in other comprehensive income	972,048	(1,473,751)
At 31 December 2023/30 June 2022	10,935	15,177,455

During the financial period, the Group and the Company has disposed the quoted shares amounted to RM16,629,680 at its fair value for working capital purposes.

(b) The Group holds 20% (30.06.2022: 20%) equity stake in Konsortium Multimedia Swasta Sdn. Bhd. ("KOMMS").

The Group has no representation on Board of Directors of KOMMS. On this basis, the Group concludes that it does not have significant influence over KOMMS and thus recognised as investment, instead of an associated company.

The fair value was based on the valuation report conducted by an independent valuer. The valuation of KOMMS was derived at based on the discounted cash flows using the assumptions prepared by KOMMS, with a discount rate of 10.85% (30.06.2022: 13.90%). The valuation is highly dependent on the assumptions prepared by KOMMS used in the discounted cash flows.

(c) The concession owned by KOMMS which represent one of the three concessionaires in Malaysia that provide the Malaysian E-Government MSC Flagship Application that builds, operates and owns an electronic channel to deliver services from various government agencies to Malaysia citizens and businesses.

The Directors have considered all aspects and rationale of the acquisition and is of the opinion that the investment is a good investment opportunity and is in the best interest of the Group and the investment is expected to provide the Group with an opportunity to participate in the E-government industry and is in line with its expansion plans to diversify into sectors and services that are complementary to its existing businesses.

The fair values of the unquoted shares in KOMMS is classified under Level 3.

9. OTHER INVESTMENTS (CONT'D)

(c) (Cont'd)

Reconciliation of Level 3 Fair Value Measurement

	Group	
	31.12.2023	**30.06.2022**
	RM	**RM**
At 1 July 2022/2021	15,619,894	16,400,000
Recognised in other comprehensive income	(2,268,894)	(780,106)
At 31 December 2023/30 June 2022	13,351,000	15,619,894

Details of Level 3 fair value measurements are as follows:

Valuation method and key inputs	Significant unobservable inputs	Relationship of unobservable inputs
Discounted future cash flows.	Discount rate of 10.85% (30.06.2022: 13.90%)	The higher the discount rate, the lower the fair value.
	Sales growth rate of 6% (30.06.2022: 25%)	The higher the sales growth rate, the higher the fair value.

10. GOODWILL ON CONSOLIDATION

	Group	
	31.12.2023	**30.06.2022**
	RM	**RM**
Cuscapi Solutions Sdn. Bhd.	988,390	988,390

Goodwill acquired through business combinations has been allocated to its advertising segment as its cash generating unit ("CGU").

For annual impairment testing purposes, the recoverable amount of the CGU, which is a reportable business, is determined based on its value-in-use. The value-in-use calculations apply a discounted cash flow model using the cash flow projections based on financial budget and projections approved by management.

No impairment loss is required for the goodwill as its recoverable amount exceeded the carrying amount of the CGU.

The key assumptions on which the management has based on for the computation of value-in-use are as follows:

(i) Cash flow projections and sales growth rate

The five-year cash flow projections are based on the most recent budget approved by the management and extrapolated using a steady sales growth rate of 7% (30.06.2022: 5%) per annum for the subsequent years.

(ii) Discount rate

The discount rate of 11% (30.06.2022: 14%) is applied to the cash flow projections. The discount rate is estimated based on the weighted average cost of capital of the CGU for the year.

The management believes that no reasonably possible changes in any key assumptions would cause the recoverable amount of the CGU to differ materially from its carrying amount except for changes in prevailing operating environment which is not ascertainable.

11. TRADE AND OTHER RECEIVABLES

	Group		Company	
	31.12.2023 RM	30.06.2022 RM	31.12.2023 RM	30.06.2022 RM
Non-Current				
Trade				
Third party	1,130,332	1,091,744	-	-
Current				
Trade				
Third parties	22,282,001	7,023,931	11,274,691	7,300
Amounts owing by subsidiaries	-	-	16,499,974	26,944,507
	22,282,001	7,023,931	27,774,665	26,951,807
Less: Accumulated impairment losses				
- Trade receivables	(3,140,323)	(5,519,143)	(7,300)	(7,300)
- Amounts owing by subsidiaries	-	-	(16,401,201)	(25,782,509)
	19,141,678	1,504,788	11,366,164	1,161,998
Non-trade				
Other receivables				
- Sundry receivables	195,638	87,049	14,144	-
- SST refundable	290,838	140,552	-	-
- Sundry advances	337,710	337,710	-	-
- Deposits	314,829	756,082	161,355	564,507
- Prepayments	381,557	276,767	70,084	109,542
Amounts owing by subsidiaries	-	-	136,575,598	106,973,097
	1,520,572	1,598,160	136,821,181	107,647,146
Less: Accumulated impairment losses				
- Other receivables	(365,804)	(365,877)	-	-
- Amounts owing by subsidiaries	-	-	(135,463,534)	(106,491,101)
	1,154,768	1,232,283	1,357,647	1,156,045
Total current trade and other receivables	20,296,446	2,737,071	12,723,811	2,318,043
Total trade and other receivables	21,426,778	3,828,815	12,723,811	2,318,043

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2023

11. TRADE AND OTHER RECEIVABLES (CONT'D)

(a) Included in trade receivables of the Group is a past due balance amounting to RM1,130,332 (30.06.2022: RM1,358,087). The Group has agreed with the customer to recover the outstanding balance via monthly installments as follows:

	Group	
	31.12.2023 RM	30.06.2022 RM
Current		
Repayable within the next one year	-	266,343
Non-current		
Repayable within the next two to five years	1,130,332	1,091,744
	1,130,332	1,358,087

The amount is non-interest bearing and is discounted at 4.25% (30.06.2022: 4.25%) per annum.

(b) Trade receivables are non-interest bearing and normal trade credit terms offered by the Group and the Company ranging from 30 to 60 days (30.06.2022: 30 to 60 days) from the date of invoices. Other credit terms are assessed and approved on a case-by-case basis.

(c) Amounts owing by subsidiaries are unsecured, non-interest bearing and receivable on demand.

(d) Movements in the allowance for impairment losses are as follows:

Lifetime allowance	Trade receivables RM	Other receivables RM	Amount owing by subsidiaries RM	Total RM
Group				
At 1 July 2022	5,519,143	365,877	-	5,885,020
Charge for the financial period	884,758	-	-	884,758
Written off	(2,679,969)	-	-	(2,679,969)
Exchange differences	(583,609)	(73)	-	(583,682)
At 31 December 2023	3,140,323	365,804	-	3,506,127
At 1 July 2021	5,193,979	369,443	-	5,563,422
Reversal of impairment losses	-	(3,892)	-	(3,892)
Charge for the financial year	330,427	-	-	330,427
Exchange differences	(5,263)	326	-	(4,937)
At 30 June 2022	5,519,143	365,877	-	5,885,020
Company				
At 1 July 2022	7,300	-	132,273,610	132,280,910
Reversal of impairment losses	-	-	(68,446)	(68,446)
Charge for the financial period	-	-	19,659,571	19,659,571
At 31 December 2023	7,300	-	151,864,735	151,872,035
At 1 July 2021	7,300	-	136,550,896	136,558,196
Reversal of impairment losses	-	-	(7,065,242)	(7,065,242)
Charge for the financial year	-	-	2,787,956	2,787,956
At 30 June 2022	7,300	-	132,273,610	132,280,910

11. TRADE AND OTHER RECEIVABLES (CONT'D)

(d) (Cont'd)

Management applies simplified approach (i.e. lifetime expected credit losses) in measuring the loss allowance for trade receivables. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtors and an analysis of the debtors' current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

Trade receivables that are individually determined to be impaired at the reporting date relate to receivables that are in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancement.

(e) The aged analysis of trade receivables as at the end of the reporting period:

	Gross amount RM	Lifetime allowance RM	Total RM
Group			
31.12.2023			
Neither past due nor impaired	12,237,634	(13,955)	12,223,679
Past due not impaired:			
Less than 30 days	129,399	(13,201)	116,198
31 to 60 days	1,418,399	(15,444)	1,402,955
61 to 90 days	1,105,092	(1,110)	1,103,982
91 to 120 days	22,414	(4,773)	17,641
More than 121 days	8,499,395	(3,091,840)	5,407,555
	11,174,699	(3,126,368)	8,048,331
	23,412,333	(3,140,323)	20,272,010
Group			
30.06.2022			
Neither past due nor impaired	1,555,161	(5,682)	1,549,479
Past due not impaired:			
Less than 30 days	625,105	(2,185)	622,920
31 to 60 days	206,589	-	206,589
61 to 90 days	51,846	-	51,846
91 to 120 days	39,959	-	39,959
More than 121 days	5,637,015	(5,511,276)	125,739
	6,560,514	(5,513,461)	1,047,053
	8,115,675	(5,519,143)	2,596,532

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FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2023

11. TRADE AND OTHER RECEIVABLES (CONT'D)

(e) The aged analysis of trade receivables as at the end of the reporting period: (Cont'd)

	Gross amount RM	Lifetime allowance RM	Total RM
Company			
31.12.2023			
Neither past due nor impaired	11,366,164	-	11,366,164
Past due not impaired:			
Less than 30 days	-	-	-
31 to 60 days	-	-	-
61 to 90 days	-	-	-
91 to 120 days	-	-	-
More than 121 days	16,408,501	(16,408,501)	-
	16,408,501	(16,408,501)	-
	27,774,665	(16,408,501)	11,366,164
30.06.2022			
Neither past due nor impaired	-	-	-
Past due not impaired:			
Less than 30 days	83,024	(35,491)	47,533
31 to 60 days	-	-	-
61 to 90 days	85,512	(27,459)	58,053
91 to 120 days	54,137	(54,137)	-
More than 121 days	26,729,134	(25,672,722)	1,056,412
	26,951,807	(25,789,809)	1,161,998
	26,951,807	(25,789,809)	1,161,998

12. INVENTORIES

	Group	
	31.12.2023 RM	30.06.2022 RM
At cost		
Point of sales related equipment, components and parts	956,155	1,434,014
Inventories recognised as cost of sales	1,782,253	921,304
Inventories written off	221,322	245,645

13. DIGITAL ASSETS

	Group and Company	
	31.12.2023 RM	30.06.2022 RM
At cost		
Digital assets	5,719,430	-
Digital assets recognised as cost of sales	4,060,570	-

14. CASH AND BANK BALANCES

	Group		Company	
	31.12.2023 RM	30.06.2022 RM	31.12.2023 RM	30.06.2022 RM
Cash and bank balances	531,965	847,499	33,882	24,242
Short-term deposits	51,655	15,905,196	51,655	15,905,196
	583,620	16,752,695	85,537	15,929,438

In the previous financial year, bank balances and short-term deposits of the Group and the Company amounting to RM15,984,171 and RM15,904,243 respectively were held in a licensed bank and restricted, according to the order by the High Court as disclosed in Note 32, which were not available for general use. The High Court has ordered the amount to be used to settle an outstanding payable during the financial period.

The short-term deposits have maturity period of 1 month (30.06.2022: 1 month) which bear interest rate of 1.40% (30.06.2022: 1.40%) per annum.

15. SHARE CAPITAL

	Group and Company			
	Number of shares		Amount	
	31.12.2023 Unit	30.06.2022 Unit	31.12.2023 RM	30.06.2022 RM
Issued and fully paid:				
Ordinary shares				
At 1 July 2022/2021	944,884,476	859,269,076	203,374,573	181,114,569
Issuance of shares:				
- Private placement	-	85,615,400	-	22,260,004
At 31 December 2023/30 June 2022	944,884,476	944,884,476	203,374,573	203,374,573

In the previous financial year, the Company issued 85,615,400 ordinary shares from the private placement at exercise price of RM0.26 per share amounting to RM22,260,004 on 14 January 2022. The new ordinary shares issued for working capital purposes rank pari passu in all respects with the existing ordinary shares of the Company.

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regards to the Company's residual assets.

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16. RESERVES

		Group		Company	
	Note	31.12.2023 RM	30.06.2022 RM	31.12.2023 RM	30.06.2022 RM
Non-distributable					
Foreign currency translation reserve	(a)	12,947,103	12,326,188	-	-
Fair value reserve	(b)	(2,663,076)	(1,761,045)	(374,900)	(1,347,186)
Statutory reserve	(c)	222,464	222,464	-	-
		10,506,491	10,787,607	(374,900)	(1,347,186)

(a) **Foreign currency translation reserve**

Foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

(b) **Fair value reserve**

Fair value reserve represents the cumulative net change in the fair value of investment in securities measured at FVTOCI until they are derecognised or impaired.

(c) **Statutory reserve**

In accordance with relevant laws and regulations of the People's Republic of China ("PRC"), the subsidiaries of the Group established in the PRC are required to transfer 10% of their profits after tax prepared in accordance with the accounting regulation of the PRC to the statutory reserve until the reserve balance reaches 50% of their respective registered capital. Such reserve may be used to reduce any losses incurred or for capitalisation as paid-up capital.

17. TRADE AND OTHER PAYABLES

	Group		Company	
	31.12.2023 RM	30.06.2022 RM	31.12.2023 RM	30.06.2022 RM
Current				
Trade				
Third parties	1,124,937	16,008,903	-	-
Non-trade				
Other payables				
- Sundry payables	2,786,816	1,573,616	2,240,955	1,213,566
- SST payable	836,458	527,959	-	-
- Accruals	1,085,566	4,084,562	452,608	401,516
- Refundable deposits	282,685	244,982	-	-
Amounts owing to subsidiaries	-	-	20,433,755	17,976,545
Amount owing to a Director	3,930,000	910,000	-	-
	8,921,525	7,341,119	23,127,318	19,591,627
Total trade and other payables	10,046,462	23,350,022	23,127,318	19,591,627

17. TRADE AND OTHER PAYABLES (CONT'D)

(a) Included in trade payables is an amount of Nil (30.06.2022: RM14,488,291) payable to a supplier for the purchase of equipment by a subsidiary.

As disclosed in Note 32, there were disputes over the amount payable for which the subsidiary filed Defence and Counter Claim on 29 October 2018. The said amount was fully paid by the Group on 2 August 2022 after the Group has exhausted all its legal avenues.

The remaining trade payables are non-interest bearing and credit terms granted are ranging from 30 to 120 days (30.06.2022: 30 to 120 days) from the date of invoices.

(b) Amounts owing to subsidiaries are non-trade in nature, unsecured, non-interest bearing and repayable on demand.

(c) Amount owing to a Director are non-trade in nature, unsecured, non-interest bearing and repayable on demand.

18. CONTRACT LIABILITIES

	Group	
	31.12.2023	**30.06.2022**
	RM	**RM**
Contract liabilities		
Advances received	77,017	469,358

Contract liabilities comprised of advances received from customers for rendering services and manufacturing orders.

When the Group receives advances before the maintenance services commences, this will give rise to contract liabilities at the start of a contract. The advances will be reversed and recognised as revenue upon satisfying the performance obligation within the contract.

All advances billing received are expected to be settled within one year.

Contract liabilities outstanding at the beginning of the year amounting to RM469,358 (30.06.2022: RM1,669,664) have been recognised as revenue during the financial period.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2023

19. REVENUE

	Group		Company	
	01.07.2022 to 31.12.2023 (18 months) RM	01.07.2021 to 30.06.2022 (12 months) RM (Restated)	01.07.2022 to 31.12.2023 (18 months) RM	01.07.2021 to 30.06.2022 (12 months) RM (Restated)
Revenue from contracts with customers				
Recognised at point in time				
- Sales of goods and installation services	10,797,443	5,200,968	-	-
- Trading of digital assets	11,267,391	-	11,267,391	-
Recognised over time				
- Services	5,382,890	4,008,790	-	-
- Management fees	-	-	960,051	642,919
	27,447,724	9,209,758	12,227,442	642,919

The timing of revenue recognition of the Company are at a over time.

	Group		Company	
	01.07.2022 to 31.12.2023 (18 months) RM	01.07.2021 to 30.06.2022 (12 months) RM (Restated)	01.07.2022 to 31.12.2023 (18 months) RM	01.07.2021 to 30.06.2022 (12 months) RM (Restated)
Other revenue				
Dividend income	490,338	39,997	490,338	39,997
Rental income from POS equipment	447,950	692,270	-	-
	938,288	732,267	490,338	39,997
	28,386,012	9,942,025	12,717,780	682,916

20. COST OF SALES

	Group		Company	
	01.07.2022 to 31.12.2023 (18 months) RM	01.07.2021 to 30.06.2022 (12 months) RM	01.07.2022 to 31.12.2023 (18 months) RM	01.07.2021 to 30.06.2022 (12 months) RM
Cost of goods sold	11,546,895	1,370,866	4,060,570	-
Other direct costs	4,369,847	5,935,378	-	-
	15,916,742	7,306,244	4,060,570	-

21. OTHER INCOME

	Group		Company	
	01.07.2022 to 31.12.2023 (18 months) RM	**01.07.2021 to 30.06.2022 (12 months) RM**	**01.07.2022 to 31.12.2023 (18 months) RM**	**01.07.2021 to 30.06.2022 (12 months) RM**
Gain on early termination of leases	-	18,622	-	-
Waiver of debts	-	416,795	-	-
Unrealised gain on foreign exchange	-	839,504	-	-
Rental income	-	-	786,971	487,315
Forfeiture of downpayment from customer	-	827,538	-	-
Wages subsidy	-	32,400	-	13,200
Sundry income	705,673	141,293	1,172	15,905
Fair value gain on investment property	387,600	-	387,600	-
Gain on disposal of property plant and equipment	80,984	-	-	-
	1,174,257	2,276,152	1,175,743	516,420

22. FINANCE INCOME

	Group		Company	
	01.07.2022 to 31.12.2023 (18 months) RM	**01.07.2021 to 30.06.2022 (12 months) RM**	**01.07.2022 to 31.12.2023 (18 months) RM**	**01.07.2021 to 30.06.2022 (12 months) RM**
Short-term deposits	34,298	227,268	23,855	225,800

23. FINANCE COSTS

	Group		Company	
	01.07.2022 to 31.12.2023 (18 months) RM	**01.07.2021 to 30.06.2022 (12 months) RM**	**01.07.2022 to 31.12.2023 (18 months) RM**	**01.07.2021 to 30.06.2022 (12 months) RM**
Finance costs on:				
- Lease liabilities (Note 6)	248,544	255,227	194,854	223,821
- Late payment	398,070	9,843	-	-
- Dispute settlement	-	721,438	-	-
- Non-current trade receivable	34,560	161,425	-	-
	681,174	1,147,933	194,854	223,821

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24. PROFIT/(LOSS) BEFORE TAX

Other than those disclosed elsewhere in the financial statements, profit/(loss) before tax is derived after charging/(crediting):

	Group		Company	
	01.07.2022 to 31.12.2023 (18 months) RM	**01.07.2021 to 30.06.2022 (12 months) RM**	**01.07.2022 to 31.12.2023 (18 months) RM**	**01.07.2021 to 30.06.2022 (12 months) RM**
Auditors' remuneration				
- Statutory audit	446,939	467,636	110,000	103,000
- Other services	5,000	6,000	5,000	6,000
- Over provision in prior year	-	(29,976)	-	-
Depreciation of property, plant and equipment (Note 4)	1,039,085	1,068,771	534,621	700,634
Depreciation of right-of-use assets (Note 6)	1,155,902	725,381	754,435	502,956
Amortisation of intangible assets (Note 7)	2,722,222	-	-	-
Impairment/(Reversal) losses on investments in subsidiaries (Note 8)	-	-	6,262,152	(2,220,629)
Impairment/(Reversal) losses on amount owing by subsidiaries (Note 11)	-	-	19,591,125	(4,277,286)
Impairment/(Reversal) losses on trade and other receivables (Note 11)	884,758	326,535	-	-
Inventories written off (Note 12)	221,322	245,645	-	-
Bad debts written off	410,872	-	405,000	-
Realised (gain)/loss on foreign exchange	(7,439)	47,483	-	-
Unrealised loss on foreign exchange	62,092	-	2,139,072	4,371,703

25. TAX EXPENSE

The major components of income tax expense are as follows:

	Group		Company	
	01.07.2022 to 31.12.2023 (18 months) RM	**01.07.2021 to 30.06.2022 (12 months) RM**	**01.07.2022 to 31.12.2023 (18 months) RM**	**01.07.2021 to 30.06.2022 (12 months) RM**
Tax expense recognised in profit or loss				
Current tax provision:				
Income tax charge	245,027	222,735	-	-
Under/(Over) provision in prior years	3,652	(10,574)	-	-
	248,679	212,161	-	-

Malaysian income tax is calculated at the statutory tax rate of 24% (30.06.2022: 24%) of the estimated assessable profit for the financial period/year. Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

25. TAX EXPENSE (CONT'D)

A reconciliation of tax expense applicable to profit/(loss) before tax at the statutory income tax rate to tax expense at the effective income tax rate of the Group and of the Company is as follows:

	Group		Company	
	01.07.2022 to 31.12.2023 (18 months) RM	**01.07.2021 to 30.06.2022 (12 months) RM**	**01.07.2022 to 31.12.2023 (18 months) RM**	**01.07.2021 to 30.06.2022 (12 months) RM**
Profit/(Loss) before tax	2,160,919	(5,094,349)	(24,210,133)	(1,555,436)
Tax at Malaysian statutory income tax rate of 24% (30.06.2022: 24%)	518,621	(1,222,644)	(5,810,432)	(373,305)
Income not subject to tax	(233,549)	(9,599)	(210,987)	(2,337,922)
Non-deductible expenses	1,798,406	883,774	7,219,063	949,596
Net movements of deferred tax assets not recognised	(1,838,451)	571,204	(1,197,644)	1,761,631
Under/(Over) provision in prior years	3,652	(10,574)	-	-
	248,679	212,161	-	-

The deferred tax assets not recognised in the financial statements are in respect of the following temporary differences:

	Group		Company	
	01.07.2022 to 31.12.2023 (18 months) RM	**01.07.2021 to 30.06.2022 (12 months) RM**	**01.07.2022 to 31.12.2023 (18 months) RM**	**01.07.2021 to 30.06.2022 (12 months) RM**
Unutilised tax losses	23,307,137	25,250,969	6,150,262	6,957,181
Unutilised capital allowances	112,193	1,975,643	-	1,878,058
Other deductible temporary differences	2,570,805	6,423,732	45,441,430	47,746,637
	25,990,135	33,650,344	51,591,692	56,581,876
Deferred tax assets not recognised at 24% (30.06.2022: 24%)	6,237,632	8,076,083	12,382,006	13,579,650

Deferred tax assets have not been recognised in respect of these items as they may not have sufficient taxable profits to be used to offset or they have arisen in subsidiaries that have a recent history of losses.

The Group and the Company have the following unutilised capital allowance and unused tax losses carry forward, available to offset against future taxable profits. The said amounts are subject to approval by the tax authorities.

Pursuant to an amendment to Section 44(5F) of Income Tax Act 1967, effective from year of assessment 2019 onwards, the unused tax losses can be carried forward for a maximum period of ten (10) consecutive years of assessment. The unused tax losses accumulated up to year of assessment 2018 can be carried forward for another ten (10) consecutive years of assessment until year of assessment 2028.

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25. TAX EXPENSE (CONT'D)

The unutilised tax losses can only be carried forward until the following years of assessment.

	Group		Company	
	01.07.2022 to 31.12.2023 (18 months) RM	**01.07.2021 to 30.06.2022 (12 months) RM**	**01.07.2022 to 31.12.2023 (18 months) RM**	**01.07.2021 to 30.06.2022 (12 months) RM**
Unutilised losses to be carried forward until:				
Year of assessment 2028	14,342,701	17,622,485	2,402,593	3,209,512
Year of assessment 2029	577,158	577,158	84,810	84,810
Year of assessment 2030	1,383,907	1,383,907	264,768	264,768
Year of assessment 2031	4,733,185	4,714,289	2,444,961	2,444,961
Year of assessment 2032	2,270,186	953,130	953,130	953,130
	23,307,137	25,250,969	6,150,262	6,957,181

26. STAFF COSTS

	Group		Company	
	01.07.2022 to 31.12.2023 (18 months) RM	**01.07.2021 to 30.06.2022 (12 months) RM**	**01.07.2022 to 31.12.2023 (18 months) RM**	**01.07.2021 to 30.06.2022 (12 months) RM**
Salaries, allowances, bonuses and overtime	7,316,369	5,803,007	2,023,654	1,262,773
Defined contribution plans	723,993	497,134	166,250	153,424
Other staff related expenses	179,383	419,456	121,627	113,647
	8,219,745	6,719,597	2,311,531	1,529,844

Included in staff costs is aggregate amount of remuneration received and receivable by the Directors of the Company and its subsidiaries during the financial period/year is disclosed at Note 28(c) to the financial statements.

27. EARNINGS/(LOSS) PER SHARE

Basic earnings/(loss) per share

The basic profit/(loss) per share is calculated based on the consolidated profit/(loss) for the financial period/year attributable to the owners of the parent and the weighted average number of ordinary shares in issue during the financial period/year as follows:

	Group	
	31.12.2023 RM	**30.06.2022 RM**
Profit/(Loss) attributable to owners of the parent for basic	1,895,502	(5,295,189)
Weighted average number of ordinary shares in issue:		
Issued ordinary shares at 1 July	944,884,476	859,269,076
Effect of ordinary shares issued during the financial period/year	-	39,171,978
Weighted average number of ordinary shares at 31 December 2023/30 June 2022	944,884,476	898,441,054
Basic earnings/(loss) per ordinary share (sen)	0.20	(0.59)

Diluted earnings/(loss) per share

The diluted earnings/(loss) per share of the Group is calculated by dividing the profit/(loss) for the year attributable to owners of the parent by the weighted average number of ordinary shares in issue during the financial period adjusted to assume conversion of all dilutive potential ordinary shares. The diluted earnings/(loss) per share of the current financial period and previous financial year are equal to the basic earnings/(loss) per share as the Group has no dilutive ordinary shares.

28. RELATED PARTY DISCLOSURES

(a) Identifying related parties

Parties are considered to be related to the Group if the Group or the Company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operational decisions, or vice versa, or where the Group or the Company and the party are subject to common control.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel include all the Directors of the Group and certain members of senior management and chief executive officers of major subsidiaries of the Group.

(b) Significant related party transactions

Related party transactions have been entered into in the normal course of business under negotiated terms. In addition to the related party balances disclosed in elsewhere in the financial statements, the significant related party transactions of the Company are as follows:

	Group		Company	
	01.07.2022 to 31.12.2023 (18 months) RM	**01.07.2021 to 30.06.2022 (12 months) RM**	**01.07.2022 to 31.12.2023 (18 months) RM**	**01.07.2021 to 30.06.2022 (12 months) RM**
Advances from a Director	3,020,000	-	-	-
Management fees				
- Cuscapi Malaysia Sdn. Bhd.	-	-	321,394	273,820
- Cuscapi Solutions Sdn. Bhd.	-	-	638,657	369,099
	-	-	960,051	642,919

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28. RELATED PARTY DISCLOSURES (CONT'D)

(c) Compensation of key management personnel

Remuneration of key management personnel, which includes the directors' remuneration and certain key senior management are as follows:

	Group		Company	
	01.07.2022 to 31.12.2023 (18 months) RM	**01.07.2021 to 30.06.2022 (12 months) RM**	**01.07.2022 to 31.12.2023 (18 months) RM**	**01.07.2021 to 30.06.2022 (12 months) RM**
Salaries and other emoluments	1,196,700	1,377,881	1,196,700	1,066,801
Defined contribution plans	65,263	88,521	65,263	79,152
	1,261,963	1,466,402	1,261,963	1,145,953

29. SEGMENT INFORMATION

The Group prepared the following segment information in accordance with MFRS 8 *Operating Segments* based on the internal reports of the Group's strategic business units which are regularly reviewed by the Chief Executive Officer ("CEO"), and/or the person acting at his capacity for the purpose of making decisions about resource allocation and performance assessment.

For management purposes, the Group is organised into strategic business units based on geography locations and business units.

The Group's reportable operating segments are as follows:

Business units

(i) Sale of POS

This segment is involved in sale of software, hardware, maintenance services and other support services of point-of-sales to all the customers for the Group.

(ii) Trading of digital assets

This segment is involved in trading of the digital assets.

(iii) Group Corporate

This segment is involved in Group-level corporate services, and treasury functions.

Geographical locations

(i) Malaysia

Involves in software development, the provision of remedial services for Point of Sales hardware and related software implementation and support services, the provision of Point of Sales and business management solutions, the provision of project management, business and IT related consultancy services, the provision of network infrastructure and security solutions and services and system integration services, and the provision of contact centres for outsourcing services, in Malaysia.

29. SEGMENT INFORMATION (CONT'D)

Geographical locations (Cont'd)

(ii) South East Asia

Involves in the provision of Point of Sales and business management solutions, the provision of remedial services for Point of Sales hardware and related software implementation and support services, the provision of project management, business and IT related consultancy services in the South East Asia region other than Malaysia.

Except as indicated above, no operating segments has been aggregated from the above reportable operating segments.

Inter-segment pricing is determined on negotiated basis. Geographically, management reviews the performance of the businesses in Malaysia, South East Asia, and People's Republic of China. In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers. Assets are based on the geographical location of the assets.

Segment profit

Management monitors the operating results of its units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit after tax ("PAT"). PAT is used to measure performance as management believes that such information is the most relevant in evaluating the results of the segments that operate within the Group.

Segment assets

The total of segment assets (excluding deferred tax assets) is measured based on all assets of a segment, as included in the internal reports that are reviewed by the Board of Directors.

Segment liabilities

The total segment liabilities are measured based on all liabilities (excluding deferred tax liabilities and current tax liabilities) of a segment as included in the internal reports that are reviewed by the Board of Directors.

29. SEGMENT INFORMATION (CONT'D)

	Business Unit Segment			
	Sale of POS RM	**Trading of digital assets RM**	**Group Corporate RM**	**Total RM**
Group				
31.12.2023				
Revenue				
Total revenue	22,539,306	11,267,391	1,450,389	35,257,086
Inter-company revenue	(5,911,023)	-	(960,051)	(6,871,074)
Revenue from external customers	16,628,283	11,267,391	490,338	28,386,012
Results				
Included in the measure of segment profit/(loss) are:				
Interest income	33,412	-	985	34,397
Interest expense	(577,039)	-	(17,016)	(594,055)
Amortisation of intangible assets	(2,722,222)	-	-	(2,722,222)
Depreciation of property, plant and equipment	(1,063,777)	-	-	(1,063,777)
Depreciation of right-of-use assets	(1,122,793)	-	(33,109)	(1,155,902)
Loss allowance on trade and other receivables	(884,758)	-	-	(884,758)
Inventories written off	(221,322)	-	-	(221,322)
Lease expenses for short-term and low-value assets	(49,804)	-	-	(49,804)
Realised gain on foreign exchange	7,439	-	-	7,439
Unrealised loss on foreign exchange	(62,092)	-	-	(62,092)
Income tax expense				(248,679)
Profit for the financial period				1,912,240
Assets				
Segment assets	22,476,027	16,986,821	24,850,425	64,313,273
Addition to non-current assets	192,602	-	-	192,602
Liabilities				
Segment liabilities	10,961,293			10,961,293

29. SEGMENT INFORMATION (CONT'D)

	Business Unit Segment Sale of POS RM	Group Corporate RM	Total RM
Group			
30.06.2022			
Revenue			
Total revenue	13,065,616	682,916	13,748,532
Inter-company revenue	(3,163,588)	(642,919)	(3,806,507)
Revenue from external customers	9,902,028	39,997	9,942,025
Results			
Included in the measure of segment profit/(loss) are:			
Interest income	1,468	225,800	227,268
Interest expense	(924,112)	(223,821)	(1,147,933)
Depreciation of property, plant and equipment	(368,137)	(700,634)	(1,068,771)
Depreciation of right-of-use assets	(222,423)	(502,958)	(725,381)
Loss allowance on trade and other receivables	(326,535)	-	(326,535)
Inventories written off	(245,645)	-	(245,645)
Lease expenses for short-term and low-value assets	(191,908)	(25,219)	(217,127)
Realised loss on foreign exchange	(47,483)	-	(47,483)
Unrealised gain on foreign exchange	839,504	-	839,504
Income tax expense			(212,161)
Loss for the financial year			(5,306,510)
Assets			
Segment assets	75,250,019	4,753,512	80,003,531
Addition to non-current assets	13,529,990	16,174,097	29,704,087
Liabilities			
Segment liabilities	27,781,399	39,997	27,821,396

<u>Geographical segments</u>

Revenue and non-current assets information based on the geographical location of customers and assets respectively are as follows:

	Revenue		Non-current assets	
	31.12.2023 RM	30.06.2022 RM	31.12.2023 RM	30.06.2022 RM
Group				
Malaysia	23,319,542	3,730,431	35,402,250	56,759,073
South East Asia	5,066,470	6,211,594	1,242,297	2,043,367
Others	-	-	-	2,095
	28,386,012	9,942,025	36,644,547	58,804,535

<u>Information about major customers</u>

For Malaysia segment, revenue from one customer represented approximately RM11,267,391 (30.06.2022: RM704,871) for the Group's total revenue.

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30. CAPITAL COMMITMENT

	Group and Company	
	31.12.2023 RM	30.06.2022 RM
Other investments - RCPS		
Approved and contracted for	-	8,595,000

31. FINANCIAL INSTRUMENTS

(a) Classification of financial instruments

Financial assets and financial liabilities are measured on an ongoing basis either at fair value or at amortised cost. The principal accounting policies in Note 3 describe how the classes of financial instruments are measured, and how income and expense, including fair value gains and losses, are recognised.

The following table analyses the financial assets and liabilities in the statements of financial position by the class of financial instruments to which they are assigned, and therefore by the measurement basis:

Group	At FVTOCI RM	At Amortised cost RM	Total RM
31.12.2023			
Financial assets			
Other investments	13,361,935	-	13,361,935
Trade and other receivables (exclude SST refundable and prepayments)	-	20,687,919	20,687,919
Cash and bank balances	-	583,620	583,620
	13,361,935	21,271,539	34,633,474
Financial liabilities			
Trade and other payables (exclude SST payable)	-	9,210,004	9,210,004
Lease liabilities	-	600,866	600,866
	-	9,810,870	9,810,870
30.06.2022			
Financial assets			
Other investments	30,797,349	-	30,797,349
Trade and other receivables (exclude SST refundable and prepayments)	-	3,411,496	3,411,496
Cash and bank balances	-	16,752,695	16,752,695
	30,797,349	20,164,191	50,961,540
Financial liabilities			
Trade and other payables (exclude SST payable)	-	22,822,063	22,822,063
Lease liabilities	-	3,607,558	3,607,558
	-	26,429,621	26,429,621

31. FINANCIAL INSTRUMENTS (CONT'D)

(a) Classification of financial instruments (Cont'd)

The following table analyses the financial assets and liabilities in the statements of financial position by the class of financial instruments to which they are assigned, and therefore by the measurement basis: (Cont'd)

	At FVTOCI RM	At Amortised cost RM	Total RM
Company			
31.12.2023			
Financial assets			
Other investments	10,935	-	10,935
Trade and other receivables (exclude prepayments)	-	12,653,727	12,653,727
Cash and bank balances	-	85,537	85,537
	10,935	12,739,264	12,750,199
Financial liabilities			
Trade and other payables	-	23,122,318	23,122,318
Lease liabilities	-	460,125	460,125
	-	23,582,443	23,582,443
30.06.2022			
Financial assets			
Other investments	15,177,455	-	15,177,455
Trade and other receivables (exclude prepayments)	-	2,098,959	2,098,959
Cash and bank balances	-	15,929,438	15,929,438
	15,177,455	18,028,397	33,205,852
Financial liabilities			
Trade and other payables	-	19,591,627	19,591,627
Lease liabilities	-	2,806,792	2,806,792
	-	22,398,419	22,398,419

NOTES TO THE FINANCIAL STATEMENTS
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31. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management objectives and policies

The Group's and the Company's financial risk management policy is to ensure that adequate financial resources are available for the development of the Group and of the Company operations whilst managing its financial risks, including credit, liquidity, foreign currency, interest rate and market price risks. The Group and the Company operate within clearly defined guidelines that are approved by the Board and the Group's and of the Company's policy is not to engage in speculative transactions.

The following sections provide details regarding the Group's exposure to the abovementioned financial risks and the objectives, policies and processes for the management of these risks.

(i) Credit risk

Credit risk is the risk of a financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises principally from its receivables from customers and deposits with licensed banks. The Company's exposure to credit risk arises principally from trade and other receivables.

The Group has adopted a policy of only dealing with creditworthy counterparties. Management has a credit policy in place to control credit risk by dealing with creditworthy counterparties and deposit with licensed banks with good credit rating. The exposure to credit risk is monitored on an ongoing basis and action will be taken for long outstanding debts.

At each reporting date, the Group and the Company assess whether any if the receivables are credit impaired.

The gross carrying amounts of credit impaired receivables are written off (either partial or full) when there is no realistic prospect of recovery. This is generally the case when the Group or the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. Nevertheless, receivables that are written off could still be subject to enforcement activities.

The carrying amounts of the financial assets recorded on the statements of financial position at the end of the financial year represent the Group's and the Company's maximum exposure to credit risk.

<u>Credit risk concentration</u>

The Group determines the credit risk concentration of its trade receivables on an ongoing basis. The credit risk concentration profile of the Group's trade receivables at the reporting date arising from the amount due from three (3) (30.06.2022: three (3)) customers representing approximately 92% (30.06.2022: 67%) of the total trade receivables.

31. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management objectives and policies (Cont'd)

(ii) Liquidity risk

Liquidity risk refers to the risk that the Group and the Company will encounter difficulty in meeting its financial obligations as they fall due. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

The Group and the Company actively manage their operating cash flows and the availability of funding so as to ensure that all repayment and funding needs are met. As part of its overall prudent liquidity management, the Group and the Company maintain sufficient levels of cash and cash equivalents to meet its working capital requirements and prudently balances its portfolio of short term and long-term funding requirements.

The following table analyses the remaining contractual maturity for financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and the Company can be required to pay.

	Carrying amount RM	On demand within 1 year RM	Between 1 to 5 years RM	More than 5 years RM	Total RM
Group					
31.12.2023					
Trade and other payables (exclude SST payable)	9,365,662	9,365,662	-	-	9,365,662
Lease liabilities	600,866	564,294	76,184		640,478
	9,966,528	9,929,956	76,184	-	10,006,140
30.06.2022					
Trade and other payables (exclude SST payable)	22,822,063	22,822,063	-	-	22,822,063
Lease liabilities	3,607,558	2,462,243	1,403,460	-	3,865,703
	26,429,621	25,284,306	1,403,460	-	26,687,766

31. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management objectives and policies (Cont'd)

(ii) Liquidity risk (Cont'd)

The following table analyses the remaining contractual maturity for financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and the Company can be required to pay. (Cont'd)

	Carrying amount RM	On demand within 1 year RM	Between 1 to 5 years RM	More than 5 years RM	Total RM
Company					
31.12.2023					
Trade and other payables	23,127,318	23,127,318	-	-	23,127,318
Lease liabilities	460,125	484,099	-	-	484,099
	23,587,443	23,611,417	-	-	23,611,417
30.06.2022					
Trade and other payables	19,591,627	19,591,627	-	-	19,591,627
Lease liabilities	2,806,792	2,178,447	847,174	-	3,025,621
	22,398,419	21,770,074	847,174	-	22,617,248

31. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management objectives and policies (Cont'd)

(iii) Market risks

(a) Foreign currency risk

The Group and the Company are exposed to foreign currency risk on transactions that are denominated in currencies other than the respective functional currencies of Group entities. The currencies giving rise to this risk are primarily United States Dollar ("USD"), Singapore Dollar ("SGD"), Chinese Renminbi ("RMB"), Philippines Peso ("PHP"), Thailand Baht ("THB"), Indonesian Rupiah ("IDR"), Vietnamese Dong ("VND"), Hong Kong Dollar ("HKD") and Bangladesh Taka ("BDT").

The Group and the Company have not entered into any derivative instruments for hedging or trading purposes as the net exposure to foreign currency risk is not significant. Where possible, the Group and the Company will apply natural hedging by selling and purchasing in the same currency. However, the exposure to foreign currency risk is monitored from time to time by management.

Exposure to foreign currency risk

The carrying amounts of the Group's and the Company's foreign currency denominated financial assets and financial liabilities which have RM functional currency at the end of the reporting period are as follows:

Group	Trade and other receivables RM	Cash and bank balances RM	Trade and other payables RM	Total RM
31.12.2023				
USD	-	-	(58,108)	(58,108)
SGD	287,756	8,597	(4,261,182)	(3,964,829)
RMB	296,755	30,645	(815,052)	(487,652)
PHP	498,984	77,914	(946,115)	(369,217)
THB	128,628	9,100	(39,324)	98,404
IDR	1,110,528	27,465	(354,803)	783,190
VND	12,628	35,604	(58,677)	(10,445)
HKD	8,918	-	(15,207)	(6,289)
BDT	-	171,281	-	171,281
	2,344,197	360,606	(6,548,468)	(3,843,665)
30.06.2022				
USD	245,557	43,221	(14,611,685)	(14,322,907)
SGD	205,146	19,764	(400,966)	(176,056)
RMB	67,256	39,051	(463,975)	(357,668)
PHP	304,016	44,720	(799,179)	(450,443)
THB	641,364	46,995	(250,904)	437,455
IDR	1,492,435	9,028	(432,509)	1,068,954
VND	23,397	16,505	(109,528)	(69,626)
BDT	-	199,083	-	199,083
HKD	-	-	(11,170)	(11,170)
	2,979,171	418,367	(17,079,916)	(13,682,378)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2023

31. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management objectives and policies (Cont'd)

(iii) Market risks (Cont'd)

(a) Foreign currency risk (Cont'd)

Exposure to foreign currency risk (Cont'd)

The carrying amounts of the Group's and the Company's foreign currency denominated financial assets and financial liabilities which have RM functional currency at the end of the reporting period are as follows: (Cont'd)

Company	Trade and other receivables RM	Cash and bank balances RM	Trade and other payables RM	Total RM
31.12.2023				
USD	-	-	(9,924,252)	(9,924,252)
SGD	-	-	(987,907)	(987,907)
	-	-	(10,912,159)	(10,912,159)
30.06.2022				
USD	-	13,489	(10,939,916)	(10,926,427)
SGD	-	-	(749,556)	(749,556)
	-	13,489	(11,689,472)	(11,675,983)

Foreign currency risk sensitivity analysis

Foreign currency risk arises from the Group and the Company entities mainly have USD, SGD, RMB, PHP, THB, IDR, VND, HKD and BDT.

The following demonstrates the sensitivity of the Group's and the Company's profit after tax to a reasonably possible change in the USD, SGD, RMB, PHP, THB, IDR, VND, HKD and BDT exchange rates against RM, with all other variables held constant:

	Group		Company	
	31.12.2023 RM	30.06.2022 RM	31.12.2023 RM	30.06.2022 RM
Effects of 5% (30.06.2022: 5%) changes to RM against foreign currencies				
Profit/(Loss) before tax				
- USD	±2,905	±716,145	±496,213	±546,321
- SGD	±198,241	±8,803	±49,395	±37,478
- RMB	±24,383	±17,883	-	-
- PHP	±18,461	±22,522	-	-
- THB	±4,920	±21,873	-	-
- IDR	±39,160	±53,448	-	-
- VND	±522	±3,481	-	-
- HKD	±314	±559	-	-
- BDT	±8,564	±9,954	-	-

31. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management objectives and policies (Cont'd)

(iii) Market risks (Cont'd)

(b) Interest rate risk

The Group's and the Company's fixed rate deposits placed with licensed banks and borrowings are exposed to a risk of change in their fair value due to changes in interest rates. The Group's and the Company's variable rate borrowings are exposed to a risk of change in cash flows due to changes in interest rates.

The Group and the Company manage the interest rate risk of its deposits with licensed financial institutions by placing them at the most competitive interest rates obtainable, which yield better returns than cash at bank and maintaining a prudent mix of short and long term deposits.

The Group and the Company manage its interest rate risk exposure from interest bearing borrowings by obtaining financing with the most favourable interest rates in the market. The Group and the Company constantly monitor its interest rate risk by reviewing its debts portfolio to ensure favourable rates are obtained. The Group and the Company do not utilise interest swap contracts or other derivative instruments for trading or speculative purposes.

The interest rate profile of the Group's and of the Company's interest bearing financial instruments, based on carrying amounts as at end of the reporting period was:

	31.12.2023 RM	30.06.2022 RM
Group		
Fixed rate instruments		
Financial asset		
Short-term deposits	51,655	15,905,196
Financial liability		
Lease liabilities	600,866	3,607,558
Company		
Fixed rate instruments		
Financial asset		
Short-term deposits	51,655	15,905,196
Financial liability		
Lease liabilities	460,125	2,806,792

Interest rate risk sensitivity analysis

Interest rate sensitivity analysis

Sensitivity analysis of fixed rate instruments as at the end of the reporting period is not presented as fixed rate instruments are not affected by change in interest rate.

31. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management objectives and policies (Cont'd)

(iii) Market risks (Cont'd)

(c) Market price risk

Market price risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market prices (other than interest or foreign exchange rates).

The Group and the Company are exposed to equity price risk arising from its investment in quoted instrument. This investment is listed on Bursa Malaysia and is classified as fair value through other comprehensive income.

Management of the Group and the Company monitors the value of the equity investments by considering the movements in the quoted price. The buy and sell decisions are approved by the Risk Management Committee of the Group.

Market price risk sensitivity analysis.

At the reporting date, if the stock indices had been 10% higher/lower, with all other variables held constant, the Group's and the Company's profit before tax would have been RM1,000 (30.06.2022: RM1,517,000) respectively lower/higher, arising as a result of higher/lower fair value gain on held for trading investment in equity instrument.

(c) Fair values of financial instruments

The carrying amounts of short-term receivables and payables, and cash and bank balances approximate their fair value due to the relatively short-term nature of these financial instruments and insignificant impact of discounting.

The carrying amount of long-term receivables approximates its fair value on or near reporting date.

The following table provides the fair value measurement hierarchy of the Group's and of the Company's financial instruments:

Financial assets	Carrying amount RM	Fair value of financial instruments carried at fair value Level 1 RM	Level 2 RM	Level 3 RM	Total fair value RM
Group					
31.12.2023					
Other investments	13,361,935	10,935	-	13,351,000	13,361,935
30.06.2022					
Other investments	30,797,349	15,177,455	-	15,619,894	30,797,349
Company					
31.12.2023					
Other investments	10,935	10,935	-	-	10,935
30.06.2022					
Other investments	15,177,455	15,177,455	-	-	15,177,455

32. MATERIAL LITIGATIONS

Her Chor Siong v Cuscapi Berhad and others

On 2 October 2023, Cuscapi Berhad ("the Company") was served with a Writ of Summons and received a Statement of Claim dated 29 September 2023 by Her Chor Siong.

Her Chor Siong was claimed that the Company had published defamatory statements via the letters of complaint dated 24 September 2018 to third parties.

Her Chor Siong had sought for damages, inter alia, amounted to RM20,000,000 and a public apology and retraction of the Letters, Bursa Announcement and the reports lodged with authorities via news portals.

On 4 April 2024, the High Court of Kuala Lumpur had made the judgement that the claim by Her Chor Siong was struck out and required to pay RM10,000 to the Company.

Hitachi System Digital Services (Singapore) PTE. LTD. and others v Cuscapi Malaysia Sdn. Bhd.

On 25 September 2018, the Company and its wholly-owned subsidiary, Cuscapi Malaysia Sdn. Bhd. ("Cuscapi Malaysia") was served with a Writ of Summons and received a Statement of Claim dated 5 September 2018 by Hitachi Digital Services (Singapore) Pte. Ltd. ("Hitachi Singapore").

On 31 December 2020, the High Court Judge allowed the claim commenced by Hitachi Singapore against the Company and Cuscapi Malaysia for a sum of USD3,596,448 together with 5% interest and dismissed the Company and Cuscapi Malaysia's counter claim with cost of RM180,000 against the Defendants in the Counter Claim.

The High Court Judge has granted a consequential order that the sum of RM15,014,835 which has been paid by the Company into the fixed deposit with a licensed bank, together with the accrued interest be uplifted and paid to Hitachi Singapore.

During the financial period, the fixed deposit has been withdrawn from the licensed bank and paid to Hitachi Singapore on 4 August 2022. The remaining outstanding settlement has been settled on 21 October 2022.

33. CAPITAL MANAGEMENT

The Group's management manage its capital to maintain a strong capital base and safeguard the Group's ability to continue as a going concern and maintains an optimal capital structure, so as to maximise shareholders value. The management reviews the capital structure by considering the cost of capital and the risks associated with the capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group monitors capital using a gearing ratio. The Group's policy is to maintain a prudent level of gearing ratio that complies with debt covenants and regulatory requirements. The gearing ratios at end of the reporting period are as follows:

	Group	
	31.12.2023 RM	**30.06.2022 RM**
Total liabilities	10,961,293	27,821,396
Equity attributable to owners of the parent	53,484,876	52,265,305
Debt-to-equity ratio	0.20	0.53

There were no changes in the Group's approach to capital management during the financial period.

The Group is not subject to any externally imposed capital requirements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2023

34. CHANGED OF FINANCIAL YEAR END

On 9 June 2023, the Company changed its financial year end from 30 June to 31 December. The current financial statements of the Company are prepared for a period of eighteen (18) months from 1 July 2022 to 31 December 2023. The financial statements of the Company in the previous financial period are prepared for the financial period of twelve (12) months from 1 July 2021 to 30 June 2022. As a result, the comparative information stated in the statement of comprehensive income, statement of changes in equity and statement of cash flows and the related notes to the financial statements are not comparable.

35. COMPARATIVE FIGURES

During the current financial period, certain comparative were restated to conform with current financial period's presentation. There were no significant impact to the financial performance in relation to the financial period ended 31 December 2023.

	Note	Previously reported RM	Adjustments RM	Restated RM
Group				
Statements of Profit or Loss and Other Comprehensive Income				
Revenue		9,902,028	39,997	9,942,025
Other income		2,316,149	(39,997)	2,276,152
Company				
Statements of Profit or Loss and Other Comprehensive Income				
Revenue		642,919	39,997	682,916
Other income		556,417	(39,997)	516,420

36. DATE OF AUTHORISATION FOR ISSUE

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 18 April 2024.

STATEMENT BY DIRECTORS
PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016

The Directors of Cuscapi Berhad, state that, in their opinion, the accompanying financial statements are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and the Company as at 31 December 2023 and of the financial performance and cash flows of the Group and of the Company for the financial period from 1 July 2022 to 31 December 2023.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors,

....
DATUK JAYAKUMAR A/L PANNEER SELVAM

....
DATUK MAT NOOR BIN NAWI

Kuala Lumpur
18 April 2024

STATUTORY DECLARATION
PURSUANT TO SECTION 251(1)(B) OF THE COMPANIES ACT 2016

I, Eng Szi Lok, being the officer primarily responsible for the financial management of Cuscapi Berhad, do solemnly and sincerely declare that to the best of my knowledge and belief, the accompanying financial statements are, in my opinion, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act 1960.

Subscribed and solemnly declared)
by the abovenamed)
Eng Szi Lok)
at Kuala Lumpur)
in the Federal Territory)
on 18 April 2024)

....
ENG SZI LOK

Before me,

....
COMMISSIONER FOR OATHS

ANALYSIS OF **SHAREHOLDINGS**
AS AT 29 MARCH 2024

Total Issued Share	:	944,884,476 Ordinary Shares
Types of Shares	:	Ordinary Share
Voting Rights	:	One vote per Ordinary Share

DISTRIBUTION OF SHAREHOLDINGS
AS AT 29 MARCH 2024

Size of Shareholdings	No. of Shareholders	No. of Shares	Percentage of Shareholdings (%)
Less than 100	103	4,167	0.0004
100 to 1,000	478	307,595	0.0326
1,001 to 10,000	1,201	8,057,458	0.8527
10,001 to 100,000	1,742	69,913,515	7.3992
100,001 to less than 5% of issued shares	469	474,642,741	50.2329
5% and above of issued shares	6	391,959,000	41.4822
Total	**3,999**	**944,884,476**	**100.0000**

DIRECTORS' SHAREHOLDINGS AS PER THE REGISTER OF DIRECTORS' SHAREHOLDINGS

		Direct Interest		Indirect Interest	
	Names	No. of Shares	Percentage (%)	No. of Shares	Percentage (%)
1.	Datuk Jayakumar A/L Panneer Selvam	2,978,900	0.3153	17,877,700#	1.8921
2.	Dato' Sri Khazali Bin Haji Ahmad	-	-	-	-
3.	Datuk Mat Noor Bin Nawi	-	-	-	-
4.	Dato' Sheah Kok Fah	500,000	0.0529	-	-
5.	Puan Mohaini Binti Mohd Yusof	-	-	-	-

\# *Deemed interested by virtue of his interest in Ultimate Quality Success Sdn Bhd and Rosetta Partners Sdn Bhd pursuant to Section 8 of the Companies Act 2016.*

SUBSTANTIAL SHAREHOLDER AS PER THE REGISTER OF SUBSTANTIAL SHAREHOLDERS

		Direct Interest		Indirect Interest	
	Names	No. of Shares	Percentage (%)	No. of Shares	Percentage (%)
1.	Datin Sri Lee Lan Moi	73,233,400	7.7505	-	-
2.	Jessie Lim Me Xian	68,200,000	7.2178		
3.	Transight Systems Sdn Bhd	64,775,800	6.8554	-	-
4.	Asia Internet Holdings Sdn Bhd	83,250,000	8.8106	-	-
5.	Wong Thean Soon	207,448,300	21.9549	83,250,000#	8.8106

\# *Deemed interested by virtue of his interest in Asia Internet Holdings Sdn Bhd pursuant to Section 8 of the Companies Act 2016.*

ANALYSIS OF SHAREHOLDINGS AS AT 29 MARCH 2024

THIRTY LARGEST SECURITIES ACCOUNT HOLDERS
(ACCORDING TO THE REGISTER OF DEPOSITORS AS AT 29 MARCH 2024)

	Names	No. of Shares	Percentage of Shareholdings (%)
1.	LEE LAN MOI	73,233,400	7.7505
2.	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT – AMBANK (M) BERHAD FOR WONG THEAN SOON	72,100,000	7.6306
3.	JESSIE LIM ME XIAN	68,200,000	7.2178
4.	TRANSIGHT SYSTEMS SDN BHD	64,775,800	6.8554
5.	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR WONG THEAN SOON	63,649,800	6.7363
6.	MIDF AMANAH INVESTMENT NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ASIA INTERNET HOLDINGS SDN BHD	50,000,000	5.2917
7.	DB (MALAYSIA) NOMINEE (TEMPATAN) SENDIRIAN BERHAD EXEMPT AN FOR AHAM ASSET MANAGEMENT BERHAD	46,500,000	4.9212
8.	CIMSEC NOMINEES (ASING) SDN BHD EXEMPT AN FOR CIMB INVESTMENT BANK BERHAD	41,827,200	4.4267
9.	AURA FOKUS SDN BHD	37,990,000	4.0206
10.	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR WONG THEAN SOON	37,300,000	3.9476
11.	TA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR WONG THEAN SOON	26,700,000	2.8257
12.	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT – AMBANK (M) BERHAD FOR ASIA INTERNET HOLDINGS SDN BHD	23,250,000	2.4606
13.	WEE KA KENG	12,938,900	1.3694
14.	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR ASIA INTERNET HOLDINGS SDN. BHD.	10,000,000	1.0583
15.	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR YONG CHEN VOON	8,503,900	0.9000
16.	RICKOH CORPORATION SDN BHD	7,494,600	0.7932
17.	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR WONG THEAN SOON (PB)	7,200,000	0.7620
18.	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TAN KIM HEUNG (MY1989)	6,180,310	0.6541
19.	QUEK TEE KIAM	4,395,600	0.4652
20.	LIM KOK HAN	4,103,700	0.4343
21.	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR GOH CHENG HOE (M01)	4,100,000	0.4339
22.	ANG CHIN JOO	3,531,806	0.3738
23.	CHIANG KAI LOON	3,500,000	0.3704
24.	PACIFIC TRUSTEES BERHAD FOR ULTIMATE QUALITY SUCCESS SDN BHD	3,426,700	0.3627
25.	PINANG INOVASI SDN BHD	3,365,000	0.3561
26.	SRI PARANTHAMAN A/L AYARPADDE	3,140,000	0.3323
27.	K MAYAH A/P KUPPUSAMY @ NAGHURAN	3,017,900	0.3194
28.	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHIN CHIN SEONG (7014455)	3,000,000	0.3175
29.	FOONG WENG KEAT	3,000,000	0.3175
30.	T.T.A. POLYMERS (M) SDN. BHD.	2,800,000	0.2963

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Forty-Fourth Annual General Meeting ("**44th AGM**") of the Company will be conducted virtually through live streaming and online remote voting using Remote Participation and Voting ("**RPV**") Facilities from the broadcast venue at Level 43A, MYEG Tower, Empire City, No.8, Jalan Damansara, PJU 8, 47820 Petaling Jaya, Selangor Darul Ehsan on Wednesday, 19 June 2024 at 2.30 p.m. or at any adjournment thereof for the following purposes:

AS ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial period ended 31 December 2023 together with the Reports of the Directors and Auditors thereon. — **Please refer to Explanatory Note A**

2. To re-elect the following Directors who retire pursuant to Clause 105 of the Company's Constitution and who being eligible, have offered themselves for re-election: -

   (a) Dato' Sheah Kok Fah — **Ordinary Resolution 1**
   (b) Datuk Mat Noor Bin Nawi — **Ordinary Resolution 2**

3. To approve the payment of Directors' fees amounting to RM630,000 to the Directors of the Company for the financial period ended 31 December 2023. — **Ordinary Resolution 3**

4. To approve the payment of meeting allowances to the Directors up to an amount of RM90,000 from the 44th AGM up to the conclusion of the Forty-Fifth (45th) Annual General Meeting. — **Ordinary Resolution 4**

5. To re-appoint UHY as Auditors of the Company and to hold office until the conclusion of the next Annual General Meeting at such remuneration to be determined by the Directors of the Company. — **Ordinary Resolution 5**

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolutions:-

6. Authority to allot and issue shares in general pursuant to Sections 75 and 76 of the Companies Act 2016 — **Ordinary Resolution 6**

   "THAT pursuant to Sections 75 and 76 of the Companies Act 2016 and subject to the approvals of the relevant governmental/ regulatory authorities, the Directors be and are hereby empowered to issue shares in the capital of the Company from time to time and upon such terms and conditions and for such purposes as the Directors, may in their absolute discretion deem fit, provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the total number of issued shares of the Company for the time being and that the Directors be and are hereby also empowered to obtain approval from the Bursa Malaysia Securities Berhad for the listing and quotation of the additional shares so issued and that such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company.

   AND THAT pursuant to Section 85 of the Companies Act 2016 read together with Clause 61 of the Company's Constitution, approval be and is hereby given to waive the statutory pre-emptive rights of the shareholders of the Company to be offered new shares ranking equally to the existing issued shares."

7. To transact any other business of which due notice shall have been given.

BY ORDER OF THE BOARD

TAN TONG LANG (MAICSA 7045482 & SSM PC No. 202208000250)
TAN LAY KHOON (MAICSA 7077867 & SSM PC No. 202208000544)
Company Secretaries

Kuala Lumpur
Dated : 30 April 2024

NOTES:

1. The Company's 44th AGM will be held as a virtual meeting through live streaming and online remote voting using RPV Facilities. Please refer to the Administrative Guide for the procedures to register, participate and vote remotely using RPV Facilities provided by Agmo Digital Solutions Sdn. Bhd. via its Vote2U online website at https://web.vote2u.my

2. In compliance with Section 327(2) of the Act, the Chairman of the meeting shall be present at the main venue of the meeting in Malaysia and in line with the Securities Commission Malaysia's Guidance Note, the Broadcast Venue will be strictly limited to only essential individuals for organising and conducting the virtual AGM.

   No shareholders and proxies will be allowed to be physically present nor enter the Broadcast Venue.

3. Pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Securities, voting at the 44th AGM will be conducted by poll rather than a show of hands. Poll Administrator and Independent Scrutineers will be appointed to conduct the polling process and verify the poll results, respectively. Shareholders and proxies will be voting remotely using RPV Facilities via Vote2U at https://web.vote2u.my

4. A member entitled to attend and vote at this virtual meeting is entitled to appoint a proxy/proxies to attend and vote in his/her stead. A proxy may but need not be a member of the Company. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at the virtual meeting shall have the same rights as the member to speak at the Meeting.

5. Where a member appoints more than one proxy, the appointment shall be invalid unless he/she specifies the proportions of his/her holdings to be represented by each proxy.

6. Where a member is an Exempt Authorised Nominee who holds ordinary shares in the Company for multiple beneficial owners in one securities account ("**omnibus account**"), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.

7. In the case of an individual, the Proxy Form shall be signed by the appointer or his attorney, and in the case of a corporation, shall be executed under its Common Seal or under the hand of its attorney of the corporation duly authorised.

8. For the purpose of determining a member who shall be entitled to attend the 44th AGM, the Company shall request Bursa Malaysia Depository Sdn Bhd to issue a Record of Depositors as at 10 June 2024. Only a depositor whose name appears on the Record of the Depositor as at 10 June 2024 shall be entitled to attend the said virtual meeting or appoint proxies to attend and/or vote on his/her behalf.

9. To be valid, the Proxy Form duly completed and signed must be deposited at the Share Registrar's Office, Aldpro Corporate Services Sdn. Bhd. at B-21-1, Level 21, Tower B, Northpoint Mid Valley City, No. 1, Medan Syed Putra Utara, 59200 Kuala Lumpur not less than forty-eight (48) hours before the time set for holding the virtual meeting (not later than Monday, 17 June 2024 at 2.30p.m.) or any adjournment thereof.

Explanatory Notes

a. Item 1 of the Agenda - Audited Financial Statements for the financial period ended 31 December 2023

   This item of the Agenda is for discussion purposes only, as Section 340(1)(a) of the Companies Act 2016 does not require the shareholders to formally approve the Audited Financial Statements. Therefore, this item will not be put forward for voting.

NOTICE OF ANNUAL GENERAL MEETING

b. Ordinary Resolution 1 to 2 – Re-election of the Directors who retire pursuant to the Clause 105 of the Company's Constitution

Dato' Sheah Kok Fah and Datuk Mat Noor Bin Nawi ("the Retiring Directors") who are standing for re-election as the Directors of the Company pursuant to the Clause 105 at the forthcoming 44th AGM and who are being eligible for re-election have offered themselves for re-election in accordance with the Company's Constitution.

The Board of Directors through the Nomination and Remuneration Committee has deliberated on the suitability of the Retiring Directors to be re-elected as Directors. Upon deliberation, the Board (except for the respective Director concerned) collectively agreed that the Retiring Directors meet the criteria of character, experience, integrity, competence and time commitment to effectively discharge their respective roles as Directors of the Company and recommended the Retiring Directors be re-elected as the Directors of the Company.

c. Ordinary Resolution 6 - Authority to allot and issue shares in general pursuant to Sections 75 and 76 of the Companies Act 2016

The proposed Resolution 6 if passed, is a renewal of general mandate to the Directors of the Company to issue and allot shares at any time to such persons in their absolute discretion without convening a general meeting as it would be time consuming to organise a general meeting. The general mandate will provide flexibility and expediency to the Company for any possible fundraising activities involving the issuance or placement of shares to facilitate business expansion or strategic merger and acquisition opportunities involving equity deals or part equity or to fund future investment project(s) or working capital requirements, which the Directors of the Company consider to be in the best interest of the Company.

Unless revoked or varied by the Company in a general meeting, this authority will expire at the conclusion of the next Annual General Meeting of the Company.

As at the date of this Notice, the Company has not issued any new shares pursuant to the general mandate obtained during the previous Annual General Meeting held on 15 December 2022. Hence, no proceeds were raised from the previous general mandate.

Pursuant to Section 85 of the Companies Act 2016 read together with Clause 61 of the Constitution of the Company, the shareholders have pre-emptive rights to be offered any new shares in the Company which rank equally to the existing issued shares in the Company or other convertible securities.

The proposed Ordinary Resolution 6, if passed, would allow the Directors to issue new shares to any person under the general mandate without having to offer the new Company shares to be issued equally to all existing shareholders of the Company prior to issuance.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

Pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Securities:-

1. Details of individual who are standing for election as Directors (excluding Directors for re-election).

   No individual is seeking election as a Director at the 44th AGM of the Company.

2. General mandate for issue of securities in accordance with Paragraph 6.03 of the Listing Requirements of Bursa Securities.

   The details of the proposed authority for Directors of the Company to issue shares in the Company pursuant to Sections 75 and 76 of the Companies Act 2016 is set out under Explanatory Note.

cuscapi®

CUSCAPI BERHAD
[Registration No. 197801006160 (43190-H)]

PROXY FORM

No. of Shares Held	
CDS Account No.	

I/We ____________________ I.C./Passport/Company No. ____________________

of ____

being a member/members of CUSCAPI BERHAD hereby appoint ____________________

I.C./Passport/Company No. ____________________ Email Address: ____________________

Contact No. ____________________ of ____________________

____

or failing him/her, ____________________ I.C./Passport/Company No. ____________________

Email Address: ____________________ Contact No. ____________________

of ____

____

or* the CHAIRMAN OF THE MEETING* as *my/our Proxy(ies) to vote for *me/us and act on *my/our behalf at the Forty-Fourth Annual General Meeting ("**44th AGM**") of the Company will be conducted virtually through live streaming and online remote voting using Remote Participation and Voting ("**RPV**") Facilities from the broadcast venue at Level 43A, MYEG Tower, Empire City, No.8, Jalan Damansara, PJU 8, 47820 Petaling Jaya, Selangor Darul Ehsan, on Wednesday, 19 June 2024 at 2.30 p.m. or at any adjournment thereof.

The proxy is to vote on the Resolutions set out in the Notice of the Meeting as indicated with an "X" in the appropriate spaces. If no specific direction as to the voting is given, the Proxy will vote or abstain from voting at his/her discretion.

		FOR	**AGAINST**
ORDINARY RESOLUTION 1	To re-elect Dato' Sheah Kok Fah who retires in accordance with Clause 105 of the Company's Constitution		
ORDINARY RESOLUTION 2	To re-elect Datuk Mat Noor Bin Nawi who retires in accordance with Clause 105 of the Company's Constitution		
ORDINARY RESOLUTION 3	To approve the payment of Directors' fees amounting to RM630,000 to the Directors of the Company for the financial period ended 31 December 2023.		
ORDINARY RESOLUTION 4	To approve the payment of meeting allowances to the Directors up to an amount of RM90,000 from the 44th AGM until the conclusion of the Forty-Fifth (45th) Annual General Meeting.		
ORDINARY RESOLUTION 5	To re-appoint UHY as Auditors of the Company and to hold office until the conclusion of the next Annual General Meeting at such remuneration to be determined by the Directors of the Company.		
ORDINARY RESOLUTION 6	To grant authority to Directors to issue shares pursuant to Sections 75 and 76 of the Companies Act 2016		

Signed this............. day of 2024

....
Signature of Shareholder(s)

The proportions of my/our holdings to be represented by my/our proxies are as follows:-

First Proxy
No. of Shares: ……………………………
Percentage : …………………………...%

Second Proxy
No. of Shares: ……………………………
Percentage : …………………………...%

NOTES:

1. The Company's 44th AGM will be held as a virtual meeting through live streaming and online remote voting using RPV Facilities. Please refer to the Administrative Guide for the procedures to register, participate and vote remotely using RPV Facilities provided by Agmo Digital Solutions Sdn. Bhd. via its Vote2U online website at https://web.vote2u.my
2. In compliance with Section 327(2) of the Act, the Chairman of the meeting shall be present at the main venue of the meeting in Malaysia and in line with the Securities Commission Malaysia's Guidance Note, the Broadcast Venue will be strictly limited to only essential individuals for organising and conducting the virtual AGM.
   No shareholders and proxies will be allowed to be physically present nor enter the Broadcast Venue.
3. Pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Securities, voting at the 44th AGM will be conducted by poll rather than a show of hands. Poll Administrator and Independent Scrutineers will be appointed to conduct the polling process and verify the poll results, respectively. Shareholders and proxies will be voting remotely using RPV Facilities via Vote2U at https://web.vote2u.my
4. A member entitled to attend and vote at this virtual meeting is entitled to appoint a proxy/proxies to attend and vote in his/her stead. A proxy may but need not be a member of the Company. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at the virtual meeting shall have the same rights as the member to speak at the Meeting.
5. Where a member appoints more than one proxy, the appointment shall be invalid unless he/she specifies the proportions of his/her holdings to be represented by each proxy.
6. Where a member is an Exempt Authorised Nominee who holds ordinary shares in the Company for multiple beneficial owners in one securities account ("**omnibus account**"), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.
7. In the case of an individual, the Proxy Form shall be signed by the appointer or his attorney, and in the case of a corporation, shall be executed under its Common Seal or under the hand of its attorney of the corporation duly authorised.
8. For the purpose of determining a member who shall be entitled to attend the 44th AGM, the Company shall request Bursa Malaysia Depository Sdn Bhd to issue a Record of Depositors as at 10 June 2024. Only a depositor whose name appears on the Record of the Depositor as at 10 June 2024 shall be entitled to attend the said virtual meeting or appoint proxies to attend and/or vote on his/her behalf.
9. To be valid, the Proxy Form duly completed and signed must be deposited at the Share Registrar's Office, Aldpro Corporate Services Sdn. Bhd. at B-21-1, Level 21, Tower B, Northpoint Mid Valley City, No.1, Medan Syed Putra Utara, 59200 Kuala Lumpur not less than forty-eight (48) hours before the time set for holding the virtual meeting (not later than Monday, 17 June 2024 at 2.30 p.m.) or any adjournment thereof.

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AFFIX
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The Share Registrar of

CUSCAPI BERHAD
[Registration No. 197801006160 (43190-H)]
c/o Aldpro Corporate Services Sdn Bhd
B-21-1, Level 21, Tower B,
Northpoint Mid Valley City,
No.1, Medan Syed Putra Utara,
59200 Kuala Lumpur

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CUSCAPI BERHAD
197801006160 (43190-H)

Level 27 & 28, Block N, Empire City Damansara,
No. 8, Jalan Damansara, PJU 8, 47820 Petaling Jaya,
Selangor Darul Ehsan, Malaysia.

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