

**SANCY BERHAD**  
**201701044626 (1258799-P)**  
**(Incorporated in Malaysia)**

**FINANCIAL REPORT FOR THE**  
**YEAR ENDED 31 MARCH 2024**

201701044626 (1258799-P)

**SANCY BERHAD**  
**(Incorporated in Malaysia)**

**FINANCIAL REPORT FOR THE**  
**YEAR ENDED 31 MARCH 2024**

**PCCO PLT**  
CHARTERED ACCOUNTANTS  
NO. 17, JALAN IPOH KECIL  
50350 KUALA LUMPUR

**SANCY BERHAD**  
**(Incorporated in Malaysia)**

**FINANCIAL REPORT FOR THE**  
**YEAR ENDED 31 MARCH 2024**

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**SANCY BERHAD**  
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## **CORPORATE INFORMATION**

### **BOARD OF DIRECTORS**

Tan Sri Dato' Seri Shahril Bin Shamsuddin  
Prabuddha Kumar Pronob Chakraverty  
Dr. Izhar Bin Che Mee

### **SECRETARIES**

Chua Siew Chuan (MAICSA 0777689)  
Yau Jye Yee (MAICSA 7059233)

### **REGISTERED OFFICE**

Level 7, Menara Millenium  
Jalan Damanlela  
Pusat Bandar Damansara  
Damansara Heights  
50490 Kuala Lumpur

### **PRINCIPAL PLACE OF BUSINESS**

A-2-10, TTDI Plaza  
Jalan Wan Kadir 3  
Taman Tun Dr. Ismail  
60000 Kuala Lumpur

### **AUDITORS**

PCCO PLT  
Chartered Accountants  
Kuala Lumpur

**SANCY BERHAD**  
**(Incorporated in Malaysia)**

**DIRECTORS' REPORT**

**for the financial year ended 31 March 2024**

The directors have pleasure in submitting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 March 2024.

**PRINCIPAL ACTIVITIES**

The Company is principally engaged in the business of investment holding and provision of digital healthcare solutions, other non-clinical information management system, and related services. The principal activities of the subsidiaries are disclosed in Note 13 to the financial statements. There have been no significant changes in the nature of the activities of the Company and the subsidiary companies during the financial year.

**RESULTS**

	<b>GROUP RM</b>	<b>COMPANY RM</b>
Profit for the year	<u>1,897,594</u>	<u>1,736,123</u>

**DIVIDEND**

No dividend has been paid, declared or proposed by the Company since the end of the previous financial year and the directors do not recommend any dividend for the current financial year.

**SHARE CAPITAL**

The Company did not issue any shares or debentures during the financial year.

**RESERVES AND PROVISIONS**

There were no material transfers to or from reserves or provisions during the financial year except as disclosed in the financial statements.

**SANCY BERHAD**  
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**DIRECTORS' REPORT** *(continued)*

**OPTIONS GRANTED OVER UNISSUED SHARES**

The Company has on 4 April 2022 entered into a call option agreement with Tan Sri Dato' Seri Shahril Bin Shamsuddin ("TSS") to further subscribe for an additional 10% of the entire issued share capital of the Company at the exercise price of RM0.16 per share ("Call Option Agreement")("Call Option"). The Company announced that the Call Option has lapsed on 21 July 2023. Further details of the Call Option is disclosed in Note 30 to the financial statements.

**DIRECTORS**

The directors of the Group and of the Company in office during the financial year and up to the date of this report are:

Tan Sri Dato' Seri Shahril Bin Shamsuddin  
 Prabuddha Kumar Pronob Chakravertty (also a director of all subsidiaries)  
 Dr. Izhar Bin Che Mee (also a director of all subsidiaries)

**DIRECTORS' INTERESTS**

According to the Register of Directors' Shareholdings, the interests of directors in office at the end of the financial year in shares in the Company and its related corporations were as follows:

	As at 1/4/2023	No. of ordinary shares		As at 31/3/2024
		Bought	Sold	
<b>The Company</b>				
<b>Direct interests</b>				
Tan Sri Dato' Seri Shahril Bin Shamsuddin	67,917,426	-	-	67,917,426
Prabuddha Kumar Pronob Chakravertty	120,000	5,000	-	125,000
Dr. Izhar Bin Che Mee	400,000	-	-	400,000
<b>Indirect interests</b>				
Tan Sri Dato' Seri Shahril Bin Shamsuddin				
- Sapura Capital Sdn. Bhd.	69,586,426	-	-	69,586,426
- Abdul Hadi Bin Shahril	85,000	-	-	85,000

**SANCY BERHAD**  
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**DIRECTORS' REPORT** *(continued)*

**DIRECTORS' INTERESTS** *(continued)*

	As at 1/4/2023	No. of ordinary shares		As at 31/3/2024
		Bought	Sold	
<b>The Company</b>				
<b>Indirect interests</b>				
Prabuddha Kumar Pronob Chakraverty				
- Sancy Consulting Sdn. Bhd.	307,866,077	-	-	307,866,077
- Sancy Holdings Sdn. Bhd.	155,000,000	-	-	155,000,000
Dr. Izhar Bin Che Mee				
- Sancy Consulting Sdn. Bhd.	307,866,077	-	-	307,866,077
<b>Corporate Shareholders</b>				
<b>Direct interest</b>				
Prabuddha Kumar Pronob Chakraverty				
- Sancy Consulting Sdn. Bhd.	2,000	-	-	2,000
- Sancy Holdings Sdn. Bhd.	8,500	-	-	8,500
Dr. Izhar Bin Che Mee				
- Sancy Consulting Sdn. Bhd.	8,000	-	-	8,000
<b>Indirect interests</b>				
Tan Sri Dato' Seri Shahril Bin Shamsuddin				
- Sapura Capital Sdn. Bhd.	2	-	-	2
Prabuddha Kumar Pronob Chakraverty				
- Sancy Holdings Sdn. Bhd.	7,000	-	-	7,000

The above directors by virtue of their shareholdings in the Company and corporate shareholders are also deemed interested in shares in the Company and its related corporations to the extent the Company has an interest.

**SANCY BERHAD**  
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**DIRECTORS' REPORT** *(continued)*

**DIRECTORS' BENEFITS**

Since the end of the previous financial year, no director has received or become entitled to receive a benefit (other than benefits disclosed as directors' remuneration) by reason of a contract made by the Company or a related corporation with the director or with a firm of which he is a member, or with a company in which he has a substantial financial interest except as disclosed in Note 25 to the financial statements.

Neither at the end of the financial year, nor at anytime during the financial year, did there subsist any arrangement to which the Company is a party, being arrangements with the object or objects of enabling directors to acquire benefits by means of the acquisition of shares in the Company or shares in, or debentures of any other body corporate.

**DIRECTORS' REMUNERATION**

Details of the directors' remuneration are set out below:

	<b>GROUP AND COMPANY</b> <b>RM</b>
Fees	12,000
Other emoluments	367,500
Defined contribution plan	743
	<hr/> <u>380,243</u>

**INDEMNIFYING DIRECTORS, OFFICERS AND AUDITORS**

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been the director, officer or auditor of the Group and of the Company.

**SANCY BERHAD**  
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**DIRECTORS' REPORT** *(continued)*

**STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS**

- (a) Before the financial statements of the Group and of the Company were prepared, the directors took reasonable steps:
- (i) to ascertain that proper 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 values of current assets as shown in the accounting records of the Group and of the Company have been written down to amounts which they 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 written off for bad debts 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) 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.
- (c) As at the date of this report, there does not exist:
- (i) any charges on the assets of the Group and of the Company which have arisen since the end of the financial year which secures the liabilities of any other person; and
  - (ii) any contingent liabilities of the Group or of the Company which have arisen since the end of the financial year.
- (d) At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in the report or financial statements of the Group and of the Company, which would render any amount stated in the financial statements misleading.

**SANCY BERHAD**  
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**DIRECTORS' REPORT** *(continued)*

**STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS** *(continued)*

- (e) No contingent or other liability has become enforceable, or is likely to become enforceable, within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may affect the ability of the Group or of the Company to meet their obligations when they fall due.
- (f) In the opinion of the directors:
  - (i) the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature other than the receipt of a partial compensation of profit guarantee amounting to RM1,800,000 (2023: RM1,500,000) as disclosed in Note 7 to the financial statements.
  - (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group and of the Company for the current financial year in which this report is made.

**SUBSIDIARIES**

Details of subsidiaries are set out in Note 13 to the financial statements.

**SIGNIFICANT EVENT DURING THE FINANCIAL YEAR**

The significant event during the financial year is as disclosed in Note 30 to the financial statements.

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**DIRECTORS' REPORT** *(continued)*

**AUDITORS**

The auditors' remuneration for the Group and for the Company for the financial year ended 31 March 2024 is RM58,000 and RM45,000 respectively.

The auditors, PCCO PLT, have indicated their willingness to continue in office.

On behalf of the Board

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**PRABUDDHA KUMAR PRONOB**  
**CHAKRAVERTTY**

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**DR. IZHAR BIN CHE MEE**

Kuala Lumpur  
Date: 29 July 2024

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**SANCY BERHAD**  
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**STATEMENT BY DIRECTORS**

In the opinion of the directors, the financial statements set out on pages 17 to 70 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 of the Company as at 31 March 2024 and of their financial performance and cash flows for the year then ended.

Signed in accordance with a resolution of the Board

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**PRABUDDHA KUMAR PRNOB**  
**CHAKRAVERTTY**

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**DR. IZHAR BIN CHE MEE**

Kuala Lumpur  
Date: 29 July 2024

201701044626 (1258799-P)

**SANCY BERHAD**  
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**STATUTORY DECLARATION**

I, Prabuddha Kumar Pronob Chakraverty, being the director responsible for the financial management of Sancy Berhad, do solemnly and sincerely declare that to the best of my knowledge and belief, the financial statements set out on pages 17 to 70 are 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.

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**PRABUDDHA KUMAR PRONOB**  
**CHAKRAVERTTY**

Subscribed and solemnly declared at Kuala Lumpur, Wilayah Persekutuan on 29 July 2024.

Before me:

SHAHRIZAL NASRUL (W1015)  
Commissioner for Oaths

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
SANCY BERHAD 201701044626 (1258799-P)  
(Incorporated in Malaysia)**

**Report on the Audit of the Financial Statements**

**Opinion**

We have audited the financial statements of Sancy Berhad, which comprise the statements of financial position as at 31 March 2024 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 17 to 70.

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 March 2024 and of their financial performance and their cash flows for the year then ended 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 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 the IESBA Code.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
SANCY BERHAD (*continued*)  
(Incorporated in Malaysia)**

**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 year. 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 Matter – Impairment assessment on intangible assets (“Software Systems”)*

As disclosed in Note 12 to the financial statements.

The Group is required to perform annual impairment test on intangible assets with an indefinite useful life ("Software Systems"), irrespective of whether there is an indication of impairment. Such assets are tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired. The Group estimated the recoverable amount of its Software Systems based on the value-in-use ("VIU") model, which involves projecting the future cash inflows and outflows that will be derived from the Software Systems, and discounting them at an appropriate rate.

The impairment assessment of the Software Systems required the management to exercise significant judgement due to the inherent uncertainty involved in forecasting and discounting future cash flows which were used as the basis for assessment of recoverable amount.

Our audit procedures included amongst others the following:

- Held discussions with senior management to understand the basis of the assumptions used in forming the estimates underpinning the assessment of the recoverable amount of the Software Systems stated in Note 12.
- Assessed and evaluated the reasonableness of the assumptions used.
- Assessed and reviewed the disclosures in the financial statements.

There are no key audit matters in relation to the financial statements of the Company.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
SANCY BERHAD (*continued*)  
(Incorporated in Malaysia)**

**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 does 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 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  
SANCY BERHAD (*continued*)  
(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 these 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.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
SANCY BERHAD *(continued)*  
(Incorporated in Malaysia)**

**Auditors' Responsibilities for the Audit of the Financial Statements *(continued)***

- 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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purpose 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 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.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
SANCY BERHAD (*continued*)  
(Incorporated in Malaysia)**

**Other Matters**

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.

**PCCO PLT (LLP0000506-LCA)**  
No. AF 1056  
Chartered Accountants

**TAN LI LEE**  
No. 02965/05/2025 J  
Chartered Accountant

Kuala Lumpur  
Date: 29 July 2024

**SANCY BERHAD**  
**(Incorporated in Malaysia)**

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

for the year ended 31 March 2024

	NOTE	2024 RM	2023 RM
REVENUE	6	5,264,948	4,721,761
COST OF SALES		<u>(2,053,574)</u>	<u>(2,588,489)</u>
GROSS PROFIT		3,211,374	2,133,272
OTHER INCOME		1,848,133	1,532,098
ADMINISTRATIVE EXPENSES		(2,634,737)	(3,177,873)
OTHER EXPENSES		-	(111,215)
FINANCE COSTS		(10,014)	(7,292)
SHARE OF RESULTS OF ASSOCIATE COMPANIES		<u>-</u>	<u>(20)</u>
PROFIT BEFORE TAXATION	7	2,414,756	368,970
TAXATION	8	<u>(517,162)</u>	<u>36,963</u>
PROFIT FOR THE YEAR		1,897,594	405,933
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>1,897,594</u>	<u>405,933</u>
PROFIT FOR THE YEAR ATTRIBUTABLE TO:			
OWNERS OF THE PARENT		<u>1,897,594</u>	<u>405,933</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR ATTRIBUTABLE TO:			
OWNERS OF THE PARENT		<u>1,897,594</u>	<u>405,933</u>
EARNINGS PER SHARE (sen)			
- basic	9	<u>0.28</u>	<u>0.06</u>
- diluted	9	<u>0.28</u>	<u>0.06</u>

The accompanying notes are an integral part of these financial statements.

**SANCY BERHAD**  
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**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

**as at 31 March 2024**

	<b>NOTE</b>	<b>2024 RM</b>	<b>2023 RM</b>
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	10	182,408	206,099
Right-of-use assets	11	333,552	135,038
Intangible assets	12	21,779,395	17,542,451
Goodwill	16	-	-
Deferred tax assets	15	45,000	5,300
		22,340,355	17,888,888
<b>CURRENT ASSETS</b>			
Trade and other receivables	17	1,989,799	2,933,534
Contract assets	18	24,882	62,774
Tax recoverable		186,500	99,000
Cash and cash equivalents	19	323,976	2,485,012
		2,525,157	5,580,320
<b>TOTAL ASSETS</b>		<b>24,865,512</b>	<b>23,469,208</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT</b>			
Share capital	20	20,167,541	20,167,541
Retained profits		3,819,250	1,921,656
<b>TOTAL EQUITY</b>		<b>23,986,791</b>	<b>22,089,197</b>
<b>NON-CURRENT LIABILITIES</b>			
Lease liabilities	22	184,217	72,817
<b>CURRENT LIABILITIES</b>			
Trade and other payables	23	440,284	1,096,234
Contract liabilities	24	13,327	109,465
Lease liabilities	22	175,193	101,495
Taxation		65,700	-
		694,504	1,307,194
<b>TOTAL LIABILITIES</b>		<b>878,721</b>	<b>1,380,011</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>24,865,512</b>	<b>23,469,208</b>

The accompanying notes are an integral part of these financial statements.

**SANCY BERHAD**  
**(Incorporated in Malaysia)**

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

**for the year ended 31 March 2024**

	← Attributable to owners of the Parent →			
	Share capital RM	Capital contribution RM	Retained profits RM	Total RM
Balance at 1 April 2022	12,501,503	662,400	1,515,723	14,679,626
Issuance of shares	7,666,038	(662,400)	-	7,003,638
Profit for the year	-	-	405,933	405,933
Total comprehensive income	-	-	405,933	405,933
Balance at 31 March 2023	20,167,541	-	1,921,656	22,089,197
Balance at 1 April 2023	20,167,541	-	1,921,656	22,089,197
Profit for the year	-	-	1,897,594	1,897,594
Total comprehensive income	-	-	1,897,594	1,897,594
Balance at 31 March 2024	20,167,541	-	3,819,250	23,986,791

The accompanying notes are an integral part of these financial statements.

**SANCY BERHAD**  
**(Incorporated in Malaysia)**

**CONSOLIDATED STATEMENT OF CASH FLOWS**

**for the year ended 31 March 2024**

	NOTE	2024 RM	2023 RM
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before taxation		2,414,756	368,970
Adjustments for:			
Depreciation of property, plant and equipment		72,426	83,351
Depreciation of right-of-use assets		128,992	111,968
Impairment loss of goodwill		-	3,000
Impairment loss of trade receivables		-	108,215
Interest expense		10,014	7,292
Interest income		(24,133)	(28,236)
Gain on lease termination		-	(362)
Discount on lease rental		-	(3,500)
Share of results of associate		-	20
Reversal of impairment loss no longer required		(15,000)	-
Short term leases		126,120	-
Low value assets leases		300	-
		<hr/>	<hr/>
Profit before working capital changes		2,713,475	650,718
Working capital changes:			
Trade and other receivables		958,735	(2,046,003)
Contract assets		37,892	(15,807)
Trade and other payables		(655,950)	602,688
Contract liabilities		(96,138)	109,465
		<hr/>	<hr/>
Cash inflows/(outflows) from operations		2,958,014	(698,939)
Tax paid		(578,662)	(303,237)
Short term leases paid		(126,120)	-
Low value leases paid		(300)	-
Interest paid		(10,014)	-
		<hr/>	<hr/>
Net cash inflows/(outflows) from operating activities		<u>2,242,918</u>	<u>(1,002,176)</u>

**SANCY BERHAD**  
**(Incorporated in Malaysia)**

**CONSOLIDATED STATEMENT OF CASH FLOWS** *(continued)*

**for the year ended 31 March 2024**

	NOTE	2024 RM	2023 RM
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Acquisition of subsidiaries	A	-	(1)
Acquisition of an associate		-	(20)
Additions of intangible assets		(4,236,944)	(3,454,281)
Purchase of property, plant and equipment		(48,735)	(200,493)
Interest received		24,133	28,236
		<u>                    </u>	<u>                    </u>
Net cash outflows from investing activities		(4,261,546)	(3,626,559)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Drawdown of hire purchase facility		-	33,300
Repayment of hire purchase creditor		(4,351)	(1,481)
Repayment of lease liabilities		(138,057)	(112,000)
Proceeds from issuance of ordinary shares		-	7,003,638
		<u>                    </u>	<u>                    </u>
Net cash (outflows)/inflows from financing activities	B	(142,408)	6,923,457
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>		(2,161,036)	2,294,722
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>		<u>2,485,012</u>	<u>190,290</u>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	19	<u>323,976</u>	<u>2,485,012</u>

**SANCY BERHAD**  
**(Incorporated in Malaysia)**

**CONSOLIDATED STATEMENT OF CASH FLOWS** *(continued)*

**for the year ended 31 March 2024**

**A. ACQUISITION OF SUBSIDIARIES ARE AS FOLLOWS:**

	<b>2024</b>	<b>2023</b>
	<b>RM</b>	<b>RM</b>
Cost of investment	<u>-</u>	<u>(1)</u>

**B. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES**

	<b>As at</b>	<b>Cash flows</b>	<b>Non-cash</b>	<b>As at</b>
	<b>1 April 2023</b>	<b>movements</b>	<b>movements</b>	<b>31 March 2024</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
Lease liabilities	174,312	(142,408)	327,506	359,410
	<u>174,312</u>	<u>(142,408)</u>	<u>327,506</u>	<u>359,410</u>
	<b>As at</b>	<b>Cash flows</b>	<b>Non-cash</b>	<b>As at</b>
	<b>1 April 2022</b>	<b>movements</b>	<b>movements</b>	<b>31 March 2023</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
Capital contributions	662,400	-	(662,400)	-
Lease liabilities	189,241	(80,181)	65,252	174,312
Share capital	12,501,503	7,003,638	662,400	20,167,541
	<u>13,353,144</u>	<u>6,923,457</u>	<u>65,252</u>	<u>20,341,853</u>

The accompanying notes are an integral part of these financial statements.

**SANCY BERHAD**  
**(Incorporated in Malaysia)**

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

**for the year ended 31 March 2024**

	NOTE	2024 RM	2023 RM
<b>REVENUE</b>	6	4,728,348	4,721,761
<b>COST OF SALES</b>		<u>(1,806,574)</u>	<u>(2,588,489)</u>
<b>GROSS PROFIT</b>		2,921,774	2,133,272
<b>OTHER INCOME</b>		1,848,133	1,532,098
<b>ADMINISTRATIVE EXPENSES</b>		(2,572,308)	(3,155,685)
<b>OTHER EXPENSES</b>		-	(108,215)
<b>FINANCE COSTS</b>		<u>(10,014)</u>	<u>(7,292)</u>
<b>PROFIT BEFORE TAXATION</b>	7	2,187,585	394,178
<b>TAXATION</b>	8	<u>(451,462)</u>	<u>36,963</u>
<b>PROFIT FOR THE YEAR</b>		1,736,123	431,141
<b>OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX</b>		<u>-</u>	<u>-</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<u>1,736,123</u>	<u>431,141</u>
<b>PROFIT FOR THE YEAR ATTRIBUTABLE TO:</b>			
<b>OWNERS OF THE PARENT</b>		<u>1,736,123</u>	<u>431,141</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR ATTRIBUTABLE TO:</b>			
<b>OWNERS OF THE PARENT</b>		<u>1,736,123</u>	<u>431,141</u>

The accompanying notes are an integral part of these financial statements.

**SANCY BERHAD**  
**(Incorporated in Malaysia)**

**STATEMENT OF FINANCIAL POSITION**

**as at 31 March 2024**

	NOTE	2024 RM	2023 RM
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	10	182,408	206,099
Right-of-use assets	11	333,552	135,038
Intangible assets	12	697,000	697,000
Investment in subsidiaries	13	14,188,173	14,188,173
Investment in an associate	14	20	20
Deferred tax assets	15	45,000	5,300
		15,446,153	15,231,630
<b>CURRENT ASSETS</b>			
Trade and other receivables	17	9,011,184	5,737,517
Contract assets	18	24,882	62,774
Tax recoverable		186,500	99,000
Cash and cash equivalents	19	278,200	2,371,228
		9,500,766	8,270,519
<b>TOTAL ASSETS</b>		<b>24,946,919</b>	<b>23,502,149</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT</b>			
Share capital	20	20,167,541	20,167,541
Retained profits		3,717,223	1,981,100
<b>TOTAL EQUITY</b>		<b>23,884,764</b>	<b>22,148,641</b>
<b>NON-CURRENT LIABILITIES</b>			
Lease liabilities	22	184,217	72,817
<b>CURRENT LIABILITIES</b>			
Trade and other payables	23	689,418	1,069,731
Contract liabilities	24	13,327	109,465
Lease liabilities	22	175,193	101,495
		877,938	1,280,691
<b>TOTAL LIABILITIES</b>		<b>1,062,155</b>	<b>1,353,508</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>24,946,919</b>	<b>23,502,149</b>

The accompanying notes are an integral part of these financial statements.

**SANCY BERHAD**  
**(Incorporated in Malaysia)**

**STATEMENT OF CHANGES IN EQUITY**

**for the year ended 31 March 2024**

	← Attributable to owners of the Parent →			
	Share capital RM	Capital distribution RM	Retained profits RM	Total RM
Balance at 1 April 2022	12,501,503	662,400	1,549,959	14,713,862
Issuance of shares	7,666,038	(662,400)	-	7,003,638
Profit for the year	-	-	431,141	431,141
Total comprehensive income	-	-	431,141	431,141
Balance at 31 March 2023	20,167,541	-	1,981,100	22,148,641
Balance at 1 April 2023	20,167,541	-	1,981,100	22,148,641
Profit for the year	-	-	1,736,123	1,736,123
Total comprehensive income	-	-	1,736,123	1,736,123
Balance at 31 March 2024	20,167,541	-	3,717,223	23,884,764

The accompanying notes are an integral part of these financial statements.

**SANCY BERHAD**  
**(Incorporated in Malaysia)**

**STATEMENT OF CASH FLOWS**

**for the year ended 31 March 2024**

	<b>NOTE</b>	<b>2024</b> <b>RM</b>	<b>2023</b> <b>RM</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before taxation		2,187,585	394,178
Adjustments for:			
Depreciation of property, plant and equipment		72,426	83,351
Depreciation of right-of-use assets		128,992	111,968
Impairment loss of trade receivables		-	108,215
Interest expense		10,014	7,292
Interest income		(24,133)	(28,236)
Reversal of impairment loss no longer required		(15,000)	-
Gain on lease termination		-	(362)
Discount on lease rental		-	(3,500)
Short term leases		126,120	-
Low value assets leases		300	-
		<hr/>	<hr/>
Profit before working capital changes		2,486,304	672,906
Working capital changes:			
Trade and other receivables		(3,258,667)	(4,821,899)
Contract assets		37,892	(15,807)
Trade and other payables		(380,313)	596,416
Contract liabilities		(96,138)	109,465
		<hr/>	<hr/>
Cash outflows from operations		(1,210,922)	(3,458,919)
Tax paid		(578,662)	(303,237)
Short term lease paid		(126,120)	-
Low value assets lease paid		(300)	-
Interest paid		(10,014)	-
		<hr/>	<hr/>
Net cash outflows from operating activities		<u>(1,926,018)</u>	<u>(3,762,156)</u>

**SANCY BERHAD**  
**(Incorporated in Malaysia)**

**STATEMENT OF CASH FLOWS** *(continued)*

**for the year ended 31 March 2024**

	NOTE	2024 RM	2023 RM
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Acquisition of subsidiaries	A	-	(1)
Increase in investment in subsidiaries		-	(99,999)
Acquisition of an associate		-	(20)
Additions of intangible assets		-	(697,000)
Purchase of property, plant and equipment		(48,735)	(200,493)
Interest received		24,133	28,236
		<hr/>	<hr/>
Net cash outflows from investing activities		(24,602)	(969,277)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Drawdown of hire purchase facility		-	33,300
Repayment of hire purchase creditor		(4,351)	(1,481)
Repayment of lease liabilities		(138,057)	(112,000)
Proceeds from issuance of ordinary shares		-	7,003,638
		<hr/>	<hr/>
Net cash (outflows)/inflows from financing activities	B	(142,408)	6,923,457
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>		(2,093,028)	2,192,024
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>		<hr/>	<hr/>
		2,371,228	179,204
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	19	<hr/> <hr/>	<hr/> <hr/>
		278,200	2,371,228

**SANCY BERHAD**  
**(Incorporated in Malaysia)**

**STATEMENT OF CASH FLOWS** *(continued)*

**for the year ended 31 March 2024**

**A. ACQUISITION OF SUBSIDIARIES ARE AS FOLLOWS:**

	<b>2024</b>	<b>2023</b>
	<b>RM</b>	<b>RM</b>
Cost of investment	<u>-</u>	<u>(1)</u>

**B. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES**

	<b>As at</b>	<b>Cash flows</b>	<b>Non-cash</b>	<b>As at</b>
	<b>1 April 2023</b>	<b>movements</b>	<b>movements</b>	<b>31 March 2024</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
Lease liabilities	174,312	(142,408)	327,506	359,410
	<u>174,312</u>	<u>(142,408)</u>	<u>327,506</u>	<u>359,410</u>
	<b>As at</b>	<b>Cash flows</b>	<b>Non-cash</b>	<b>As at</b>
	<b>1 April 2022</b>	<b>movements</b>	<b>movements</b>	<b>31 March 2023</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
Capital contributions	662,400	-	(662,400)	-
Lease liabilities	189,241	(80,181)	65,252	174,312
Share capital	12,501,503	7,003,638	662,400	20,167,541
	<u>13,353,144</u>	<u>6,923,457</u>	<u>65,252</u>	<u>20,341,853</u>

The accompanying notes are an integral part of these financial statements.

**SANCY BERHAD**  
**(Incorporated in Malaysia)**

**NOTES TO THE FINANCIAL STATEMENTS**

**for the year ended 31 March 2024**

**1. BASIS OF PREPARATION**

Sancy Berhad is a public listed company incorporated and domiciled in Malaysia. The Company is quoted on the LEAP Market of the Bursa Malaysia Securities Berhad.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 29 July 2024.

**(a) Statement of compliance**

The financial statements comply with the Malaysian Financial Reporting Standards (“MFRSs”), International Financial Reporting Standards and the provisions of the Companies Act 2016 in Malaysia.

On 1 April 2023, the Group and the Company adopted the following new Amendments to MFRSs mandatory for annual financial periods beginning on or after 1 April 2023:

**Amendments**

Amendments to MFRS 101 – Disclosure of Accounting Policies

Amendments to MFRS 108 – Definition 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 the above Amendments to MFRSs does not have any material effect on the financial statements of the Group and of the Company.

**SANCY BERHAD**  
**(Incorporated in Malaysia)**

**NOTES TO THE FINANCIAL STATEMENTS** *(continued)*

**1. BASIS OF PREPARATION** *(continued)*

**(a) Statement of compliance** *(continued)*

The following Amendments to MFRSs have been issued and are relevant but are not yet effective to the Group and the Company:

<b>Amendments to Standards</b>	<b>Effective date</b>
Amendments to MFRS 101 – Classification of Liabilities as Current and Non-current	1 January 2024
Amendments to MFRS 101 – Non-current Liabilities with Covenants	1 January 2024
Amendments to MFRS 107 and MFRS 7 – Supplier Finance Arrangements	1 January 2024
Amendments to MFRS 16 – Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 121 – Lack of Exchangeability	1 January 2025

The initial adoption of the Amendments to MFRSs would not have any material effect on the financial statements.

The Group and the Company are currently assessing the impact that may arise from the adoption of the following new MFRSs and Amendments to MFRSs:

<b>Standards/Amendments to Standards</b>	<b>Effective date</b>
Amendments to the Classification and Measurement of Financial Instruments (Amendments to MFRS 9 and MFRS 7)	1 January 2026
MFRS 18 – Presentation and Disclosure in Financial Statements	1 January 2027
MFRS 19 – Subsidiaries without Public Accountability: Disclosures	1 January 2027

MFRS 101 – Presentation of Financial Statements will be withdrawn on the application of MFRS 18.

**SANCY BERHAD**  
**(Incorporated in Malaysia)**

**NOTES TO THE FINANCIAL STATEMENTS** *(continued)*

**1. BASIS OF PREPARATION** *(continued)*

**(b) Functional and presentation currency**

The financial statements are presented in Ringgit Malaysia which is the Group's and the Company's presentation currency.

The functional currency of the Company is Ringgit Malaysia.

**(c) Basis of measurement**

The financial statements are prepared under the historical cost convention unless otherwise indicated in the accounting policies.

**(d) Use of estimates and judgments**

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses, and the disclosure of contingent liabilities at the reporting date.

Estimates and judgements are continuously evaluated by the directors and management and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. The estimate and judgement that affect the application of accounting policies and disclosures, and have a significant risk of causing a material adjustment to the carrying amounts of assets, liabilities, income and expenses are discussed below:

**(i) Impairment of intangible assets with indefinite useful life**

Intangible assets with indefinite useful life is tested for impairment annually by comparing its carrying amount with its recoverable amount, irrespective of whether there is any indication that it may be impaired. This requires an estimation of the recoverable amount based on the financial projections approved by the management. The assumptions to determine the recoverable amount requires the exercise of significant management judgments. Further details are disclosed in Note 12.

**SANCY BERHAD**  
**(Incorporated in Malaysia)**

**NOTES TO THE FINANCIAL STATEMENTS** *(continued)*

**2. MATERIAL ACCOUNTING POLICY INFORMATION**

The material accounting policy information set out below have been applied consistently to all the financial years presented in the financial statements of the Group and the Company.

**(a) Property, plant and equipment**

All items of property, plant and equipment are initially recorded at costs.

Subsequent to recognition, property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

Depreciation is provided for on a straight-line basis to write off the cost of each asset to its residual value over its estimated useful life, at the following annual rates:

Furniture and fittings	10 years
Office equipment	5 years
Computers	5 years
Motor vehicle	5 years

**(b) Intangible assets**

**(i) Goodwill**

Goodwill is initially measured at cost. Subsequent to the initial recognition, the goodwill is measured at cost less accumulated impairment losses, if any.

**(ii) Separately acquired intangible assets**

On initial recognition, intangible assets acquired separately are measured at cost.

After initial recognition, intangible assets are carried at cost less accumulated impairment losses, if any.

The estimated useful life and amortisation method are revised at the end of each reporting period with the effect of any changes in estimate being accounted for on a prospective basis.

**SANCY BERHAD**  
**(Incorporated in Malaysia)**

**NOTES TO THE FINANCIAL STATEMENTS** *(continued)*

**2. MATERIAL ACCOUNTING POLICY INFORMATION** *(continued)*

**(b) Intangible assets** *(continued)*

**(iii) Internally generated intangible assets**

Development costs represent typical internally generated intangible assets of relevance for the Group and the Company. Costs incurred are capitalised only when the future economic benefit is probable and the following main conditions are met: (i) the development costs can be measured reliably, (ii) the technical feasibility of the product has been ascertained and (iii) management has the intention and ability to complete the intangible asset and use or sell it.

Internally generated intangible assets primarily relate to internally developed software and internally developed patented technology as well as processes or recipes.

Research costs are expensed as incurred.

After initial recognition, internally generated intangible assets follow the accounting policies of separately acquired intangible assets as stated above.

**(c) Impairment of non-financial assets**

**(i) Impairment of intangible assets with an infinite useful life**

Irrespective of whether there is any indication of impairment, such assets are tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired.

**(d) Taxes**

Tax charged on the profit or loss for the year comprises current and deferred taxes.

**(i) Current tax**

Current year tax is the expected amount of income taxes payable in respect of the taxable profit for the year and is measured using the tax rates that have been enacted at the reporting date.

**SANCY BERHAD**  
**(Incorporated in Malaysia)**

**NOTES TO THE FINANCIAL STATEMENTS** *(continued)*

**2. MATERIAL ACCOUNTING POLICY INFORMATION** *(continued)*

**(d) Taxes** *(continued)*

**(ii) Deferred tax**

Deferred tax liabilities and deferred tax assets are provided for under the liability method in respect of temporary differences between the carrying amount of an asset or liability in the statement of financial position and its tax base including unused tax losses and capital allowances. Deferred tax is measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on the tax laws that have been enacted or substantively enacted at the reporting date.

A deferred tax asset is recognised only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised.

The Company has applied the exception to the recognition and disclosure of information about deferred tax assets and deferred tax liabilities related to Pillar Two income taxes.

**(e) Financial instruments**

**(a) Financial assets**

Financial assets at amortised cost

The financial assets are initially measured at fair value plus transaction costs except for trade receivables without significant financing component which are measured at transaction price only. Subsequent to the initial recognition, all financial assets are measured at amortised cost less any impairment losses.

**(b) Financial liabilities**

Financial liabilities at amortised cost

The financial liabilities are initially measured at fair value less transaction costs. Subsequent to the initial recognition, the financial liabilities are measured at amortised cost.

**SANCY BERHAD**  
**(Incorporated in Malaysia)**

**NOTES TO THE FINANCIAL STATEMENTS** *(continued)*

**2. MATERIAL ACCOUNTING POLICY INFORMATION** *(continued)*

**(f) Contract assets/contract liabilities**

A contract asset is recognised when the Group's and the Company's right to consideration is conditional on something other than the passage of time. A contract asset is subject to impairment in accordance to MFRS 9 Financial Instruments.

A contract liability is stated at cost and represents the obligation of the Group and the Company to transfer goods or services to a customer for which consideration has been received ( or the amount is due) from the customers.

**(g) Cash and cash equivalents**

Cash comprises cash on hand and demand deposits. Cash equivalents are short term deposits with maturity of not more than 3 months and highly liquid investments that are readily convertible to cash with insignificant risk of changes in value.

**(h) Share capital**

Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs.

**(i) Contingencies**

A contingent liability or asset is a possible obligation or asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group and the Company. The Group and the Company do not recognise a contingent liability but discloses its existence in the financial statements.

A contingent asset is not recognised in the financial statements but is disclosed where the inflow of the economic benefits is probable.

**(j) Revenue from contracts with customer**

Revenue from services are recognised when the services are rendered, which simultaneously receives and consumes the benefits provided by the Group and the Company, and the Group and the Company have a present right to receive payment for the services.

**SANCY BERHAD**  
**(Incorporated in Malaysia)**

**NOTES TO THE FINANCIAL STATEMENTS** *(continued)*

**2. MATERIAL ACCOUNTING POLICY INFORMATION** *(continued)*

**(k) Leases**

**The Group as lessee**

A lease is recognised as a right-of-use ('ROU') asset and a corresponding liability at the date on which the leased asset is available for use by the Group (i.e. the commencement date).

**(i) Lease term**

In determining the lease term, the Group considers all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if it is reasonably certain to be extended (or not to be terminated).

**(ii) Right-of-Use ("ROU") assets**

ROU assets – rental of premises is initially measured at cost. Subsequent to the initial recognition, the ROU assets are stated at cost less accumulated depreciation and impairment loss (if any). The ROU asset is depreciated over the lease period ranging from 24 to 36 months.

**(iii) Short term leases**

Short-term leases are leases with a lease term of 12 months or less. Payments associated with short-term leases of accommodations and server are recognised on a straight-line bases as an expense in profit or loss.

**(iv) Lease of low value asset**

Low value leases comprise office equipment. Payments associated with low value asset is recognised on a straight-line basis as an expense in profit or loss.

**SANCY BERHAD**  
**(Incorporated in Malaysia)**

**NOTES TO THE FINANCIAL STATEMENTS** *(continued)*

**3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

The Group's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's businesses whilst managing its credit risk, liquidity risk and market risk, whilst the Company's operating, investing and financing activities expose the Company to credit risk, liquidity risk and market risk. The Board of Directors reviews and agrees on policies for managing each of these risks and they are summarised below. It is and has been throughout the year under review, the Group's policy that no trading in derivative financial instruments shall be undertaken.

**(a) Credit risk**

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables, contract assets and cash and cash equivalents.

For banks and financial institutions, only major banks are accepted. The credit risks for fixed deposits and cash and cash equivalents are low in view of their financial strengths and good credit rating.

As at the end of the reporting date, the maximum exposure of credit risk arising from financial assets of the Group and of the Company are represented by their carrying amounts in the statement of financial position without taking into account of any collateral held.

The Group's and the Company's concentration of credit risk related to trade receivables owing from four customers (2023: three customers) which constitute 88% (2023: 88%) of its trade receivables as at the end of the financial year.

The Group and the Company do not have exposure to international credit risk as the entire trade receivables are concentrated in Malaysia.

The Group and the Company will write off the debts on a case-by-case basis. Generally, debts are written off when there is no reasonable expectation of recovery and appropriate debts recovery actions have been taken and failed to yield results.

**SANCY BERHAD**  
**(Incorporated in Malaysia)**

**NOTES TO THE FINANCIAL STATEMENTS** *(continued)*

**3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES** *(continued)*

**(a) Credit risk** *(continued)*

Trade receivables

The Group and the Company applies the MFRS 9 simplified approach to measure ECL which uses a lifetime expected loss for trade receivables.

The Group and the Company assessed the credit risk on the trade receivables by taking into consideration of the days past due, the historical payment profiles and also considers reasonable and supportive forward-looking information available without undue cost or effort. Based on the management's experience and judgement, trade receivables may default on payments when the invoices are past due for more than 120 days.

Other receivables

The Group and the Company considers that there is a significant increase in credit risk when contractual payments are more than 30 days past due.

The Group and the Company considers a financial asset in default when contractual payments are 90 days past due.

For advances to subsidiary companies and associate company whose credit terms are repayable on demand, these are considered credit impaired when these companies are unlikely to repay their advances to the Company in full given insufficient highly liquid resources when the advances are demanded.

**(b) Liquidity risk**

Liquidity risk is the risk that the Group and the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from its various payables and lease liabilities.

**SANCY BERHAD**  
**(Incorporated in Malaysia)**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)**

**(c) Liquidity risk (continued)**

The Group and the Company maintain a level of cash and cash equivalents deemed adequate by the management to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they fall due.

The table below analyses the Group's and the Company's non-derivative financial liabilities and lease liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date:

	<b>Within 1 year RM</b>	<b>2 – 5 years RM</b>	<b>More than 5 years RM</b>	<b>Total RM</b>
<b>GROUP</b>				
<b>As at 31 March 2024</b>				
<b>Non-derivative financial liabilities</b>				
Trade and other payables (excluding SST)	286,744	-	-	286,744
<b>As at 31 March 2023</b>				
<b>Non-derivative financial liabilities</b>				
Trade and other payables (excluding SST)	1,033,135	-	-	1,033,135
<b>Maturity analysis of lease liabilities:</b>				
As at 31 March 2024	192,434	190,212	4,409	387,055
As at 31 March 2023	106,428	74,640	4,409	185,477

**SANCY BERHAD**  
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**NOTES TO THE FINANCIAL STATEMENTS** *(continued)*

**3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES** *(continued)*

**(b) Liquidity risk** *(continued)*

	<b>Within 1 year RM</b>	<b>2 – 5 years RM</b>	<b>More than 5 years RM</b>	<b>Total RM</b>
<b>COMPANY</b>				
<b>As at 31 March 2024</b>				
<b>Non-derivative financial liabilities</b>				
Trade and other payables (excluding SST)	568,533	-	-	568,533
<b>As at 31 March 2023</b>				
<b>Non-derivative financial liabilities</b>				
Trade and other payables (excluding SST)	1,006,632	-	-	1,006,632
<b>Maturity analysis of lease liabilities:</b>				
As at 31 March 2024	192,434	190,212	4,409	387,055
As at 31 March 2023	106,428	74,640	4,409	185,477

**(c) Market risk**

**(i) Foreign currency risk management**

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group has transactional currency exposures arising primarily from sales or purchases that are denominated in a currency other than the functional currency of Group which is Ringgit Malaysia (“RM”). The foreign currency in which these transactions are denominated is mainly in US Dollar (“USD”).

During the year, there is no formal hedging policy with respect to foreign exchange risk exposure. The Group monitors its foreign exchange risk exposure on an on-going basis and endeavours to keep the net exposure at an acceptable level.

At the reporting date, the Group’s profit and equity is not materially affected by the movement in foreign exchange rate of foreign currencies.

**SANCY BERHAD**  
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**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)**

**(b) Market risk (continued)**

**(ii) Interest rate risk management**

Interest rate risk is the risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in market interest rates. The Group's and the Company's exposure to interest rate risk arises primarily from deposits with licensed banks and lease liabilities.

The Group's and the Company's exposure to interest rate risk is minimal because the fixed deposits and lease liabilities are at fixed rate. Thus, any change to the interest rate has immaterial effect to the profit and equity.

**4. CAPITAL RISK MANAGEMENT**

The Group and the Company manages its capital to ensure that the Group and the Company will be able to continue as a going concern in order to provide return to shareholders and to maintain optimal capital structure to reduce the cost of capital.

The Group and the Company manage their capital structure and make adjustments to it, in light of changes in economic and market conditions. To maintain or adjust the capital structure, the Group and the Company may adjust the dividend payment to shareholders, return of capital to shareholders or issue new shares.

Ordinary share capital and retained earnings are considered as capital of the Group and the Company.

The Group and the Company are not subject to any externally imposed capital requirements.

**5. FINANCIAL INSTRUMENTS BY CATEGORIES AND THEIR FAIR VALUE ESTIMATION**

	<b>2024</b>	<b>2023</b>
	<b>RM</b>	<b>RM</b>
<b>GROUP</b>		
<b>Financial assets</b>		
Financial assets measured at amortised cost		
- Trade and other receivables (excluding prepayments)	1,925,901	2,888,200
- Cash and cash equivalents	323,976	2,485,012
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost		
- Trade and other payables (excluding SST)	<u>286,744</u>	<u>1,033,135</u>

**SANCY BERHAD**  
**(Incorporated in Malaysia)**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**5. FINANCIAL INSTRUMENTS BY CATEGORIES AND THEIR FAIR VALUE ESTIMATION (continued)**

<b>COMPANY</b>	<b>2024</b> <b>RM</b>	<b>2023</b> <b>RM</b>
<b>Financial assets</b>		
Financial assets measured at amortised cost		
- Trade and other receivables (excluding prepayments)	8,947,286	5,692,183
- Cash and cash equivalents	278,200	2,371,228
<b>Financial liabilities</b>		
- Trade and other payables (excluding SST)	<u>568,533</u>	<u>1,006,632</u>

The carrying amounts of the financial instruments of the Group and the Company as at reporting date approximate their fair values due to the relatively short-term nature of the financial instruments.

**6. REVENUE**

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>2024</b> <b>RM</b>	<b>2023</b> <b>RM</b>	<b>2024</b> <b>RM</b>	<b>2023</b> <b>RM</b>
Provision of digital healthcare-related solutions and related services	5,219,468	3,453,761	4,728,348	3,453,761
Provision of non-clinical information management system and related services	45,480	1,268,000	-	1,268,000
	<u>5,264,948</u>	<u>4,721,761</u>	<u>4,728,348</u>	<u>4,721,761</u>

The table below provides information about timing of transfer of goods and services:

Timing of revenue:				
- Over time	5,252,578	4,126,307	4,715,978	4,126,307
- At a point in time	12,370	595,454	12,370	595,454
	<u>5,264,948</u>	<u>4,721,761</u>	<u>4,728,348</u>	<u>4,721,761</u>

**SANCY BERHAD**  
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**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**7. PROFIT BEFORE TAXATION**

	GROUP		COMPANY	
	2024 RM	2023 RM	2024 RM	2023 RM
<b>Profit before taxation is stated after charging and (crediting):</b>				
Auditors' remuneration:				
current year	58,000	55,000	45,000	45,000
overprovision in prior year	-	5,000	-	2,000
Depreciation of:				
property, plant, and equipment	72,426	83,351	72,426	83,351
right-of-use assets	128,992	111,968	128,992	111,968
Discount on lease rentals	-	(3,500)	-	(3,500)
Directors' remuneration:				
fees	12,000	-	12,000	180,000
other emoluments	368,243	-	368,243	320,582
Short term leases: -				
operating lease – server rental	92,020	223,336	92,020	228,836
operating lease – rental of accommodations	40,090	-	40,090	-
Gain on lease termination	-	(362)	-	(362)
Impairment loss of:				
goodwill	-	3,000	-	-
trade receivables	-	108,215	-	108,215
Low value assets leases: -				
operating lease – rental of equipment	300	-	300	-
Partial compensation on profit guarantee #	(1,800,000)	(1,500,000)	(1,800,000)	(1,500,000)
Professional fees	102,708	1,193,102	98,208	1,193,102
Income on financial assets at amortised costs:				
interest income from fixed deposits	(24,133)	(28,236)	(24,133)	(28,236)
reversal of impairment loss no longer required	(15,000)	-	(15,000)	-
Staff cost *	2,668,507	3,605,775	2,421,507	3,105,193
Operating lease – rental income from premise **	(4,000)	-	(4,000)	-
Hire purchase interest	2,070	569	2,070	569
Lease liabilities interest	7,944	6,723	7,944	6,723
Subcontract and consultancy expenses	482,025	142,658	482,025	142,658

**SANCY BERHAD**  
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**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**7. PROFIT BEFORE TAXATION (continued)**

\* Included in staff costs of the Group and of the Company are amounts totaling RM92,296 and RM90,940 (2023: RM140,471 and RM140,471) respectively contributed to the Employees' Provident Fund.

\*\* This consist of non-cancellable operating lease where the lease arrangement is as disclosed in Note 27 to the financial statements.

# Partial compensation on profit guarantee

Prabuddha Kumar Pronob Chakraverty (promoter, substantial shareholder and Group Chief Executive Officer) and Dr Izhar bin Che Mee (promoter, substantial shareholder and Group Managing Director) (collectively, the "Obligors") have by way of a Profit Guarantee Stakeholder Agreement dated 3 October 2022 ("PGSA") provided a guarantee to TSS and Sapura Capital Sdn Bhd (collectively, the "Strategic Investors") that the Company shall achieve a minimum actual cumulative profit after tax and after minority interest of RM10 million for the financial years ended 31 March 2023, 31 March 2024 and 31 March 2025 ("Profit Guarantee").

The Profit Guarantee provided by the Obligors is intended to serve as the Obligors' commitment to the Strategic Investors in ensuring future performance of Sancy Group.

For the financial year ended 31 March 2024, the Obligors have partially compensated for the Profit Guarantee amounting of RM1.8 million (2023: RM1.5 million) (representing 18% of the total Profit Guarantee amount) arising from the loss in some targeted bid book due to unsuccessfulness in project tendered or concluded with the potential customers in the financial year ended 31 March 2024.

**8. TAXATION**

	GROUP		COMPANY	
	2024 RM	2023 RM	2024 RM	2023 RM
(a) Current Malaysian taxation	174,200	-	108,500	-
Deferred taxation (Note 15)	(39,700)	(17,700)	(39,700)	(17,700)
	<u>134,500</u>	<u>(17,700)</u>	<u>68,800</u>	<u>(17,700)</u>
Under/(over) provision in prior year	382,662	(19,263)	382,662	(19,263)
	<u>517,162</u>	<u>(36,963)</u>	<u>451,462</u>	<u>(36,963)</u>

**SANCY BERHAD**  
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**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**8. TAXATION (continued)**

(b) Reconciliation of tax expense and accounting profit:

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
Accounting profit	<u>2,414,756</u>	<u>368,970</u>	<u>2,187,585</u>	<u>394,178</u>
Tax at the applicable tax rate	579,542	88,553	525,021	94,602
Tax effect of expenses that are not deductible in determining taxable profit for income tax purposes	72,952	253,747	61,773	247,698
Tax effect of income that are not included in determining taxable profit for income tax purposes	(432,000)	(360,000)	(432,000)	(360,000)
Underprovision of deferred tax assets in prior year	(85,994)	-	(85,994)	-
Under/(over) provision of income tax in prior year	<u>382,662</u>	<u>(19,263)</u>	<u>382,662</u>	<u>(19,263)</u>
Tax expense	<u>517,162</u>	<u>(36,963)</u>	<u>451,462</u>	<u>(36,963)</u>

The corporate tax rate is 24% for current and prior years. In the following year, the corporate tax rate remains at 24%. Consequently, deferred tax assets in Note 15 are measured using this rate.

(c) The Company is able to distribute its distributable reserves by way of dividend.

**SANCY BERHAD**  
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**NOTES TO THE FINANCIAL STATEMENTS** *(continued)*

**9. EARNINGS PER SHARE**

**(a) Basic**

Basic earnings per share is calculated by dividing the consolidated profit for the year attributable to owners of the parent and the weighted average number of ordinary shares issued and paid up during the financial year.

	<b>GROUP</b>	
	<b>2024</b>	<b>2023</b>
Consolidated profit for the year (RM)	<u>1,897,594</u>	<u>405,933</u>
Weighted average number of ordinary shares in issue	<u>679,174,263</u>	<u>679,174,263</u>
Basic earnings per share (sen)	<u>0.28</u>	<u>0.06</u>

**(b) Diluted**

The diluted EPS of the Group is equal to the basic EPS as the Group does not have any potential dilutive ordinary shares in issue at the end of financial year.

**SANCY BERHAD**  
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**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**10. PROPERTY, PLANT AND EQUIPMENT**

<b>GROUP AND COMPANY</b>	<b>Furniture and fittings RM</b>	<b>Office equipment RM</b>	<b>Computer RM</b>	<b>Motor vehicle RM</b>	<b>Total RM</b>
<b>2024</b>					
<b>At cost</b>					
At 1 April 2023	25,130	42,719	319,405	42,220	429,474
Additions	-	13,499	35,236	-	48,735
At 31 March 2024	<u>25,130</u>	<u>56,218</u>	<u>354,641</u>	<u>42,220</u>	<u>478,209</u>
<b>Accumulated depreciation</b>					
At 1 April 2023	9,121	23,277	182,533	8,444	223,375
Charge for the year	2,513	7,999	53,470	8,444	72,426
At 31 March 2024	<u>11,634</u>	<u>31,276</u>	<u>236,003</u>	<u>16,888</u>	<u>295,801</u>
<b>Net book value</b>					
At 31 March 2024	<u>13,496</u>	<u>24,942</u>	<u>118,638</u>	<u>25,332</u>	<u>182,408</u>
<b>2023</b>					
<b>At cost</b>					
At 1 April 2022	22,230	20,886	185,865	-	228,981
Additions	2,900	21,833	133,540	42,220	200,493
At 31 March 2023	<u>25,130</u>	<u>42,719</u>	<u>319,405</u>	<u>42,220</u>	<u>429,474</u>
<b>Accumulated depreciation</b>					
At 1 April 2022	6,608	14,743	118,673	-	140,024
Charge for the year	2,513	8,534	63,860	8,444	83,351
At 31 March 2023	<u>9,121</u>	<u>23,277</u>	<u>182,533</u>	<u>8,444</u>	<u>223,375</u>
<b>Net book value</b>					
At 31 March 2023	<u>16,009</u>	<u>19,442</u>	<u>136,872</u>	<u>33,776</u>	<u>206,099</u>

**Net Book Value**  
**GROUP AND COMPANY**  
**2024**                      **2023**  
**RM**                              **RM**

Property, plant and equipment acquired under hire purchase contract

25,332

33,776

**SANCY BERHAD**  
**(Incorporated in Malaysia)**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**11. RIGHT-OF-USE ASSETS**

	<b>Premises RM</b>
<b>GROUP AND COMPANY</b>	
<b>2024</b>	
<b>At cost</b>	
At 1 April 2023	368,226
Additions	327,506
Leases expired	(245,679)
At 31 March 2024	<u>450,053</u>
<b>Accumulated depreciation</b>	
At 1 April 2023	233,188
Charge for the year	128,992
Leases expired	(245,679)
At 31 March 2024	<u>116,501</u>
<b>Net book value</b>	
At 31 March 2024	<u>333,552</u>
<b>2023</b>	
<b>At cost</b>	
At 1 April 2022	337,356
Additions	122,547
Lease modification	(45,249)
Derecognised	(46,428)
At 31 March 2023	<u>368,226</u>
<b>Accumulated depreciation</b>	
At 1 April 2022	152,172
Charge for the year	111,968
Derecognised	(30,952)
At 31 March 2023	<u>233,188</u>
<b>Net book value</b>	
At 31 March 2023	<u>135,038</u>

**SANCY BERHAD**  
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**NOTES TO THE FINANCIAL STATEMENTS** *(continued)*

**11. RIGHT-OF-USE ASSETS** *(continued)*

The Group and the Company are leasing three office premises as at end of the reporting period. Rental contracts are typically made for fixed periods of two to three years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

In prior year, there were lower lease payments from 1 April 2022 to 31 December 2022 due to the discount in rental provided by the landlord as a relief to the tenant. This resulted in reversal of RM45,249 on lease modification in right-of-use assets and lease liabilities respectively.

In prior year, the Group and the Company had terminated one of the leases earlier than the lease period. This resulted gain on termination of lease amounting to RM362.

**12. INTANGIBLE ASSETS**

	<b>Computer software RM</b>	<b>Development expenditure RM</b>	<b>Total RM</b>
<b>GROUP</b>			
<b>2024</b>			
<b>At cost</b>			
At 1 April 2023	13,297,000	4,245,451	17,542,451
Additions	-	4,236,944	4,236,944
At 31 March 2024	<u>13,297,000</u>	<u>8,482,395</u>	<u>21,779,395</u>
<b>2023</b>			
<b>At cost</b>			
At 1 April 2022	12,600,000	1,488,170	14,088,170
Additions	697,000	2,757,281	3,454,281
At 31 March 2023	<u>13,297,000</u>	<u>4,245,451</u>	<u>17,542,451</u>
<b>COMPANY</b>			
<b>2024</b>			
<b>At cost</b>			
At 1 April 2023 and 31 March 2024	<u>697,000</u>	<u>-</u>	<u>697,000</u>

**SANCY BERHAD**  
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**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**12. INTANGIBLE ASSETS (continued)**

	<b>Computer software RM</b>	<b>Development expenditure RM</b>	<b>Total RM</b>
<b>COMPANY</b>			
<b>2023</b>			
<b>At cost</b>			
At 1 April 2022	12,600,000	1,488,170	14,088,170
Assignment to subsidiaries	(12,600,000)	(1,488,170)	(14,088,170)
Additions	697,000	-	697,000
At 31 March 2023	<u>697,000</u>	<u>-</u>	<u>697,000</u>

The carrying amounts of the Group's and the Company's intangible assets are analysed as follows:

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
<b>Software</b>				
Hospital Information System (“digitalSENSE”)	9,977,808	8,800,000	-	-
Insurance Data Exchange and Analytics System (“IDEAS”)	11,104,587	8,045,451	-	-
Ticket Management System	697,000	697,000	697,000	697,000
	<u>21,779,395</u>	<u>17,542,451</u>	<u>697,000</u>	<u>697,000</u>

The Software Systems of Insurance Data Exchange and Analytics System (“IDEAS”) and Ticket Management System were not in use by any customers as at the end of the financial year. The Group and the Company have enhanced and customised the Software Systems based on the requirements from the secured and potential customers, and capitalised the cost and expenses incurred for such enhancement work accordingly.

Useful life of software depends on enhancement and adoption of new technologies. The functionality of a Software System does not usually change significantly thus marginal research is required. Therefore, useful life of software is infinite as long as enhancement and new technology adoption is in place to enhance the adaptability for the new changes in users’ requirements by releasing the new version of the same software.

The recoverable amounts for both the Software Systems, digitalSENSE and IDEAS were determined based on the financial projections approved by the management. The recoverable amounts for both the Software Systems are higher than the carrying amounts as at 31 March 2024.

**SANCY BERHAD**  
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**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**12. INTANGIBLE ASSETS (continued)**

Recoverable amount on value in use of the Cash Generating Unit ("CGUs") was based on the following assumptions:

- (i) cash flow projections approved by the management covering a ten-years period on the consideration that the Group's revenue activities will extend beyond the short-term period;
- (ii) the pre-tax discount rates applied to the cash flow projections are as follows:

	<b>Discount rates</b>	
	<b>2024</b>	<b>2023</b>
Hospital Information System	7.63%	7.63%
Insurance Data Exchange & Analytics System	7.61%	7.61%

The growth rate used is based on management's expected industry trends and market developments. In current year, it is assumed there is no growth rate used to extrapolate the cash flows beyond the ten-year period.

The value assigned to the key assumptions are representation from management assessment of future trends in the industry and are based on both external sources and internal sources.

The management believe that there is no reasonable possible change in any key assumption that would cause the CGUs carrying amount to exceed its recoverable amount.

**13. INVESTMENT IN SUBSIDIARIES**

	<b>COMPANY</b>	
	<b>2024</b>	<b>2023</b>
	<b>RM</b>	<b>RM</b>
Unquoted shares, at cost:		
As at 1 April	14,188,173	3
Acquisition of subsidiaries	-	1
Additional subscription of ordinary shares by way of:-		
- cash consideration	-	99,999
- deed of assignment of intangible assets	-	14,088,170
As at 31 March	14,188,173	14,188,173

**SANCY BERHAD**  
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**NOTES TO THE FINANCIAL STATEMENTS** *(continued)*

**13. INVESTMENT IN SUBSIDIARY** *(continued)*

The subsidiary companies which were incorporated in Malaysia are:

Name of company	Principal activities	Percentage of issued share capital held by the Company	
		<u>2024</u>	<u>2023</u>
Sancy MED Sdn Bhd ("Sancy MED")	Intellectual property rights Holder of digitalSENSE Software	100%	100%
Sancy IDEAS Sdn Bhd ("Sancy IDEAS")	Intellectual property rights Holder of IDEAS Software	100%	100%
Sancy Solutions Sdn Bhd ("Sancy Solutions")	Provision of digital healthcare solutions, other non-clinical information management system, training, events and exhibition, and related services.	100%	100%

**14. INVESTMENT IN AN ASSOCIATE**

	GROUP		COMPANY	
	2024 RM	2023 RM	2024 RM	2023 RM
Unquoted shares, at cost				
As at 1 April	-	-	20	-
Acquisition of an associate	-	20	-	20
Share of post-acquisition reserve	-	(20)	-	-
As at 31 March	<u>-</u>	<u>-</u>	<u>20</u>	<u>20</u>

**SANCY BERHAD**  
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**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**14. INVESTMENT IN AN ASSOCIATE (continued)**

The associate company which was incorporated in Malaysia is:

<u>Name of company</u>	<u>Principal activity</u>	<b>Percentage of effective interest held by the Company</b>	
		<u>2024</u>	<u>2023</u>
Sancy Global Solutions Sdn. Bhd.	Provision of digital healthcare solutions, other non-clinical information management system, and related services outside Malaysia.	20%	20%

The associate was incorporated in Malaysia and not audited by PCCO PLT.

Unaudited summarised financial information of the associate, not adjusted for the percentage ownership held by the Group:

	effective equity interest %	Revenue (100%) RM	Loss after tax (100%) RM	Total assets (100%) RM	Total liabilities (100%) RM
2024	20%	Nil	(398,736)	27,985	(883,968)
2023	20%	Nil	(457,347)	47,093	(504,340)

**SANCY BERHAD**  
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**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**15. DEFERRED TAX ASSETS**

	<b>GROUP AND COMPANY</b>	
	<b>2024</b>	<b>2023</b>
	<b>RM</b>	<b>RM</b>
At 1 April	5,300	(12,400)
Deferred tax expenses arising from and reversal of temporary differences	(46,294)	17,700
Underprovision of deferred tax assets in prior year	85,994	-
Transferred from profit or loss (Note 8)	39,700	17,700
At 31 March	45,000	5,300

The components of deferred tax liabilities and assets that are recognised during the financial year are as follows:

	<b>GROUP AND COMPANY</b>	
	<b>2024</b>	<b>2023</b>
	<b>RM</b>	<b>RM</b>
Deferred tax liabilities:		
Capital allowances in excess of depreciation	(15,842)	(21,663)
Right-of-use assets	(80,052)	(32,409)
Deferred tax assets:		
Loss allowance for receivables	98,872	-
Unabsorbed capital allowances	-	25,310
Lease liabilities	38,370	34,062
Others	3,652	-
	45,000	5,300

**SANCY BERHAD**  
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**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**16. GOODWILL**

	<b>GROUP</b>	
	<b>2024</b>	<b>2023</b>
	<b>RM</b>	<b>RM</b>
<b>Cost</b>		
As at 1 April	22,639	19,639
Acquisition through business combination	-	3,000
As at 31 March	22,639	22,639
<b>Accumulated impairment loss</b>		
As at 1 April	22,639	19,639
Impairment loss for the year	-	3,000
As at 31 March	22,639	22,639
<b>Net carrying amount</b>		
As at 31 March	-	-

Goodwill on consolidation

Goodwill, which arose from acquisition of subsidiaries are allocated to the cash generating units ("CGU") as follows:

	<b>GROUP</b>	
	<b>2024</b>	<b>2023</b>
	<b>RM</b>	<b>RM</b>
Sancy MED Sdn Bhd	9,364	9,364
Sancy IDEAS Sdn Bhd	10,275	10,275
Sancy Solutions Sdn Bhd	3,000	3,000
As at 31 March	22,639	22,639

The Group has fully impaired the goodwill to minimise administrative cost.

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**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**17. TRADE AND OTHER RECEIVABLES**

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
Trade receivables	1,909,928	1,747,457	1,837,251	1,747,457
Less: Accumulated impairment loss	<u>(411,965)</u>	<u>(426,965)</u>	<u>(411,965)</u>	<u>(426,965)</u>
	1,497,963	1,320,492	1,425,286	1,320,492
Other receivables	16,666	42,384	16,666	42,384
Deposits	272,380	15,100	272,380	15,100
Prepayments	63,898	45,334	63,898	45,334
Amounts due from subsidiaries				
- current accounts	-	-	7,094,062	2,803,983
Amounts due from shareholders - current account	-	1,500,000	-	1,500,000
Amount due from an associate company – current account	125,000	224	125,000	224
Amount due from a related party – current account	<u>13,892</u>	<u>10,000</u>	<u>13,892</u>	<u>10,000</u>
	<u>1,989,799</u>	<u>2,933,534</u>	<u>9,011,184</u>	<u>5,737,517</u>

Trade receivables are non-interest bearing and on 30 days to 60 days (2023: 30 days to 90 days) credit terms.

Other receivables are unsecured, interest free and repayable on demand.

The current amounts due from subsidiaries and associate and related party are unsecured, interest free and repayable on demand.

Amount due from a related party is an amount due to a company in which certain directors have controlling interest. The amount is unsecured, interest free and repayable on demand.

In prior year, the amount due from shareholders represent receivables from the compensation of profit guarantee as disclosed in Note 7.

**SANCY BERHAD**  
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**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**17. TRADE AND OTHER RECEIVABLES (continued)**

Trade receivables of the Group denominated in currencies other than the functional currency comprise RM49,118 (2023: RM Nil) in US Dollar.

The loss allowance for trade receivables was determined as follows:

	<b>Gross carrying amount – trade receivables RM</b>	<b>Loss allowance RM</b>	<b>Net carrying amount RM</b>
<b>GROUP</b>			
<b>2024</b>			
Current	1,118,379	-	1,118,379
Past due by:			
1 to 120 days	308,884	-	308,884
121 to 180 days	-	-	-
181 to 240 days	-	-	-
More than 240 days	482,665	(411,965)	70,700
	<u>1,909,928</u>	<u>(411,965)</u>	<u>1,497,963</u>
<b>2023</b>			
Current	1,039,414	(37,500)	1,001,914
Past due by:			
1 to 120 days	170,580	-	170,580
121 to 180 days	147,998	-	147,998
181 to 240 days	78,665	(78,665)	-
More than 240 days	310,800	(310,800)	-
	<u>1,747,457</u>	<u>(426,965)</u>	<u>1,320,492</u>

**SANCY BERHAD**  
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**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**17. TRADE AND OTHER RECEIVABLES (continued)**

	<b>Gross carrying amount – trade receivables RM</b>	<b>Loss allowance RM</b>	<b>Net carrying amount RM</b>
<b>COMPANY</b>			
<b>2024</b>			
Current	1,045,702	-	1,045,702
Past due by:			
1 to 120 days	308,884	-	308,884
121 to 180 days	-	-	-
181 to 240 days	-	-	-
More than 240 days	482,665	(411,965)	70,700
	<u>1,837,251</u>	<u>(411,965)</u>	<u>1,425,286</u>
<b>2023</b>			
Current	1,039,414	(37,500)	1,001,914
Past due by:			
1 to 120 days	170,580	-	170,580
121 to 180 days	147,998	-	147,998
181 to 240 days	78,665	(78,665)	-
More than 240 days	310,800	(310,800)	-
	<u>1,747,457</u>	<u>(426,965)</u>	<u>1,320,492</u>

The accumulated impairment for trade receivables reconciles to the opening accumulated impairment as follows:

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>2024 RM</b>	<b>2023 RM</b>	<b>2024 RM</b>	<b>2023 RM</b>
As at 1 April	426,965	318,750	426,965	318,750
Specific impairment loss during the financial year	-	108,215	-	108,215
Reversal of impairment loss	(15,000)	-	(15,000)	-
As at 31 March	<u>411,965</u>	<u>426,965</u>	<u>411,965</u>	<u>426,965</u>

**SANCY BERHAD**  
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**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**18. CONTRACT ASSETS**

	<b>GROUP AND COMPANY</b>	
	<b>2024</b>	<b>2023</b>
	<b>RM</b>	<b>RM</b>
Contract assets	<u>24,882</u>	<u>62,774</u>
	<b>GROUP AND COMPANY</b>	
	<b>2024</b>	<b>2023</b>
	<b>RM</b>	<b>RM</b>
Movement of contract assets:		
As at 1 April	62,774	46,967
Invoices raised for accrued revenue in prior year	<u>(62,774)</u>	<u>(46,967)</u>
	-	-
Unbilled revenue recognised	<u>24,882</u>	<u>62,774</u>
As at 31 March	<u>24,882</u>	<u>62,774</u>

As at the end of the reporting period, the unsatisfied (or partially satisfied) performance obligation expected to be recognised is as follow:

	<b>GROUP AND COMPANY</b>	
	<b>2024</b>	<b>2023</b>
	<b>RM</b>	<b>RM</b>
Within 1 year	<u>24,882</u>	<u>62,774</u>

Contract assets is in relation to the accrued revenue where services have been performed by the Group and the Company but have yet to be billed at year end.

**19. CASH AND CASH EQUIVALENTS**

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
Cash in hand	1,127	248	1,127	248
Bank balances	72,849	484,764	27,073	370,980
Fixed deposits with licensed banks	<u>250,000</u>	<u>2,000,000</u>	<u>250,000</u>	<u>2,000,000</u>
	<u>323,976</u>	<u>2,485,012</u>	<u>278,200</u>	<u>2,371,228</u>

The fixed deposits placed with licensed banks have maturity period of 1 month (2023: 12 months). The effective interest rate of the fixed deposits is 2.6% (2023: 3.0%) per annum.

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**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**20. SHARE CAPITAL**

	<b>GROUP AND COMPANY</b>			
	<b>2024</b>		<b>2023</b>	
	<b>No. of Shares</b>	<b>RM</b>	<b>No. of Shares</b>	<b>RM</b>
Ordinary shares				
At 1 April	679,174,263	20,167,541	600,575,170	12,501,503
Share issued for cash and fully paid				
- transfer from capital contribution (Note 21)	-	-	7,046,809	662,400
- cash received	-	-	71,552,284	7,003,638
	-	-	78,599,093	7,666,038
At 31 March	<u>679,174,263</u>	<u>20,167,541</u>	<u>679,174,263</u>	<u>20,167,541</u>

There is no par value for the ordinary shares.

The holders of ordinary shares are entitled to receive dividend as and when declared by the Company.

All ordinary shares carry one vote each without restriction and rank equally with regards to the distribution of the Company's residual assets.

**21. CAPITAL CONTRIBUTION**

Capital contribution is a sum of deposits received relating to the subscription of shares of the Company by strategic investor and pre-listing investors.

In prior year, the entire amount due was capitalised and settled via issuance and allotment of new shares of the Company to the strategic investor and pre-listing investors (Note 20).

**SANCY BERHAD**  
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**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**22. LEASE LIABILITIES**

**Hire purchase**

	<b>GROUP AND COMPANY</b>	
	<b>2024</b>	<b>2023</b>
	<b>RM</b>	<b>RM</b>
Minimum lease payments:		
Within one year	5,434	5,928
Two to five years	23,712	23,712
More than five years	4,409	10,336
	33,555	39,976
Less: Future finance charges	(5,519)	(7,589)
Present value	<u>28,036</u>	<u>32,387</u>
Repayment due:		
Within one year	3,693	3,857
Two to five years	20,037	18,721
More than five years	4,306	9,809
	24,343	28,530
	<u>28,036</u>	<u>32,387</u>
Incremental borrowing rate	<u>4.83%</u>	<u>4.83%</u>

**Operating lease**

	<b>GROUP AND COMPANY</b>	
	<b>2024</b>	<b>2023</b>
	<b>RM</b>	<b>RM</b>
Minimum lease payments:		
Within one year	187,000	100,500
Two to five years	166,500	45,000
	353,500	145,500
Less: Future finance charges	(22,126)	(3,575)
Present value	<u>331,374</u>	<u>141,925</u>
Repayment due:		
Within one year	171,500	97,638
Two to five years	159,874	44,287
	<u>331,374</u>	<u>141,925</u>
Incremental borrowing rate	<u>3.50% - 6.68%</u>	<u>3.50%</u>

**SANCY BERHAD**  
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**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**22. LEASE LIABILITIES (continued)**

**Total**

	<b>GROUP AND COMPANY</b>	
	<b>2024</b>	<b>2023</b>
	<b>RM</b>	<b>RM</b>
Repayment due:		
Within one year	175,193	101,495
Two to five years	179,911	63,008
More than five years	4,306	9,809
	184,217	72,817
	359,410	174,312

**23. TRADE AND OTHER PAYABLES**

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
Trade payables	210,000	-	210,000	-
Other payables	6,859	883,491	3,859	880,491
Accrued expenses	57,885	149,644	44,885	126,141
Sales and Service Tax payable	153,540	63,099	120,885	63,099
Amount due to a director	12,000	-	12,000	-
Amount due to a subsidiary				
- current account	-	-	297,789	-
	440,284	1,096,234	689,418	1,069,731

Trade payables are non-interest bearing and on 30 to 60 days terms.

Other payables are unsecured, non-interest bearing and with credit terms of 14 days (2023: assessed and approved on a case-by-case basis).

The amounts due to a director and subsidiary are unsecured, non-interest bearing and repayable on demand.

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**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**24. CONTRACT LIABILITIES**

Contract liabilities are in relation to billing in advance to customers but services yet to be rendered during the financial year.

Contract liabilities are recognised as revenue as or when the Company satisfies the performance obligation under its contract.

	<b>GROUP AND COMPANY</b>	
	<b>2024</b>	<b>2023</b>
	<b>RM</b>	<b>RM</b>
As at 1 April	109,465	-
Revenue recognised during the year	<u>(109,465)</u>	<u>-</u>
	-	-
Consideration for work not completed but billed at reporting date	<u>13,327</u>	<u>109,465</u>
As at 31 March	<u><u>13,327</u></u>	<u><u>109,465</u></u>

	<b>GROUP AND COMPANY</b>	
	<b>2024</b>	<b>2023</b>
	<b>RM</b>	<b>RM</b>
Represented by:		
Contract liabilities	<u>13,327</u>	<u>109,465</u>
Revenue recognised that was included in contract liabilities balances as at 1 April	<u>109,465</u>	<u>-</u>

As at the end of the reporting period, the unsatisfied (or partially satisfied) performance obligation expected to be recognised is as below:

	<b>GROUP AND COMPANY</b>	
	<b>2024</b>	<b>2023</b>
	<b>RM</b>	<b>RM</b>
Within 1 year	<u>13,327</u>	<u>109,465</u>

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**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**25. SIGNIFICANT RELATED PARTY TRANSACTIONS**

For the purposes of these financial statements, parties are considered to be related to the Group and the Company if the Group and the Company have the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

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 and of the Company either directly or indirectly. The key management personnel include all the directors of the Group and of the Company, and certain members of senior management of the Group and of the Company.

The Group and the Company have related party relationship with their related parties, directors and key management personnel.

**Significant related party transactions**

Related party transactions have been entered in the normal course of business under normal trade terms. The significant related party transactions of the Group and of the Company are as follows:

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
<b>Subsidiaries</b>				
- Settlement of amount owed by offsetting the purchase consideration for the assignment of intangible assets	-	-	-	14,088,170
- Staff cost charges to subsidiaries	-	-	(247,000)	-
- Development expenditure charges to subsidiaries	-	-	(4,061,369)	-
<b>Related parties – through directors</b>				
- Revenue	-	(46,016)	(227,247)	(46,016)
- Subcontract charges incurred	-	16,748	80,666	16,748
- Development expenditure	210,000	144,031	-	-
- Purchase of intangible assets	-	697,000	-	697,000
	<u>-</u>	<u>697,000</u>	<u>-</u>	<u>697,000</u>

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**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**25. SIGNIFICANT RELATED PARTY TRANSACTIONS (continued)**

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
<b>Directors</b>				
- Consultancy fee	-	20,000	-	20,000
- Purchase of Sancy Solutions Sdn. Bhd. from a director	-	-	-	1
- Issuance of share capital by cash consideration	-	6,384,238	-	6,384,238
- Partial compensation on profit guarantee	<u>(1,800,000)</u>	<u>(1,500,000)</u>	<u>(1,800,000)</u>	<u>(1,500,000)</u>

**26. COMPENSATION OF KEY MANAGEMENT PERSONNEL**

The key management personnel comprises directors having authority and responsibility for planning, directing and controlling the financial and operating policies of the Company either directly or indirectly.

	<b>GROUP AND COMPANY</b>	
	<b>2024</b>	<b>2023</b>
	<b>RM</b>	<b>RM</b>
Directors:		
Short term employees' benefits	<u>380,243</u>	<u>500,582</u>
Other key management personnel:		
Short term employees' benefits	<u>256,567</u>	<u>257,515</u>

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**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**27. LEASE ARRANGEMENT**

The future minimum lease payments receivable under non-cancellable operating lease contracted for as at the reporting date but not recognised as receivables are as follows:

	<b>GROUP AND COMPANY</b>	
	<b>2024</b>	<b>2023</b>
	<b>RM</b>	<b>RM</b>
Within 1 year	12,000	-
Two to five years	21,000	-
	33,000	-

**28. SEGMENT INFORMATION**

All operating segments' results are reviewed regularly by the Chief Operating Decision Maker, which in this case is the Group Chief Executive Officer of the Group and the Company, to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

(a) Primary reporting format - by business segment

The Group and the Company are primarily operating in one business segment which is the provision of digital healthcare solutions, other non-clinical information management system, and related services.

Certain subsidiaries have not commenced operations as at the reporting date.

(b) Secondary reporting format - by geography

The Group's and the Company's business segments are operated predominantly and managed in one (1) geographical area which is Malaysia in the financial year.

In determining the geographical segments of the Group and the Company, sales are based on the countries in which the sales are generated and managed which is in Malaysia in the financial year. Total assets and capital expenditure are determined based on where the assets are located, and all assets are located in Malaysia.

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**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**28. SEGMENT INFORMATION (continued)**

(c) Third reporting format - by major customers

Revenue from major customers arising from provision of digital healthcare solutions, other non-clinical information management system, and related services during financial year 2024 and 2023:

	<b>GROUP AND COMPANY</b>	
	<b>2024</b>	<b>2023</b>
<b>Customer</b>	<b>RM</b>	<b>RM</b>
Customer A	2,950,021	2,341,195
Customer B	1,424,763	750,000
Customer C	307,690	500,000
Customer D	228,515	440,362
Customer E	171,319	204,668

**29. MATERIAL LITIGATION**

**(a) High Court of Kuala Lumpur (Civil Suit No. WA-22NCVC-277- 04/2021) brought by Ali Health Sdn Bhd (“Ali Health”) as the Plaintiff against Sancy Berhad (“SB”) as the Defendant**

Ali Health was awarded a main contract to develop, implement and maintain an information technology solution for the Pathology Department of Hospital Kuala Lumpur (“HKL”) and in turn, Ali Health has then entered into a sub-contract with SB on 1 August 2019.

By a Writ of Summons and Statement of Claim dated 21 April 2021, Ali Health filed the suit against SB wherein it is alleged, inter alia, that SB has –

- (a) unlawfully terminated the agreement dated 1 August 2019 entered into between parties for the provision of development, implementation and maintenance services of laboratory information system (“LIS”) by the Company to Ali Health (“Agreement”);
- (b) committed breaches of the Agreement;
- (c) breached the confidentiality obligation imposed on the Company; and

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**NOTES TO THE FINANCIAL STATEMENTS** *(continued)*

**29. MATERIAL LITIGATION** *(continued)*

**(a) High Court of Kuala Lumpur (Civil Suit No. WA-22NCVC-277- 04/2021) brought by Ali Health Sdn Bhd (“Ali Health”) as the Plaintiff against Sancy Berhad (“SB”) as the Defendant** *(continued)*

- (d) breached the intellectual property rights of Ali Health, and as such, Ali Health has incurred losses and damages until March 2021 in the amount of RM 2,259,652.12.

The orders and relief sought by Ali Health against SB in the suit are as follows:

- (a) A declaration that the termination of the Agreement is unlawful, SB has breached the terms of the Agreement, Ali Health is the rightful owner of the LIS and all intellectual property rights therein and that SB has breached its confidentiality obligation to Ali Health.
- (b) A perpetual injunction to restrain SB from acting by itself or through any other person, howsoever from disabling and/or having access and/or tampering with the LIS in any manner whatsoever.
- (c) An order that SB, within 7 days from the date of the order, deliver up the source codes of the LIS, all reports, documents materials, information, data and disks (in whatever form or medium or format in the possession of SB).
- (d) General damages.
- (e) Additional and/or exemplary and/or aggravated damages.
- (f) Pre-judgement period for such period and at such rate as the High Court of Malaya (“High Court”) deems appropriate.
- (g) Interest at the rate of 5% per annum on the judgment sum from the date of the award until the date of full settlement.
- (h) Costs.
- (i) Any other relief deemed fit by the High Court.

By a Defence and Counter-Claim dated 12 May 2021, SB filed a counterclaim against Ali Health in the same suit claiming for the following:

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**NOTES TO THE FINANCIAL STATEMENTS** *(continued)*

**29. MATERIAL LITIGATION** *(continued)*

**(a) High Court of Kuala Lumpur (Civil Suit No. WA-22NCVC-277- 04/2021) brought by Ali Health Sdn Bhd (“Ali Health”) as the Plaintiff against Sancy Berhad (“SB”) as the Defendant** *(continued)*

- (a) A declaration that the termination notice issued by SB is valid, binding and effective, that the ownership of the LIS provided by the Company to Ali Health belonged to SB at all material times.
- (b) An amount of RM1,302,511.64 as damages for expenses, costs, fees and charges incurred by SB in carrying out the work under the Agreement.
- (c) An amount of RM1,738,400 being the total amount of outstanding monies due and owing by Ali Health to SB pursuant to the invoices issued by SB.
- (d) General damages.
- (e) Additional and/or exemplary and/or aggravated damages.
- (f) An injunction to stop Ali Health and/or any third party from utilising and accessing the LIS and the interface application, after 1 May 2021, without the consent of SB.
- (g) In the event Ali Health continues to utilise, use and access the LIS, the monthly rental of RM33,566.70 from January 2021 until the LIS is returned to SB.
- (h) Interest at the rate of 5% per annum on the judgment sum from the date of filing of the summons until the date of full settlement.
- (i) Costs on a solicitor-client basis.
- (j) Any other relief deemed fit by the High Court.

The lawyers for the Plaintiff have proposed a settlement of the above matter, however, SB have instructed their solicitors to reject the Plaintiff’s offer as they are still using their system and collecting their fees from HKL.

The Court has fixed the trial dates for the matter on 30 June 2025, 1 July 2025 and 2 July 2025.

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**NOTES TO THE FINANCIAL STATEMENTS** *(continued)*

**29. MATERIAL LITIGATION** *(continued)*

- (b) **The Sessions Court of Kuala Lumpur (Civil Suit No. WA-B52NCvC--589-12/2023) brought by Sancy Berhad (“SB”) as the Plaintiff against UKM Kesihatan Sdn. Bhd. as the First Defendant (“UKM”) and Mohd Hatar bin Ismail as the Second Defendant (“Hatar”)**

This is a legal dispute between SB, UKM and Hatar (the director of UKM), arising from a letter of intent dated 25 November 2020 (“Letter of Intent”).

The Letter of Intent was issued by UKM to SB for the supply of the hospital information system (“HIS”) at the price of RM2.6 million. After the commencement of the requirement study by SB for the proof of concept as required by the Letter of Intent, SB received a letter from UKM terminating the Letter of Intent, citing cash flow issues faced by UKM due to the Covid-19 pandemic as the reason for the termination.

By a Writ of Summons and a Statement of Claim, the Company filed the suit against UKM and Hatar claiming for amongst others, damages in the amount of RM913,181.00 arising from the wrongful termination of the Letter of Intent as compensation.

On 8 April 2024, SB has obtained judgement in default of Appearance (“Judgement in Default”) and the solicitors have been instructed to file a recovery proceeding against UKM. On 24 May 2024, SB received an unsealed Notice of Application (“NOA”) to set aside the said Judgement In Default together with the accompanying Affidavits in Support. The Court has yet to fix a hearing date for the said NOA as at date of this report.

**30. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR**

On 21 July 2023, the Company announced that the Call Option has lapsed on the event date.

**31. COMPARATIVE FIGURES**

The comparative figures were not audited by PCCO PLT.

Certain comparative figures have been reclassified to conform with current year’s presentation.