



SANCY BERHAD

Registration No.: 201701044626 (1258799-P)
(Incorporated in Malaysia under the Companies Act 2016)

**UNAUDITED FINANCIAL STATEMENTS
FOR THE 2nd HALF-YEAR ENDED 31 MARCH 2023**

CHARACTERISTICS OF THE LEAP MARKET OF BURSA MALAYSIA SECURITIES BERHAD (“BURSA SECURITIES”)

THE LEAP MARKET HAS BEEN POSITIONED AS A MARKET DESIGNED TO ACCOMMODATE CORPORATIONS THAT MAY BE ASSOCIATED WITH OR EXPOSED TO A HIGHER INVESTMENT RISK THAN CORPORATIONS LISTED ON THE ACE MARKET OR MAIN MARKET OF BURSA SECURITIES. IT IS A QUALIFIED MARKET WHICH IS MEANT MAINLY FOR SOPHISTICATED INVESTORS ONLY. ONLY EXISTING SECURITIES HOLDERS AND SOPHISTICATED INVESTORS ARE ALLOWED TO PARTICIPATE IN CORPORATE EXERCISES UNDERTAKEN BY SANCY BERHAD (“SANCY” OR THE “COMPANY”). SOPHISTICATED INVESTORS SHOULD BE AWARE OF THE POTENTIAL RISKS OF INVESTING IN SUCH CORPORATIONS AND SHOULD MAKE THE DECISION TO INVEST ONLY AFTER DUE AND CAREFUL CONSIDERATION.

SANCY BERHAD

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2023⁽¹⁾

	Unaudited as at 31 March 2023 RM'000	Audited as at 31 March 2022 RM'000
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	206	89
Right-of-use assets	135	185
Intangible assets	17,542	14,088
Other investments	⁽³⁾ -	-
	17,883	14,362
CURRENT ASSETS		
Trade and other receivables	3,022	996
Contract assets	6	47
Cash and cash equivalents	2,526	190
	5,554	1,233
TOTAL ASSETS	23,437	15,595
EQUITY		
Share capital	20,168	12,502
Capital contribution	-	662
Retained earnings	1,860	1,516
TOTAL EQUITY	22,028	14,680
LIABILITIES		
NON-CURRENT LIABILITIES		
Deferred tax liabilities	21	12
Lease liabilities	73	76
	94	88
CURRENT LIABILITIES		
Trade and other payables	1,208	490
Lease liabilities	101	114
Tax payable	6	223
	1,315	827
TOTAL LIABILITIES	1,409	915
TOTAL EQUITY AND LIABILITIES	23,437	15,595
Number of ordinary shares ('000)	679,174	679,174
Net assets per ordinary share (sen) ⁽²⁾	3.24	2.16

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Notes:

- (1) *The basis of the preparation of the Unaudited Condensed Consolidated Statement of Financial Position is disclosed in note A1 and should be read in conjunction with the Audited Financial Statements for the financial year ended 31 March 2022 as disclosed in the Information Memorandum of Sancy dated 7 February 2023 and the accompanying explanatory notes attached to this interim financial report.*
- (2) *Net assets per ordinary share is calculated based on the Company's number of ordinary shares as at the end of the reporting period of 679,174,263 shares.*
- (3) *Amount is less than RM1,000, thus negligible.*

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SANCY BERHAD

Registration No: 201701044626 (1258799-P)
(Incorporated in Malaysia under the Companies Act 2016)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE 2nd HALF-YEAR ENDED 31 MARCH 2023⁽¹⁾

	Individual 6 months ended		Cumulative 12 months ended	
	Unaudited 31 March 2023 RM'000	Unaudited 31 March 2022 RM'000	Unaudited 31 March 2023 RM'000	Audited 31 March 2022 RM'000
Revenue	2,236	2,034	4,665	4,302
Cost of sales	(1,307)	(930)	(2,588)	(1,894)
Gross profit	929	1,104	2,077	2,408
Other income	1,534	26	1,552	26
Administrative expenses	(1,983)	(673)	(3,181)	(1,124)
Other expenses	-	(9)	(3)	(28)
Profit from operations	480	448	445	1,282
Finance cost	(3)	(8)	(7)	(8)
Share of loss of associate, net of tax	⁽⁴⁾	-	⁽⁴⁾	-
Profit before tax	477	440	438	1,274
Taxation	(94)	(106)	(94)	(316)
Total comprehensive income for the financial year	383	334	344	958
Basic earnings per share (sen) ⁽²⁾	0.06	0.05	0.05	0.14
Diluted/ earnings per share (sen) ⁽³⁾	0.05	0.04	0.05	0.13

Notes:

- (1) *The basis of the preparation of the Unaudited Condensed Consolidated Statement of Comprehensive Income is disclosed in note A1 and should be read in conjunction with the Audited Financial Statements for the financial year ended 31 March 2022 as disclosed in the Information Memorandum of Sancy dated 7 February 2023 and the accompanying explanatory notes attached to this interim financial report.*
- (2) *Basic earnings per share is calculated based on the Company's share capital of 679,174,263 ordinary shares as at the end of the reporting period.*
- (3) *Diluted earnings per share is calculated based on the Company's share capital of 747,091,689, taken into consideration the 67,917,426 options shares granted pursuant to call option agreement dated 4 April 2022.*
- (4) *Amount is less than RM1,000, thus negligible.*

SANCY BERHAD

Registration No: 201701044626 (1258799-P)
(Incorporated in Malaysia under the Companies Act 2016)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE 2nd HALF-YEAR ENDED 31 MARCH 2023⁽¹⁾

	Share capital RM'000	Capital contribution RM'000	Retained earnings RM'000	Total equity RM'000
Balance as at 1 April 2021	500	12,002	558	13,060
Issuance of shares	12,002	(12,002)	-	-
Capital contribution	-	662	-	662
Total comprehensive income for the financial year ended 31 March 2022	-	-	958	958
Balance as at 31 March 2022	12,502	662	1,516	14,680
Issuance of shares	7,666	(662)	-	7,004
Total comprehensive income for the financial year ended 31 March 2023	-	-	344	344
Balance as at 31 March 2023	20,168	-	1,860	22,028

Note:

- (1) *The basis of the preparation of the Unaudited Condensed Consolidated Statement of Changes in Equity is disclosed in note A1 and should be read in conjunction with the Audited Financial Statements for the financial year ended 31 March 2022 as disclosed in the Information Memorandum of Sancy dated 7 February 2023 and the accompanying explanatory notes attached to this interim financial report.*

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SANCY BERHAD

Registration No: 201701044626 (1258799-P)
(Incorporated in Malaysia under the Companies Act 2016)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE 2nd HALF-YEAR ENDED 31 MARCH 2023⁽¹⁾

	Unaudited 12 months ended 31 March 2023 RM'000	Audited 12 months ended 31 March 2022 RM'000
Cash Flows from Operating Activities		
Profit before taxation	438	1,274
Adjustments for:		
Depreciation of property, plant and equipment	83	44
Depreciation of rights-of-use assets	112	120
Impairment loss of goodwill	3	20
Impairment loss of trade receivables	-	8
Interest income	(49)	-
Interest expense	7	9
Loss on disposal of property, plant and equipment	-	_(2)
Termination of lease contract	_(2)	-
Discount on lease rental	(3)	(26)
Share of results of associate company	_(2)	-
Operating (loss)/ profit before working capital changes	591	1,449
Increase in trade and other receivables	(2,026)	(392)
Decrease in contract assets	41	157
Increase/ (decrease) in trade and other payables	617	(76)
Increase in contract liabilities	100	-
Cash (used in)/ generated from operating activities	(677)	1,138
Tax paid	(303)	(298)
Net cash (used in)/ generated from operating activities	(980)	840
Cash Flow from Investing Activities		
Acquisition of subsidiaries	(3)	11
Acquisition of associate company	_(2)	-
Additional of intangible assets	(3,454)	(1,488)
Proceed from disposal of property, plant and equipment	-	1
Purchase of property, plant and equipment	(200)	(18)
Interest income	49	-
Net cash used in investing activities	(3,608)	(1,494)
Cash Flow from Financing Activities		
Interest paid	(7)	-
Drawdown of hire purchase facility	33	-
Proceeds from issuance of ordinary shares	7,666	-
Capital contribution from third parties	(662)	662
Repayment of lease liabilities	(106)	(100)
Repayment of hire purchase	(1)	-
Net cash generated from financing activities	6,924	562
Net increase/ (decrease) in cash and cash equivalent	2,336	(92)
Cash and cash equivalent brought forward	190	282
Cash and cash equivalent carried forward	2,526	190

SANCY BERHAD

Registration No: 201701044626 (1258799-P)
(Incorporated in Malaysia under the Companies Act 2016)

	Unaudited 12 months ended 31 March 2023 RM'000	Audited 12 months ended 31 March 2022 RM'000
Represented by:		
Cash and bank balances	485	190
Fixed deposits with licensed bank	2,041	-
	2,526	190

Notes:

- (1) *The basis of the preparation of the Unaudited Condensed Consolidated Statement of Cash Flows is disclosed in note A1 and should be read in conjunction with the Audited Financial Statements for the financial year ended 31 March 2022 as disclosed in the Information Memorandum of Sancy dated 7 February 2023 and the accompanying explanatory notes attached to this interim financial report.*
- (2) *Amount is less than RM1,000, thus negligible.*

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SANCY BERHAD

Registration No: 201701044626 (1258799-P)
(Incorporated in Malaysia under the Companies Act 2016)

EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE 2nd HALF-YEAR ENDED 31 MARCH 2023

A. NOTES TO THE FINANCIAL REPORT

A1. Basis of preparation

The interim financial report of Sancy and its subsidiaries (the “**Group**”) is unaudited and has been prepared in accordance with Malaysian Financial Reporting Standards (“**MFRS**”) 134 *Interim Financial Reporting* issued by the Malaysian Accounting Standards Board (“**MASB**”) and Rule 6.12 and Appendix 6A of the LEAP Market Listing Requirements.

The interim report should be read in conjunction with the Audited Consolidated Financial Statements for the financial year ended 31 March 2022 as disclosed in the Information Memorandum of Sancy dated 7 February 2023 and the accompanying explanatory notes attached to the interim financial report.

A2. Significant accounting policies

Amendments to MFRSs adopted

For the preparation of the financial statements, the following amendments to the MFRSs issued by the MASB are mandatory for the first time for the financial year beginning on or after 1 January 2022:

- Amendments to MFRS 3 Business Combinations – Reference to the Conceptual Framework
- Amendments to MFRS 116 Property, Plant and Equipment – Property, Plant and Equipment–Proceeds before Intended Use
- Amendments to MFRS 137 Provisions, Contingent Liabilities and Contingent Assets – Onerous Contracts–Cost of Fulfilling a Contract
- Annual Improvements to MFRS Standards 2018–2020

The adoption of the above-mentioned amendments to MFRSs has no significant impact on the financial statements of the Group.

Amendments to MFRSs not yet effective

The following are amendments to the MFRSs that have been issued by the MASB up to the date of the issuance of the Group’s financial statements but have not been adopted by the Group:

Amendments to MFRSs effective for annual periods beginning on or after 1 January 2023

- Amendments to MFRS 101 *Presentation of Financial Statements – Disclosure of Accounting Policies*
- Amendments to MFRS 108 *Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates*
- Amendments to MFRS 112 *Income Taxes – Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

SANCY BERHAD

Registration No: 201701044626 (1258799-P)
(Incorporated in Malaysia under the Companies Act 2016)

Amendments to MFRSs effective for annual periods beginning on or after 1 January 2024

- Amendments to MFRS 16 *Leases – Lease Liability in a Sale and Leaseback*
- Amendments to MFRS 101 *Presentation of Financial Statements – Classification of Liabilities as Current or Non-current*
- Amendments to MFRS 101 *Presentation of Financial Statements – Non-current Liabilities with Covenants*

Amendments to MFRSs effective for annual periods beginning on or after a date yet to be confirmed

- Amendments to MFRS 10 *Consolidated Financial Statements* and MFRS 128 *Investment in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The directors anticipate that the above-mentioned amendments will be adopted by the Group when they become effective from the annual period beginning on *start of period date e.g. 1 April 2023* for those accounting standards, amendments and interpretations that are effective for annual periods beginning on or after 1 January 2023.

The initial application of amendments to MFRSs is not expected to have any significant impact on the financial statements of the Group.

MFRSs and Amendments to MFRSs not applicable

- MFRS 17 *Insurance Contracts*, Amendments to MFRS 17 *Insurance Contracts*, and Amendment to MFRS 17 *Insurance Contracts – Initial Application of MFRS 17 and MFRS 9 Financial Instruments – Comparative Information* are not expected to be applicable to the Group.

A3. Seasonality or cyclical factors

The business operations of our Group is not subject to any cyclical or seasonal trend.

A4. Unusual items

There were no unusual items that had a material effect on the value of assets, liabilities, equity, net income or cash flows of the Group for the current financial year.

A5. Material changes in estimates

There were no material changes in estimates of amounts that have a material impact in the current financial year.

A6. Debts and equity securities

Saved as disclosed below, there was no issuance, cancellation, repurchase, resale and repayment of debts and equity securities during the current financial year.

SANCY BERHAD

Registration No: 201701044626 (1258799-P)
(Incorporated in Malaysia under the Companies Act 2016)

- (a) On 3 June 2022, the Company issued and allotted 10,681,667 new ordinary shares of the Company to the pre-listing investors pursuant to the subscription of new shares in the Company by the pre-listing investors at the total subscription price of RM1,281,800.04.
- (b) On 20 June 2022, the Company issued and allotted 67,917,426 new ordinary shares of the Company to Tan Sri Dato' Seri Shahril Bin Shamsuddin ("TSS") pursuant to the subscription of new shares in the Company by TSS at the total subscription price of RM6,384,238.00.
- (c) Drawdown of RM33,300.00 for the hire purchase facility.

A7. Segmental information

Our Group is primarily operating in one (1) business segment which is the provision of digital healthcare solutions, other non-clinical information management system, and related services. The principal activities of the subsidiaries are as follow:

- (a) Sancy MED Sdn Bhd ("Sancy MED") is an intellectual property rights holder.
- (b) Sancy IDEAS Sdn Bhd ("Sancy IDEAS") is an intellectual property rights holder.
- (c) Sancy Solutions Sdn Bhd ("Sancy Solutions") is a dormant company. It is intended for Sancy Solutions to be involved in the provision of digital healthcare solutions, other non-clinical information management system, training, events and exhibition, and related services in Malaysia.

All of our Group's revenue are generated from Malaysia in the current financial year.

Analysis of Revenue by Products and Services

	Individual 6 months ended				Cumulative 12 months ended			
	31 March 2023		31 March 2022		31 March 2023		31 March 2022	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Products & Services A ⁽ⁱ⁾	1,468	65.65	2,028	99.71	3,397	72.82	3,715	86.36
Products & Services B ⁽ⁱⁱ⁾	768	34.35	6	0.29	1,268	27.18	587	13.64
Total	2,236	100.00	2,034	100.00	4,665	100.00	4,302	100.00

Notes:

- (i) Provision of healthcare-related solutions i.e. Total Hospital Information System ("THIS") solutions, Insurance Data Exchange and Analytical System, healthcare information technology business process outsourcing ("IT-BPO") and maintenance services.
- (ii) Provision of non-clinical solutions i.e. non-clinical information management system.

SANCY BERHAD

Registration No: 201701044626 (1258799-P)
(Incorporated in Malaysia under the Companies Act 2016)

A8. Changes in the composition of the Group

Saved for the acquisition of the entire equity interest in Sancy Solutions for cash consideration of RM1.00 by the Company which was completed on 13 April 2023, there were no changes in the composition of the Group for the current financial year.

A9. Interest bearing bank borrowings

	As at 31 March 2023 RM'000
Non-current bank borrowings	
Hire purchase	29
Current bank borrowings	
Hire purchase	4
Total interest-bearing bank borrowings	33

A10. Capital commitments

There were no capital commitments of the Group in respect of the property, plant and equipment not provided for as at the end of the financial year.

A11. Changes in contingent assets and contingent liabilities

There were no material changes in contingent assets and liabilities as at the end of the financial year.

A12. Material events subsequent to the end of the financial year

There were no other material events subsequent to the end of the current financial period.

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SANCY BERHAD

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B. ADDITIONAL INFORMATION REQUIRED UNDER THE LISTING REQUIREMENTS

B1. Review of Performance

The Group recorded revenue of RM4.67 million and Gross Profit (“GP”) of RM2.08 million, which contributed to 44.52% GP margin for the Financial Year Ended (“FYE”) 31 March 2023. The revenue of the Group is derived from the provision of digital healthcare solutions, other non-clinical information management system, and related services. The Group recorded a profit before tax (“PBT”) of RM0.44 million and profit after tax (“PAT”) of RM0.34 million for the FYE 31 March 2023, upon taking into consideration a non-operating and one-off income of RM1.50 million from the partial compensation (arising from the delay in recognising the target order books) by the Obligors (as defined herein) on the Profit Guarantee as disclosed in Note B3 of this report.

2nd Half-year ended 31 March 2022 vs 2nd Half-year ended 31 March 2023

The Group recorded revenue of RM2.24 million for the 2nd half-year ended 31 March 2023 as compared to RM2.03 million recorded in the immediate preceding financial period, representing an increase of RM0.20 million or 9.93%. This is mainly due to an order from one of our customers for the provision of our non-clinical information management system for the 2nd half-year ended 31 March 2023.

The Group recorded a PBT of RM0.48 million for the 2nd half-year ended 31 March 2023 as compared to PBT RM0.44 million in the immediate preceding financial period, representing an increase of RM0.04 million or 8.41%. The increase in PBT is mainly due to the non-operating and one-off income of RM1.50 million from the partial compensation (arising from the delay in recognising the target order books) by the Obligors (as defined herein) on the Profit Guarantee as disclosed in Note B3 of this report, which partially off-set by the one-off expenses incurred for the listing of the Company to the LEAP Market on 22 March 2023 and additional staff employed by the Company.

B2. Prospects

The Group remains committed for the expansion of business presence in the local digital health market in Malaysia.

To-date, the Group’s orderbook stands at approximately RM9 million. One notable contract awarded includes a project secured on 28 April 2023 from a private healthcare group which owns a 340-bed private hospital in Selangor (“Hospital”) to supply, conduct requirement study, design, develop/ customise, integrate, install, test, training, support and maintenance of total hospital information management system in the Hospital for a contract sum of approximately RM4.3 million.

The Group will continue to intensify our marketing efforts to offer IDEAS (the brand name of our proprietary Insurance Data Exchange and Analytical System solution) as the key products of the Group to the other healthcare providers and insurance providers in Malaysia. Our Group also intends to reach out to wider audience and broaden our customer base in Malaysia for the provision of digitalSENSE (the brand name of our proprietary hospital information system solution), healthcare IT-BPO and maintenance services and non-clinical information management system.

We are optimistic on the future prospect and outlook of the Group. Our bid book is currently at approximately RM9.6 million We believe we will be able to tap into the growing market size of the digital health market and offer our solutions and services to a larger number of industry players.

SANCY BERHAD

Registration No: 201701044626 (1258799-P)
(Incorporated in Malaysia under the Companies Act 2016)

Barring any unforeseen circumstances, the board of directors is cautiously confident that the prospects of the Group's financial performance for the financial year ending 31 March 2024 will remain favourable.

B3. Variance of Actual Profit from Profit Forecast and Profit Guarantee

Saved as disclosed below, the Group has not issued any profit forecast or profit guarantee in any form of public documentation and announcement.

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

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

For the FYE 31 March 2023, the Obligors have partially compensated for the Profit Guarantee amounting of RM1.5 million (representing 15% of the total Profit Guarantee amount) arising from the delay in recognising the target order book in the FYE 31 March 2023. However, these are expected to be secured in the next financial year.

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SANCY BERHAD

Registration No: 201701044626 (1258799-P)
(Incorporated in Malaysia under the Companies Act 2016)

C. OTHER INFORMATION

C1. Status of Corporate Proposals

There were no corporate proposals announced but pending completion as at the date of this report.

C2. Material Litigation

As at date of this report, save as disclosed below, the Group is not engaged in any material litigation, claim or arbitration either as plaintiff or defendant and our board of director does not know of any proceeding pending or threatened or of any fact likely to give rise to any proceeding which might materially or adversely affect our position or business:

(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 our Company 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 our Company on 1 August 2019.

By a Writ of Summons and Statement of Claim dated 21 April 2021, Ali Health filed the suit against our Company wherein it is alleged, inter alia, that our Company 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 our Company to Ali Health (“Agreement”);
- (b) committed breaches of the Agreement;
- (c) breached the confidentiality obligation imposed on our Company; and
- (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 our Company in the suit are as follows:

- (a) A declaration that the termination of the Agreement is unlawful, our Company has breached the terms of the Agreement, Ali Heath is the rightful owner of the LIS and all intellectual property rights therein and that our Company has breached its confidentiality obligation to Ali Health.
- (b) A perpetual injunction to restrain our Company 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 our Company, 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 our Company).

SANCY BERHAD

Registration No: 201701044626 (1258799-P)
(Incorporated in Malaysia under the Companies Act 2016)

- (d) General damages.
- (e) Additional and/or exemplary and/or aggravated damages.
- (f) Pre-judgement period for such period and at such rate as the High Court of Malaya (“**High Court**”) deems appropriate.
- (g) Interest at the rate of 5% per annum on the judgment sum from the date of the award until the date of full settlement.
- (h) Costs.
- (i) Any other relief deemed fit by the High Court.

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

- (a) A declaration that the termination notice issued by our Company is valid, binding and effective, that the ownership of the LIS provided by our Company to Ali Health for the Agreement belonged to our Company at all material times.
- (b) An amount of RM1,302,511.64 as damages for expenses, costs, fees and charges incurred by our Company 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 our Company pursuant to the invoices issued by our Company.
- (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 our Company.
- (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 our Company.
- (h) Interest at the rate of 5% per annum on the judgment sum from the date of filling 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, we have instructed our solicitors to reject the Plaintiff’s offer as they are still using our system and collecting their fees from HKL.

The next Case Management is fixed for 19 June 2023 for the lawyers to update the court on their respective clients’ instructions.

SANCY BERHAD

Registration No: 201701044626 (1258799-P)
(Incorporated in Malaysia under the Companies Act 2016)

- (b) **High Court of Kuala Lumpur (Civil Suit No. WA-22NCVC-546- 08/2021) brought by our Company 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 our Company, 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 our Company for supply of the hospital information system (“**HIS**”) at the price of RM2.6 million. After the commencement of the requirement study by our Company for the proof of concept as required by the Letter of Intent, our Company 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 dated 11 August 2021 and a Statement of Claim dated 30 August 2021, our Company filed the suit against UKM and Hatar claiming for amongst others, damages in the amount of RM929,443.54 arising from the wrongful termination of the Letter of Intent and a sum of RM10,000,000 as compensation and/or damages for loss of reputation, goodwill, lucrative business opportunities and projected profits.

The next Case Management is fixed for 28 June 2023 to obtain the court’s instructions.

C3. Utilisation of Proceeds

Pursuant to the funds raising from the pre-listing investors and TSS as disclosed in Note A6 (a) and A6 (b) of this report, the total proceeds that had been raised which amounted to approximately RM7.67 million had accrued entirely to our Group and the status of utilization of the proceeds is as follows:

Utilisation of proceeds	Estimated timeframe for utilisation	Proposed Utilisation	Actual Utilisation as at 31 March 2023	Balance Unutilised
		RM’000	RM’000	RM’000
(A) Working capital				
(i) Technical research and development activities, which consist of cost to technical staff and sub-contractor.	Within 24 months from the date of Listing of our Shares on the LEAP Market	5,000	4,071	929
(ii) Day-to-day working capital.		1,666	1,666	-
(B) Estimated listing expenses	Immediately	1,000	229	771
Total		7,666	5,966	1,700

The utilization of proceeds as disclosed above should be read in conjunction with the Information Memorandum of the Company dated 7 February 2023.

C4. Dividend

There is no dividend declared or proposed as at the date of this report.