

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

FINANCIAL REPORT FOR THE
YEAR ENDED 31 MARCH 2025

201701044626 (1258799-P)

SANCY BERHAD
(Incorporated in Malaysia)

FINANCIAL REPORT FOR THE
YEAR ENDED 31 MARCH 2025

PCCO PLT
201304000513 (LLP0000506-LCA) & AF 1056
CHARTERED ACCOUNTANTS
NO. 17, JALAN IPOH KECIL
50350 KUALA LUMPUR

SANCY BERHAD
(Incorporated in Malaysia)

**FINANCIAL REPORT FOR THE
YEAR ENDED 31 MARCH 2025**

Contents	Pages
Corporate Information	1
Directors' Report	2 – 8
Statement by Directors	9
Statutory Declaration	10
Auditors' Report	11 – 16
Consolidated Statement of Profit or Loss and Other Comprehensive Income	17
Consolidated Statement of Financial Position	18
Consolidated Statement of Changes in Equity	19
Consolidated Statement of Cash Flows	20 – 22
Statement of Profit or Loss and Other Comprehensive Income	23
Statement of Financial Position	24
Statement of Changes in Equity	25
Statement of Cash Flows	26 – 28
Notes to the Financial Statements	29 – 69

201701044626 (1258799-P)

SANCY BERHAD
(Incorporated in Malaysia)

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 Milenium
Jalan Damanlela
Pusat Bandar Damansara
Damansara Heights
50490 Kuala Lumpur

PRINCIPAL PLACE OF BUSINESS

Suite 601, Block A, Level 6
Pusat Dagangan Phileo Damansara 1
No. 9, Jalan 16/11
Pusat Perdagangan
46350 Petaling Jaya
Selangor Darul Ehsan

AUDITORS

PCCO PLT
201304000513 (LLP0000506-LCA) & AF 1056
Chartered Accountants
Kuala Lumpur

SANCY BERHAD
(Incorporated in Malaysia)

DIRECTORS' REPORT

for the financial year ended 31 March 2025

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 2025.

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

	GROUP RM	COMPANY RM
Profit for the year	<u>2,529,302</u>	<u>2,596,324</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
(Incorporated in Malaysia)

DIRECTORS' REPORT *(continued)*

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 Chakraverty (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 1/4/2024	No. of ordinary shares		As at 31/3/2025
		Bought	Sold	
The Company				
Direct interests				
Tan Sri Dato' Seri Shahril Bin Shamsuddin	67,917,426	-	-	67,917,426
Prabuddha Kumar Pronob Chakraverty	125,000	-	-	125,000
Dr. Izhar Bin Che Mee	400,000	-	-	400,000
Indirect interests				
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
(Incorporated in Malaysia)

DIRECTORS' REPORT *(continued)*

DIRECTORS' INTERESTS *(continued)*

	As at 1/4/2024	No. of ordinary shares		As at 31/3/2025
		Bought	Sold	
The Company				
Indirect interests				
Prabuddha Kumar Pronob Chakraverty				
- Sancy Consulting Sdn. Bhd.	307,866,077	-	(10,063,557)	297,802,520
- Sancy Holdings Sdn. Bhd.	155,000,000	-	-	155,000,000
Dr. Izhar Bin Che Mee				
- Sancy Consulting Sdn. Bhd.	307,866,077	-	(10,063,557)	297,802,520
Corporate Shareholders				
Direct interest				
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
Indirect interests				
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 holding company are also deemed interested in shares in the Company and its related corporations to the extent the holding company has an interest.

SANCY BERHAD
(Incorporated in Malaysia)

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 below 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 24 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:

	GROUP AND COMPANY RM
Fees	12,000
Other emoluments	472,987
	<hr/>
	484,987
	<hr/>

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
(Incorporated in Malaysia)

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
(Incorporated in Malaysia)

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 RM2,171,435 (2024: RM1,800,000) 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.

SANCY BERHAD
(Incorporated in Malaysia)

DIRECTORS' REPORT *(continued)*

AUDITORS

The auditors' remuneration for the Group and for the Company for the financial year ended 31 March 2025 is RM61,400 and RM47,500 respectively.

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

On behalf of the Board

PRABUDDHA KUMAR PRNOB
CHAKRAVERTTY

DR. IZHAR BIN CHE MEE

Kuala Lumpur
Date: 31 July 2025

SANCY BERHAD
(Incorporated in Malaysia)

STATEMENT BY DIRECTORS

In the opinion of the directors, the financial statements set out on pages 17 to 69 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 2025 and of their financial performance and cash flows for the year then ended.

Signed in accordance with a resolution of the Board

PRABUDDHA KUMAR PRONOB
CHAKRAVERTTY

DR. IZHAR BIN CHE MEE

Kuala Lumpur
Date: 31 July 2025

SANCY BERHAD
(Incorporated in Malaysia)

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 69 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.

PRABUDDHA KUMAR PRONOB
CHAKRAVERTTY

Subscribed and solemnly declared at Kuala Lumpur, Wilayah Persekutuan on 31 July 2025.

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 2025 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 69.

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 2025 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 Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), as applicable to audits of financial statements of public interest entities 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 201701044626 (1258799-P)
(Incorporated in Malaysia) (continued)**

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 – Capitalisation of development expenditure (“Enhancement and Customisation Expenditure”)

As disclosed in Note 12 to the financial statements, the carrying amount of the Group’s intangible assets as at 31 March 2025 amounted to RM25,055,632 out of which development expenditure capitalised during the financial year amounted to RM3,276,237. These amounts relate to the enhancement and customisation of the Group’s own Software Systems which will be used in business.

As indicated in Note 2(b)(iii), judgement is required to determine whether the capitalisation of costs for enhancement and customisation of Software Systems have met the recognition criteria as set out in the Group’s accounting policy, particularly on technical feasibility and sufficiency of future economic benefits.

The capitalisation of development expenditure is a key audit matter due to the significance of the costs capitalised and the involvement of management’s judgement in assessing whether the criteria set out in the accounting policy for capitalisation of such costs have been met.

Our audit procedures included among others are as follows:

- Assessed whether development expenditures were capitalised only when the future economic benefits were probable and the main conditions set out in MFRS 138 were met; and
- Assessed and reviewed the disclosures in the financial statements.

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

Key Audit Matters (continued)

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 management engaged an independent professional valuer to assist in the determination of the recoverable amount of the Software Systems based on the financial projection approved by the management.

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 among others are as follows:

- 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 the competence, capabilities and objectivity of the independent professional valuer.
- Reviewed the valuation model and tested the mathematical accuracy of the calculations.
- Assessed and reviewed the disclosures in the financial statements.

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

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.

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

Information Other than the Financial Statements and Auditors' Report Thereon (continued)

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.

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.

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

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

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

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- 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.

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

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

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.

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
201304000513 (LLP0000506-LCA) & AF 1056
Chartered Accountants

Kuala Lumpur
Date: 31 July 2025

TAN LI LEE
No. 02965/05/2027 J
Chartered Accountant

SANCY BERHAD
(Incorporated in Malaysia)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 31 March 2025

	NOTE	2025 RM	2024 RM
REVENUE	6	5,238,461	5,264,948
COST OF SALES		<u>(2,657,659)</u>	<u>(2,053,574)</u>
GROSS PROFIT		2,580,802	3,211,374
OTHER INCOME		2,211,119	1,833,133
IMPAIRMENT LOSSES ON FINANCIAL ASSETS			
Reversal of impairment loss no longer required		5,625	15,000
Impairment loss on trade receivables		(114,945)	-
ADMINISTRATIVE EXPENSES		(2,540,475)	(2,634,737)
FINANCE COSTS		<u>(15,430)</u>	<u>(10,014)</u>
PROFIT BEFORE TAXATION	7	2,126,696	2,414,756
TAXATION	8	<u>402,606</u>	<u>(517,162)</u>
PROFIT FOR THE YEAR		2,529,302	1,897,594
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>2,529,302</u>	<u>1,897,594</u>
PROFIT FOR THE YEAR ATTRIBUTABLE TO:			
OWNERS OF THE PARENT		<u>2,529,302</u>	<u>1,897,594</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR ATTRIBUTABLE TO:			
OWNERS OF THE PARENT		<u>2,529,302</u>	<u>1,897,594</u>
EARNINGS PER SHARE (sen)			
- basic	9	<u>0.37</u>	<u>0.28</u>
- diluted	9	<u>0.37</u>	<u>0.28</u>

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

SANCY BERHAD
(Incorporated in Malaysia)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 March 2025

	NOTE	2025 RM	2024 RM
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	10	114,745	182,408
Right-of-use assets	11	85,894	333,552
Intangible assets	12	25,055,632	21,779,395
Goodwill	16	-	-
Deferred tax assets	15	117,000	45,000
		<u>25,373,271</u>	<u>22,340,355</u>
CURRENT ASSETS			
Trade and other receivables	17	1,198,298	1,989,799
Contract assets	18	421,387	24,882
Tax recoverable		860,746	186,500
Cash and cash equivalents	19	122,142	323,976
		<u>2,602,573</u>	<u>2,525,157</u>
TOTAL ASSETS		<u>27,975,844</u>	<u>24,865,512</u>
EQUITY AND LIABILITIES			
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT			
Share capital	20	20,167,541	20,167,541
Retained profits		6,348,552	3,819,250
TOTAL EQUITY		<u>26,516,093</u>	<u>23,986,791</u>
NON-CURRENT LIABILITIES			
Lease liabilities	21	59,442	184,217
CURRENT LIABILITIES			
Trade and other payables	22	1,317,473	440,284
Contract liabilities	23	-	13,327
Lease liabilities	21	54,843	175,193
Taxation		27,993	65,700
		<u>1,400,309</u>	<u>694,504</u>
TOTAL LIABILITIES		<u>1,459,751</u>	<u>878,721</u>
TOTAL EQUITY AND LIABILITIES		<u>27,975,844</u>	<u>24,865,512</u>

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 2025

	← Attributable to owners of the Parent →		
	Share capital RM	Retained profits RM	Total RM
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
Balance at 1 April 2024	20,167,541	3,819,250	23,986,791
Profit for the year	-	2,529,302	2,529,302
Total comprehensive income	-	2,529,302	2,529,302
Balance at 31 March 2025	20,167,541	6,348,552	26,516,093

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 2025

	NOTE	2025 RM	2024 RM
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		2,126,696	2,414,756
Adjustments for:			
Depreciation of property, plant and equipment		62,146	72,426
Depreciation of right-of-use assets		150,018	128,992
Gain on disposal of property, plant and equipment		(6,440)	-
Gain on lease termination		(2,975)	-
Impairment loss of trade receivables		114,945	-
Interest expense		15,430	10,014
Interest income		(1,045)	(24,133)
Property, plant and equipment written off		3,685	-
Reversal of impairment loss no longer required		(5,625)	(15,000)
Short term leases		107,013	126,120
Low value assets leases		1,200	300
Profit before working capital changes		2,565,048	2,713,475
Working capital changes:			
Trade and other receivables		682,181	958,735
Contract assets		(396,505)	37,892
Trade and other payables		877,189	(655,950)
Contract liabilities		(13,327)	(96,138)
Cash inflows from operations		3,714,586	2,958,014
Tax paid		(381,347)	(578,662)
Short term leases paid		(107,013)	(126,120)
Low value leases paid		(1,200)	(300)
Interest paid		(15,430)	(10,014)
Net cash inflows from operating activities		3,209,596	2,242,918

SANCY BERHAD
(Incorporated in Malaysia)

CONSOLIDATED STATEMENT OF CASH FLOWS *(continued)*

for the year ended 31 March 2025

	NOTE	2025 RM	2024 RM
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from disposal of property, plant and equipment		10,000	-
Additions of intangible assets		(3,276,237)	(4,236,944)
Purchase of property, plant and equipment		(1,728)	(48,735)
Interest received		1,045	24,133
		<u>(3,266,920)</u>	<u>(4,261,546)</u>
Net cash outflows from investing activities			
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of hire purchase creditor		(3,199)	(4,351)
Repayment of lease liabilities		<u>(141,311)</u>	<u>(138,057)</u>
Net cash outflows from financing activities	A	<u>(144,510)</u>	<u>(142,408)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS		(201,834)	(2,161,036)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		<u>323,976</u>	<u>2,485,012</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	19	<u>122,142</u>	<u>323,976</u>

SANCY BERHAD
(Incorporated in Malaysia)

CONSOLIDATED STATEMENT OF CASH FLOWS *(continued)*

for the year ended 31 March 2025

A. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

	As at 1 April 2024 RM	Cash flows movements RM	Non-cash movements RM	As at 31 March 2025 RM
Lease liabilities	359,410	(144,510)	(100,615)	114,285
	<u>359,410</u>	<u>(144,510)</u>	<u>(100,615)</u>	<u>114,285</u>

	As at 1 April 2023 RM	Cash flows movements RM	Non-cash movements RM	As at 31 March 2024 RM
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>

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 2025

	NOTE	2025 RM	2024 RM
REVENUE	6	3,456,851	4,728,348
COST OF SALES		<u>(1,320,360)</u>	<u>(1,806,574)</u>
GROSS PROFIT		2,136,491	2,921,774
OTHER INCOME		2,211,119	1,833,133
IMPAIRMENT LOSSES ON FINANCIAL ASSETS			
Reversal of impairment loss no longer required		5,625	15,000
Impairment loss on trade receivables		(114,945)	-
ADMINISTRATIVE EXPENSES		(2,046,116)	(2,572,308)
FINANCE COSTS		<u>(15,430)</u>	<u>(10,014)</u>
PROFIT BEFORE TAXATION	7	2,176,744	2,187,585
TAXATION	8	<u>419,580</u>	<u>(451,462)</u>
PROFIT FOR THE YEAR		2,596,324	1,736,123
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>2,596,324</u>	<u>1,736,123</u>
PROFIT FOR THE YEAR ATTRIBUTABLE TO:			
OWNERS OF THE PARENT		<u>2,596,324</u>	<u>1,736,123</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR ATTRIBUTABLE TO:			
OWNERS OF THE PARENT		<u>2,596,324</u>	<u>1,736,123</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 2025

	NOTE	2025 RM	2024 RM
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	10	114,745	182,408
Right-of-use assets	11	85,894	333,552
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	117,000	45,000
		15,202,832	15,446,153
CURRENT ASSETS			
Trade and other receivables	17	11,215,100	9,011,184
Contract assets	18	421,387	24,882
Tax recoverable		860,746	186,500
Cash and cash equivalents	19	75,128	278,200
		12,572,361	9,500,766
TOTAL ASSETS		27,775,193	24,946,919
EQUITY AND LIABILITIES			
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT			
Share capital	20	20,167,541	20,167,541
Retained profits		6,313,547	3,717,223
TOTAL EQUITY		26,481,088	23,884,764
NON-CURRENT LIABILITIES			
Lease liabilities	21	59,442	184,217
CURRENT LIABILITIES			
Trade and other payables	22	1,179,820	689,418
Contract liabilities	23	-	13,327
Lease liabilities	21	54,843	175,193
		1,234,663	877,938
TOTAL LIABILITIES		1,294,105	1,062,155
TOTAL EQUITY AND LIABILITIES		27,775,193	24,946,919

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 2025

	← Attributable to owners of the Parent →		
	Share capital RM	Retained profits RM	Total RM
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
Balance at 1 April 2024	20,167,541	3,717,223	23,884,764
Profit for the year	-	2,596,324	2,596,324
Total comprehensive income	-	2,596,324	2,596,324
Balance at 31 March 2025	20,167,541	6,313,547	26,481,088

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 2025

	NOTE	2025 RM	2024 RM
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		2,176,744	2,187,585
Adjustments for:			
Depreciation of property, plant and equipment		62,146	72,426
Depreciation of right-of-use assets		150,018	128,992
Gain on disposal of property, plant and equipment		(6,440)	-
Gain on lease termination		(2,975)	-
Impairment loss on trade receivables		114,945	-
Interest expense		15,430	10,014
Interest income		(1,045)	(24,133)
Property, plant and equipment written off		3,686	-
Reversal of impairment loss no longer required		(5,625)	(15,000)
Short term leases		107,013	126,120
Low value assets leases		1,200	300
Profit before working capital changes		2,615,097	2,486,304
Working capital changes:			
Trade and other receivables		(2,313,236)	(3,258,667)
Contract assets		(396,505)	37,892
Trade and other payables		490,402	(380,313)
Contract liabilities		(13,327)	(96,138)
Cash inflows/(outflows) from operations		382,431	(1,210,922)
Tax paid		(326,667)	(578,662)
Short term lease paid		(107,013)	(126,120)
Low value assets lease paid		(1,200)	(300)
Interest paid		(15,430)	(10,014)
Net cash outflows from operating activities		(67,879)	(1,926,018)

SANCY BERHAD
(Incorporated in Malaysia)

STATEMENT OF CASH FLOWS *(continued)*

for the year ended 31 March 2025

	NOTE	2025 RM	2024 RM
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from disposal of property, plant and equipment		10,000	-
Purchase of property, plant and equipment		(1,728)	(48,735)
Interest received		1,045	24,133
		<u>9,317</u>	<u>(24,602)</u>
Net cash inflows/(outflows) from investing activities			
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of hire purchase creditor		(3,199)	(4,351)
Repayment of lease liabilities		(141,311)	(138,057)
		<u>(144,510)</u>	<u>(142,408)</u>
Net cash outflow from financing activities	A		
NET DECREASE IN CASH AND CASH EQUIVALENTS		(203,072)	(2,093,028)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		<u>278,200</u>	<u>2,371,228</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	19	<u><u>75,128</u></u>	<u><u>278,200</u></u>

SANCY BERHAD
(Incorporated in Malaysia),

STATEMENT OF CASH FLOWS *(continued)*

for the year ended 31 March 2025

A. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

	As at 1 April 2024 RM	Cash flows movements RM	Non-cash movements RM	As at 31 March 2025 RM
Lease liabilities	359,410	(144,510)	(100,615)	114,285
	<u>359,410</u>	<u>(144,510)</u>	<u>(100,615)</u>	<u>114,285</u>

	As at 1 April 2023 RM	Cash flows movements RM	Non-cash movements RM	As at 31 March 2024 RM
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>

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 2025

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 31 July 2025.

(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 2024, the Group and the Company adopted the following new Amendments to MFRSs mandatory for annual financial periods beginning on or after 1 April 2024:

Amendments to Standards

Amendments to MFRS 101 – Classification of Liabilities as Current and Non-current

Amendments to MFRS 101 – Non-current Liabilities with Covenants

Amendments to MFRS 107 and MFRS 7 – Supplier Finance Arrangements

Amendments to MFRS 16 – Lease Liability in a Sale and Leaseback

The adoption of the above Amendments to MFRSs does not have any material effect on the financial statements of the Group and 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:

Amendments to Standards	Effective date
Amendments to MFRS 121 – Lack of Exchangeability	1 January 2025
Annual Improvements to MFRS Accounting Standards – Volume 11	1 January 2026
<ul style="list-style-type: none"> • Amendments to MFRS 7 Financial Instruments: Disclosures • Amendments to MFRS 9 Financial Instruments • Amendments to MFRS 10 Consolidated Financial Statements • Amendments to MFRS 107 Statement of Cash Flows 	
Amendments to MFRS 9 and 7 – Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Amendments to MFRS 9 and 7 – Contracts Referencing Nature-Dependent Electricity	1 January 2026

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

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

Standards	Effective date
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) Intangible assets with indefinite useful life

Significant judgement is required in identifying and segregating research from the development phase of various internal projects. Costs incurred during the development phase are recognised as intangible assets when all the capitalisation criteria as set out in the accounting policies as disclosed in Note 2(b)(iii) are met. All other costs are expensed to profit or loss as incurred.

Management is expected to monitor the status of the internal projects and changes to project status, market demand and technology development that will affect the Group's and the Company's intention and ability to complete and sell the intangible asset and impact the extent of capitalisation and subsequent amortisation.

SANCY BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

1. BASIS OF PREPARATION *(continued)*

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

(ii) 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.

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 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 equipments	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.

SANCY BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

2. MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

(b) Intangible assets *(continued)*

(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.

(iii) Internally generated intangible assets

Development costs represent typical internally generated intangible assets of relevance for the Group and the Company. Costs incurred in relation to individual projects are capitalised only when the future economic benefit of the project 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.

SANCY BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

2. MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

(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.

(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 the customer 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) 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 two customers (2024: four customers) which constitute 53% (2024: 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 apply 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 and the historical payment profiles. The Group and the Company also consider available reasonable and supportive forward-looking information available. 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. The Group and the Company have established an expected credit losses policy whereby trade receivables are impaired according to the following aging criteria:

- i) 20% impairment on receivables past due more than 120 days but less than 180 days;
- ii) 50% impairment on receivables past due more than 181 days but less than 240 days; and
- iii) 100% impairment on receivables past due more than 241 days.

The management will also conducting case-by-case assessments of individual receivables, particularly those involving specific repayment arrangements.

The Company has collateral held as security to minimise credit risk of a trade receivable of the Company comprising retained deposit from a hospital amounting to RM215,750 (2024: RM215,750). This deposit collected serves as collateral held as security by the Company in the event of default in payment. The collateral held is on cash basis, thus there is no cost of obtaining and selling of the collateral.

Other receivables

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

The Group and the Company consider 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.

SANCY BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(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.

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:

	Within 1 year RM	2 – 5 years RM	More than 5 years RM	Total RM
GROUP				
As at 31 March 2025				
Non-derivative financial liabilities				
Trade and other payables (excluding SST)	1,153,362	-	-	1,153,362
As at 31 March 2024				
Non-derivative financial liabilities				
Trade and other payables (excluding SST)	286,744	-	-	286,744
Maturity analysis of lease liabilities:				
As at 31 March 2025	60,422	62,693	-	123,115
As at 31 March 2024	192,434	190,212	4,409	387,055

SANCY BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(b) Liquidity risk (continued)

	Within 1 year RM	2 – 5 years RM	More than 5 years RM	Total RM
COMPANY				
As at 31 March 2025				
Non-derivative financial liabilities				
Trade and other payables (excluding SST)	1,079,751	-	-	1,079,751
As at 31 March 2024				
Non-derivative financial liabilities				
Trade and other payables (excluding SST)	568,533	-	-	568,533
Maturity analysis of lease liabilities:				
As at 31 March 2025	60,422	62,693	-	123,115
As at 31 March 2024	192,434	190,212	4,409	387,055

(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
(Incorporated in Malaysia)

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 manages its capital structure and makes 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 shareholder, return of capital to shareholder 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 is not subject to any externally imposed capital requirements.

5. FINANCIAL INSTRUMENTS BY CATEGORIES AND THEIR FAIR VALUE ESTIMATION

	2025	2024
	RM	RM
GROUP		
Financial assets		
Financial assets measured at amortised cost		
- Trade and other receivables (excluding prepayments)	1,152,752	1,925,901
- Cash and cash equivalents	122,142	323,976
Financial liabilities		
Financial liabilities measured at amortised cost		
- Trade and other payables (excluding SST)	<u>1,153,362</u>	<u>286,744</u>

SANCY BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS (continued)

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

	2025	2024
	RM	RM
COMPANY		
Financial assets		
Financial assets measured at amortised cost		
- Trade and other receivables (excluding prepayments)	11,169,554	8,947,286
- Cash and cash equivalents	75,128	278,200
Financial liabilities		
- Trade and other payables (excluding SST)	<u>1,079,751</u>	<u>568,533</u>

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

6. REVENUE

	GROUP		COMPANY	
	2025	2024	2025	2024
	RM	RM	RM	RM
Provision of digital healthcare solutions and related services	3,898,851	5,219,468	3,442,851	4,728,348
Provision of non-clinical information management system and related services	<u>1,339,610</u>	<u>45,480</u>	<u>14,000</u>	<u>-</u>
	<u>5,238,461</u>	<u>5,264,948</u>	<u>3,456,851</u>	<u>4,728,348</u>

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

Timing of revenue:				
- Over time	5,238,461	5,252,578	3,456,851	4,715,978
- At a point in time	<u>-</u>	<u>12,370</u>	<u>-</u>	<u>12,370</u>
	<u>5,238,461</u>	<u>5,264,948</u>	<u>3,456,851</u>	<u>4,728,348</u>

SANCY BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS (continued)

7. PROFIT BEFORE TAXATION

	GROUP		COMPANY	
	2025	2024	2025	2024
	RM	RM	RM	RM
Profit before taxation is stated after charging and (crediting):				
Auditors' remuneration	61,400	58,000	47,500	45,000
Depreciation of:				
property, plant, and equipment	62,146	72,426	62,146	72,426
right-of-use assets	150,018	128,992	150,018	128,992
Directors' remuneration:				
fees	12,000	12,000	12,000	12,000
other emoluments	472,987	368,243	472,987	368,243
Gain on lease termination	(2,975)	-	(2,975)	-
Gain on disposal of property, plant and equipment	(6,440)	-	(6,440)	-
Property, plant and equipment written off	3,685	-	3,685	-
Short term leases: -				
operating lease – server rental	54,863	92,020	54,863	92,020
operating lease – rental of accommodations	44,200	38,090	44,200	38,090
operating lease – rental of office	7,950	-	7,950	-
Low value assets leases: -				
operating lease – rental of equipment	1,200	300	1,200	300
Partial compensation on profit guarantee #	(2,171,435)	(1,800,000)	(2,171,435)	(1,800,000)
Professional fees	-	96,708	-	92,208
(Income)/expenses on financial assets at amortised costs:				
interest income from fixed deposits	(1,045)	(24,133)	(1,045)	(24,133)
reversal of impairment loss no longer required	(5,625)	(15,000)	(5,625)	(15,000)
impairment loss on trade receivables	114,945	-	114,945	-
realised loss on foreign exchange	65,927	8,060	10,960	8,060
Staff cost *	3,106,669	2,668,507	1,629,467	2,421,507
Operating lease – rental income from premise **	(10,000)	(4,000)	(10,000)	(4,000)
Hire purchase interest	1,742	2,070	1,742	2,070
Lease liabilities interest	13,688	7,944	13,688	7,944
Subcontract and consultancy expenses	382,321	482,025	382,321	482,025

SANCY BERHAD
(Incorporated in Malaysia)

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 RM115,980 and RM51,958 (2024: RM92,296 and RM90,940) respectively contributed to the Employees' Provident Fund.

** This consist of non-cancellable operating lease where the lease arrangement is as disclosed in Note 26 to the financial statements.

Partial compensation on profit guarantee

Prabuddha Kumar Pronob Chakraverty (the promoter, substantial shareholder and Group Chief Executive Officer) and Dr Izhar bin Che Mee (the 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 Tan Sri Dato' Seri Shahril Bin Shamsuddin 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 2024, 31 March 2025 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 2025, the Obligors have partially compensated towards the Profit Guarantee an amount of RM2,171,435 (2024: RM1,800,000).

8. TAXATION

	GROUP		COMPANY	
	2025 RM	2024 RM	2025 RM	2024 RM
(a) Current Malaysian taxation	52,000	174,200	35,000	108,500
Deferred taxation (Note 15)	(72,000)	(39,700)	(72,000)	(39,700)
	(20,000)	134,500	37,000	68,800
Under/(over) provision in prior year	(382,606)	382,662	(382,580)	382,662
	(402,606)	517,162	(419,580)	451,462

SANCY BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS (continued)

8. TAXATION (continued)

(b) Reconciliation of tax (income)/expense and accounting profit:

	GROUP		COMPANY	
	2025	2024	2025	2024
	RM	RM	RM	RM
Accounting profit	<u>2,126,696</u>	<u>2,414,756</u>	<u>2,176,744</u>	<u>2,187,585</u>
Tax at the applicable tax rate	510,407	579,542	522,419	525,021
Tax effect of expenses that are not deductible in determining taxable profit for income tax purposes	32,777	72,952	3,765	61,773
Tax effect of income that are not included in determining taxable profit for income tax purposes	(521,144)	(432,000)	(521,144)	(432,000)
Under provision of deferred tax assets in prior year	(42,040)	(85,994)	(42,040)	(85,994)
Under/(over) provision of income tax in prior year	<u>(382,606)</u>	<u>382,662</u>	<u>(382,580)</u>	<u>382,662</u>
Tax (income)/expense	<u>(402,606)</u>	<u>517,162</u>	<u>(419,580)</u>	<u>451,462</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
(Incorporated in Malaysia)

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.

	GROUP	
	2025	2024
Consolidated profit for the year (RM)	<u>2,529,302</u>	<u>1,897,594</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>0.37</u>	<u>0.28</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 the financial year.

SANCY BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS (continued)

10. PROPERTY, PLANT AND EQUIPMENT

GROUP AND COMPANY	Furniture and fittings RM	Office equipment RM	Computer RM	Motor vehicle RM	Total RM
2025					
At cost					
At 1 April 2024	25,130	56,218	354,641	42,220	478,209
Additions	-	-	1,728	-	1,728
Disposals	(2,900)	(2,550)	-	-	(5,450)
Written off	(4,575)	(10,856)	(13,531)	-	(28,962)
At 31 March 2025	17,655	42,812	342,838	42,220	444,525
Accumulated depreciation					
At 1 April 2024	11,634	31,276	236,003	16,888	295,801
Charge for the year	2,513	7,998	43,191	8,444	62,146
Disposals	(870)	(1,020)	-	-	(1,890)
Written off	(3,203)	(9,538)	(12,536)	-	(25,277)
At 31 March 2025	10,074	28,716	266,658	25,332	330,780
Net book value					
At 31 March 2025	7,581	14,096	76,180	16,888	114,745
2024					
At cost					
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	25,130	56,218	354,641	42,220	478,209
Accumulated depreciation					
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	11,634	31,276	236,003	16,888	295,801
Net book value					
At 31 March 2024	13,496	24,942	118,638	25,332	182,408

SANCY BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

10. PROPERTY, PLANT AND EQUIPMENT *(continued)*

	Net Book Value	
	GROUP AND COMPANY	
	2025	2024
	RM	RM
Property, plant and equipment acquired under hire purchase contract	<u>16,888</u>	<u>25,332</u>

11. RIGHT-OF-USE ASSETS

	Properties
	RM
GROUP AND COMPANY	
2025	
At cost	
At 1 April 2024	450,053
Leases terminated	(180,259)
Leases expired	<u>(122,547)</u>
At 31 March 2025	<u>147,247</u>
Accumulated depreciation	
At 1 April 2024	116,501
Charge for the year	150,018
Leases terminated	(82,619)
Leases expired	<u>(122,547)</u>
At 31 March 2025	<u>61,353</u>
Net book value	
At 31 March 2025	<u>85,894</u>

SANCY BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS (continued)

11. RIGHT-OF-USE ASSETS (continued)

	Properties RM
GROUP AND COMPANY	
2024	
At cost	
At 1 April 2023	368,226
Additions	327,506
Leases expired	(245,679)
At 31 March 2024	<u>450,053</u>
Accumulated depreciation	
At 1 April 2023	233,188
Charge for the year	128,992
Leases expired	(245,679)
At 31 March 2024	<u>116,501</u>
Net book value	
At 31 March 2024	<u>333,552</u>

The Group and the Company have leased office premises during the reporting period. The rental contracts are typically made for a fixed period of three years. Lease terms are negotiated on an individual basis and contained a wide range of different terms and conditions.

During the financial year, the Group and the Company had terminated one of the leases earlier than the lease period. This resulted in a gain on termination of lease amounting to RM2,975.

SANCY BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS (continued)

12. INTANGIBLE ASSETS

	Computer software RM	Development expenditure RM	Total RM
GROUP			
2025			
At cost			
At 1 April 2024	13,297,000	8,482,395	21,779,395
Additions	-	3,276,237	3,276,237
At 31 March 2025	<u>13,297,000</u>	<u>11,758,632</u>	<u>25,055,632</u>
2024			
At cost			
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>
COMPANY			
2025			
At cost			
At 1 April 2024 and 31 March 2025	<u>697,000</u>	<u>-</u>	<u>697,000</u>
2024			
At cost			
At 1 April 2023 and 31 March 2024	<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:

	GROUP		COMPANY	
	2025 RM	2024 RM	2025 RM	2024 RM
Software				
Hospital Information System ("digitalSENSE")	11,809,869	9,977,808	-	-
Insurance Data Exchange and Analytics System ("IDEAS")	12,548,763	11,104,587	-	-
Ticket Management System	<u>697,000</u>	<u>697,000</u>	<u>697,000</u>	<u>697,000</u>
	<u>25,055,632</u>	<u>21,779,395</u>	<u>697,000</u>	<u>697,000</u>

SANCY BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

12. INTANGIBLE ASSETS *(continued)*

The Software Systems of Insurance Data Exchange and Analytic System (“IDEAS”) was not in use by any customers during 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 requirement by releasing the new version of the same software.

The recoverable amounts for both Software Systems, being digitalSENSE and IDEAS were determined through the independent valuations conducted by a firm of independent professional valuers based on the financial projections approved by the management. The recoverable amounts for both Software Systems are higher than the carrying value as at 31 March 2025.

Recoverable amount on value in use of the Software Systems was based on the following assumptions:

- (i) cash flow projections approved by the management covering a ten-years period in 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:

	Discount rates	
	2025	2024
Hospital Information System	7.32%	7.63%
Insurance Data Exchange & Analytics System	7.32%	7.61%

The growth rate used is based on management’s expected industry trends and market developments. In the current year, it is assumed that a growth rate of 4.5% be used to extrapolate the cash flows beyond the ten-year period.

The values assigned to the key assumptions are representations of management’s 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 probable change in any key assumptions that would cause the carrying amount of Software Systems to exceed its recoverable amount.

SANCY BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS (continued)

13. INVESTMENT IN SUBSIDIARIES

	COMPANY	
	2025	2024
	RM	RM
Unquoted shares, at cost:		
As at 1 April and 31 March	<u>14,188,173</u>	<u>14,188,173</u>

The subsidiary companies which were incorporated in Malaysia are:

Name of company	Principal activities	Percentage of issued share capital held by the Company	
		<u>2025</u>	<u>2024</u>
Sancy MED Sdn Bhd ("Sancy MED")	Intellectual property rights holder	100%	100%
Sancy IDEAS Sdn Bhd ("Sancy IDEAS")	Intellectual property rights holder	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	
	2025	2024	2025	2024
	RM	RM	RM	RM
Unquoted shares, at cost				
As at 1 April	-	-	20	20
Share of post-acquisition reserve	-	-	-	-
As at 31 March	<u>-</u>	<u>-</u>	<u>20</u>	<u>20</u>

SANCY BERHAD
(Incorporated in Malaysia)

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>	Percentage of effective interest held by the Company	
		<u>2025</u>	<u>2024</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 is 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
2025	20%	188,663	(196,231)	172,134	(1,224,348)
2024	20%	Nil	(398,736)	27,985	(883,968)

SANCY BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS (continued)

15. DEFERRED TAX ASSETS

	GROUP AND COMPANY	
	2025	2024
	RM	RM
At 1 April	45,000	5,300
Deferred tax expenses arising from and reversal of temporary differences	29,960	(46,294)
Under provision of deferred tax assets in prior year	42,040	85,994
Transferred from profit or loss (Note 8)	72,000	39,700
At 31 March	<u>117,000</u>	<u>45,000</u>

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

	GROUP AND COMPANY	
	2025	2024
	RM	RM
Deferred tax liabilities:		
Capital allowances in excess of depreciation	(9,862)	(15,842)
Right-of-use assets	(20,615)	(80,052)
Deferred tax assets:		
Loss allowance for receivables	125,108	98,872
Lease liabilities	21,468	38,370
Others	901	3,652
	<u>117,000</u>	<u>45,000</u>

16. GOODWILL

	GROUP	
	2025	2024
	RM	RM
Cost		
As at 1 April and 31 March	<u>22,639</u>	<u>22,639</u>
Accumulated impairment loss		
As at 1 April and 31 March	<u>22,639</u>	<u>22,639</u>
Net carrying amount		
As at 31 March	<u>-</u>	<u>-</u>

SANCY BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS (continued)

16. GOODWILL (continued)

Goodwill on consolidation

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

	GROUP	
	2025 RM	2024 RM
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	<u>22,639</u>	<u>22,639</u>

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

17. TRADE AND OTHER RECEIVABLES

	GROUP		COMPANY	
	2025 RM	2024 RM	2025 RM	2024 RM
Trade receivables	1,243,071	1,909,928	1,086,560	1,837,251
Less: Accumulated impairment loss	<u>(521,285)</u>	<u>(411,965)</u>	<u>(521,285)</u>	<u>(411,965)</u>
	721,786	1,497,963	565,275	1,425,286
Other receivables	25,191	16,666	25,191	16,666
Deposits	64,360	56,630	64,360	56,630
Security deposit from customer	215,750	215,750	215,750	215,750
Prepayments	45,546	63,898	45,546	63,898
Amounts due from subsidiaries				
- current account	-	-	10,173,313	7,094,062
Amount due from an associate company – current account	125,665	125,000	125,665	125,000
Amount due from a related party – current account	<u>-</u>	<u>13,892</u>	<u>-</u>	<u>13,892</u>
	<u>1,198,298</u>	<u>1,989,799</u>	<u>11,215,100</u>	<u>9,011,184</u>

SANCY BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS (continued)

17. TRADE AND OTHER RECEIVABLES (continued)

Trade receivables are non-interest bearing and on 30 days to 45 days (2024: 30 days to 60 days) credit terms.

Included in other receivables of the Group and of the Company is an amount of RM25,189 due from a person connected to a director. Other receivables are unsecured, interest free and repayable on demand.

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

In prior year, the 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.

Trade receivables of the Group and of the Company denominated in currencies other than the functional currency comprise RM134,980 and RM24,172 (2024: RM49,118 and RM38,580) respectively in US Dollar.

The loss allowance for trade receivables was determined as follows:

	Gross carrying amount – trade receivables RM	Loss allowance RM	Net carrying amount RM
GROUP			
2025			
Current	396,394	-	396,394
Past due by:			
1 to 120 days	182,818	-	182,818
121 to 180 days	67,921	(7,681)	60,240
181 to 240 days	67,921	(19,202)	48,719
More than 240 days	528,017	(494,402)	33,615
	<u>1,243,071</u>	<u>(521,285)</u>	<u>721,786</u>
2024			
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>

SANCY BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS (continued)

17. TRADE AND OTHER RECEIVABLES (continued)

	Gross carrying amount – trade receivables RM	Loss allowance RM	Net carrying amount RM
COMPANY			
2025			
Current	239,883	-	239,883
Past due by:			
1 to 120 days	182,818	-	182,818
121 to 180 days	67,921	(7,681)	60,240
181 to 240 days	67,921	(19,202)	48,719
More than 240 days	528,017	(494,402)	33,615
	<u>1,086,560</u>	<u>(521,285)</u>	<u>565,275</u>
2024			
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>

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

	GROUP		COMPANY	
	2025 RM	2024 RM	2025 RM	2024 RM
As at 1 April	411,965	426,965	411,965	426,965
Impairment loss during the financial year	114,945	-	114,945	-
Reversal of impairment loss	(5,625)	(15,000)	(5,625)	(15,000)
As at 31 March	<u>521,285</u>	<u>411,965</u>	<u>521,285</u>	<u>411,965</u>

SANCY BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS (continued)

18. CONTRACT ASSETS

	GROUP AND COMPANY	
	2025	2024
	RM	RM
Contract assets	421,387	24,882
	GROUP AND COMPANY	
	2025	2024
	RM	RM
Movement of contract assets:		
As at 1 April	24,882	62,774
Invoices raised for accrued revenue in prior year	(24,882)	(62,774)
	-	-
Unbilled revenue recognised	421,387	24,882
As at 31 March	421,387	24,882

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

	GROUP AND COMPANY	
	2025	2024
	RM	RM
Within 1 year	421,387	24,882

Contract assets are in relation to the accrued sales where services have been performed by the Group and the Company but have yet to bill as at year end.

19. CASH AND CASH EQUIVALENTS

	GROUP		COMPANY	
	2025	2024	2025	2024
	RM	RM	RM	RM
Cash in hand	986	1,127	986	1,127
Bank balances	121,156	72,849	74,142	27,073
Fixed deposits with licensed banks	-	250,000	-	250,000
	122,142	323,976	75,128	278,200

In prior year, the fixed deposits placed with licensed banks have maturity period of 1 month and the effective interest rate is at 2.6% per annum.

SANCY BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS (continued)

20. SHARE CAPITAL

GROUP AND COMPANY				
	2025		2024	
	No. of Shares	RM	No. of Shares	RM
Ordinary shares				
At 1 April and 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. LEASE LIABILITIES

Hire purchase

GROUP AND COMPANY	
	2025
	RM
Minimum lease payments:	
Within one year	6,422
Two to five years	22,193
More than five years	-
	28,615
Less: Future finance charges	(3,778)
Present value	<u>24,837</u>
Repayment due:	
Within one year	5,010
Two to five years	19,827
More than five years	-
	19,827
	<u>24,837</u>
Incremental borrowing rate	<u>4.83%</u>

SANCY BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

21. LEASE LIABILITIES *(continued)*

Operating lease

	GROUP AND COMPANY	
	2025	2024
	RM	RM
Minimum lease payments:		
Within one year	54,000	187,000
Two to five years	40,500	166,500
	94,500	353,500
Less: Future finance charges	(5,052)	(22,126)
Present value	89,448	331,374
Repayment due:		
Within one year	49,833	171,500
Two to five years	39,615	159,874
	89,448	331,374
Incremental borrowing rate	6.68%	3.50% - 6.68%

Total

	GROUP AND COMPANY	
	2025	2024
	RM	RM
Repayment due:		
Within one year	54,843	175,193
Two to five years	59,442	179,911
More than five years	-	4,306
	59,442	184,217
	114,285	359,410

SANCY BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS (continued)

22. TRADE AND OTHER PAYABLES

	GROUP		COMPANY	
	2025	2024	2025	2024
	RM	RM	RM	RM
Trade payables	232,544	210,000	-	210,000
Other payables	246,788	6,859	243,287	3,859
Accrued expenses	647,030	57,885	526,331	44,885
Sales and Service Tax payable	164,111	153,540	100,069	120,885
Amount due to a director	27,000	12,000	24,000	12,000
Amount due to a subsidiary				
- current account	-	-	286,133	297,789
	<u>1,317,473</u>	<u>440,284</u>	<u>1,179,820</u>	<u>689,418</u>

Trade payables are non-interest bearing and on 30 to 90 days terms (2024: 30 to 60 days).

Other payables are unsecured, non-interest bearing and with credit terms of 14 days (2024: 14 days).

Other payables of the Group denominated in currencies other than the functional currency comprise RM232,544 (2024: Nil) in Indian Rupees.

Included in the Group's and Company's other payables is an amount RM78,500 due to a person connected to a director.

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

23. 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.

SANCY BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

23. CONTRACT LIABILITIES *(continued)*

	GROUP AND COMPANY	
	2025	2024
	RM	RM
As at 1 April 2024/2023	13,327	109,465
Revenue recognised during the year	(13,327)	(109,465)
	-	-
Consideration for work not completed but billed at reporting date	-	13,327
As at 31 March 2025/2024	-	13,327

	GROUP AND COMPANY	
	2025	2024
	RM	RM
Represented by:		
Contract liabilities	-	13,327
Revenue recognised that was included in contract liabilities balances as at 1 April 2024/2023	13,327	109,465

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

	GROUP AND COMPANY	
	2025	2024
	RM	RM
Within 1 year	-	13,327

SANCY BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS (continued)

24. 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:

	GROUP		COMPANY	
	2025	2024	2025	2024
	RM	RM	RM	RM
Subsidiaries				
- Staff cost charges to subsidiaries	-	-	(1,287,636)	(247,000)
- Development expenditure charges to subsidiaries	-	-	(2,320,910)	(4,061,369)
Related parties – through directors				
- Rental income	(10,000)	-	(10,000)	-
- Revenue	-	-	-	(227,247)
- Staff cost charges	(274,860)	-	(274,860)	-
- Subcontract charges incurred	-	-	-	80,666
- Development expenditure	-	210,000	-	-

SANCY BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS (continued)

24. SIGNIFICANT RELATED PARTY TRANSACTIONS (continued)

	GROUP		COMPANY	
	2025	2024	2025	2024
	RM	RM	RM	RM
Directors				
- Partial compensation on profit guarantee	<u>(2,171,435)</u>	<u>(1,800,000)</u>	<u>(2,171,435)</u>	<u>(1,800,000)</u>

25. COMPENSATION OF KEY MANAGEMENT PERSONNEL

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

	GROUP AND COMPANY	
	2025	2024
	RM	RM
Directors:		
Short term employees' benefits	<u>484,987</u>	<u>380,243</u>
Other key management personnel:		
Short term employees' benefits	174,153	229,567
Post-employment benefits	<u>18,126</u>	<u>27,000</u>
	<u>192,279</u>	<u>256,567</u>

26. 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:

	GROUP AND COMPANY	
	2025	2024
	RM	RM
Within 1 year	-	12,000
Two to five years	<u>-</u>	<u>21,000</u>
	<u>-</u>	<u>33,000</u>

SANCY BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS (continued)

27. CONTINGENT LIABILITY

	GROUP AND COMPANY	
	2025	2024
	RM	RM
Secured		
Bank guarantee given to third party	11,772	-

The bank guarantee is secured by pledge of cash of RM11,772 placed with the bank.

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.

SANCY BERHAD
(Incorporated in Malaysia)

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 2025 and 2024:

	GROUP AND COMPANY	
	2025	2024
	RM	RM
Customer		
Customer A	2,216,837	2,950,021
Customer B	1,200,682	1,424,763
Customer C	762,020	307,690
Customer D	407,075	228,515
Customer E	<u>213,360</u>	<u>171,319</u>

29. MATERIAL LITIGATION

(a) High Court of Kuala Lumpur (Civil Suit No. WA-22NCC-183-04/2021) 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 SB to Ali Health (“Agreement”);
- (b) committed breaches of the Agreement;
- (c) breached the confidentiality obligation imposed on SB; and

SANCY BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

29. MATERIAL LITIGATION *(continued)*

(a) High Court of Kuala Lumpur (Civil Suit No. WA-22NCC-183-04/2021) 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 Heath 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 Heath 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.

SANCY BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

29. MATERIAL LITIGATION *(continued)*

- (a) High Court of Kuala Lumpur (Civil Suit No. WA-22NCC-183-04/2021) brought by Ali Health Sdn Bhd (“Ali Health”) as the Plaintiff against Sancy Berhad (“SB”) as the Defendant *(continued)***

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:

- (a) A declaration that the termination notice issued by SB is valid, binding and effective, that the ownership of the LIS provided by SB to Ali Health for the Agreement 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.

SANCY BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

29. MATERIAL LITIGATION *(continued)*

- (a) High Court of Kuala Lumpur (Civil Suit No. WA-22NCC-183-04/2021) brought by Ali Health Sdn Bhd (“Ali Health”) as the Plaintiff against Sancy Berhad (“SB”) as the Defendant** *(continued)*

The Court has fixed the trial dates for the matter on 11 March 2025 & 12 March 2025, 7 April 2025 and 8 April 2025, wherein the trial proceeded on all the said dates. The Plaintiff called their first witness to give evidence on the 11 March 2025 and where the said witness was crossexamined by the Defendant’s lawyers, with the Plaintiff’s first witness finally finishing with his testimony on the 8 April 2025. The court had fixed the continued trial of the matter for the 5 August 2025 to 8 August 2025 and 21 August 2025 to 22 August 2025.

- (b) The Sessions Court of Kuala Lumpur (Civil Suit No. WA-B52NCvC-37-02/2023) 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), in respect of disputes arising from a letter of intent dated 25 November 2020 (“Letter of Intent”).

The Letter of Intent was issued by UKM to SB for 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, SB 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. The Defendant managed to set aside the Judgement in Default thereafter.

The court has now fixed 24 June 2026 to 26 June 2026 for the full trial of the matter.