



SANCY BERHAD

Registration No.: 201701044626 (1258799-P)

(Incorporated in Malaysia under the Companies Act 2016)

**UNAUDITED FINANCIAL STATEMENTS
FOR THE 1st HALF-YEAR ENDED 30 SEPTEMBER 2024**

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.

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30th SEPTEMBER 2024⁽¹⁾

	Unaudited as at 30 September 2024 RM'000	Audited as at 31 March 2024 RM'000
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	154	182
Right-of-use assets	243	334
Intangible assets	23,592	21,779
Deferred tax assets	45	45
	24,034	22,340
CURRENT ASSETS		
Trade and other receivables	1,384	1,990
Contract assets	-	25
Cash and cash equivalents	128	324
Tax recoverable	500	186
	2,012	2,525
TOTAL ASSETS	26,046	24,865
EQUITY		
Share capital	20,167	20,167
Retained earnings	4,480	3,820
TOTAL EQUITY	24,647	23,987
LIABILITIES		
NON-CURRENT LIABILITIES		
Lease liabilities	184	184
	184	184
CURRENT LIABILITIES		
Trade and other payables	892	440
Contract liabilities	53	13
Lease liabilities	98	175
Taxation	172	66
	1,215	694
TOTAL LIABILITIES	1,399	878
TOTAL EQUITY AND LIABILITIES	26,046	24,865
Number of ordinary shares ('000)	679,174	679,174
Net assets per ordinary share (sen) ⁽²⁾	3.63	3.53

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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 2024 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.*

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE 1st HALF-YEAR ENDED 30 SEPTEMBER 2024⁽¹⁾

	Unaudited		Unaudited	
	Individual 6 months ended 30.09.2024 RM'000	30.09.2023 RM'000	Cumulative 6 months ended 30.09.2024 RM'000	30.09.2023 RM'000
Revenue	2,511	2,125	2,511	2,125
Cost of sales	(1,405)	(994)	(1,405)	(994)
Gross profit	1,106	1,131	1,106	1,131
Other income	741	1,813	741	1,813
Administrative expenses	(1,085)	(1,816)	(1,085)	(1,816)
Profit from operations	762	1,128	762	1,128
Finance cost	(10)	(3)	(10)	(3)
Share of loss of associate, net of tax		_(4)		_(4)
Profit before tax	752	1,125	752	1,125
Taxation	(92)	(20)	(92)	(20)
Total comprehensive income for the financial period	660	1,105	660	1,105
Basic earnings per share (sen) ⁽²⁾	0.10	0.16	0.10	0.16
Diluted earnings per share (sen) ⁽³⁾	0.10	0.16	0.10	0.16

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 2024 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 of the Company are equivalent to the basic earnings per share as the Company does not have convertible options as at the end of the reporting period.*
- (4) *Amount is less than RM1,000, thus negligible.*

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE 1st HALF-YEAR ENDED 30 SEPTEMBER 2024⁽¹⁾

	Share capital RM'000	Retained earnings RM'000	Total equity RM'000
Balance as at 1 April 2023	20,167	1,922	22,089
Total comprehensive income for the financial year ended 31 March 2024	-	1,898	1,898
Balance as at 31 March 2024	20,167	3,820	23,987
Balance as at 1 April 2024	20,167	3,820	23,987
Total comprehensive income for the financial period ended 30 September 2024	-	660	660
Balance as at 30 September 2024	20,167	4,480	24,647

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 2024 and the accompanying explanatory notes attached to this interim financial report.*

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE 1st HALF-YEAR ENDED 30 SEPTEMBER 2024⁽¹⁾

	Unaudited 6 months ended 30 September 2024 RM'000	Unaudited 6 months ended 30 September 2023 RM'000
Cash Flows from Operating Activities		
Profit before taxation	752	1,125
Adjustments for:		
Depreciation of property, plant and equipment	28	33
Depreciation of rights-of-use assets	90	56
Impairment loss of trade receivables	-	530
Interest income	(1)	(13)
Interest expense	10	3
Operating profit before working capital changes	879	1,734
Decrease in trade and other receivables	302	1,502
(Increase)/ decrease in contract assets	25	(1,784)
Increase/ (decrease) in trade and other payables	766	(871)
Increase/ (decrease) in contract liabilities	39	(44)
Cash generated from operating activities	2,011	537
Tax paid	(299)	(55)
Net cash generated from operating activities	1,712	482
Cash Flow from Investing Activities		
Addition of intangible assets	(1,812)	(1,924)
Proceeds from disposal of property, plant and equipment	-	4
Interest income	1	13
Net cash used in investing activities	(1,811)	(1,907)
Cash Flow from Financing Activities		
Interest paid	(10)	(3)
Drawdown of hire purchase facility	-	56
Repayment of lease liabilities	(85)	(60)
Repayment of hire purchase	(2)	-
Net cash used in from financing activities	(97)	(7)
Net decrease in cash and cash equivalent	(196)	(1,432)
Cash and cash equivalent brought forward	324	2,485
Cash and cash equivalent carried forward	128	1,053
Represented by:		
Cash and bank balances	128	53
Fixed deposits with licensed bank	-	1,000
	128	1,053

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Note:

- (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 2024 and the accompanying explanatory notes attached to this interim financial report.*

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EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE 1st HALF-YEAR ENDED 30 SEPTEMBER 2024

A. NOTES TO THE FINANCIAL REPORT

A1. Basis of preparation

The financial statements of the Group and the Company have been prepared in accordance with applicable approved Malaysian Financial Reporting Standards (“MFRSs”) issued by the Malaysian Accounting Standards Board (“MASB”), International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

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 2024:

- Amendments to MFRS 101 – Classification of Liabilities as Current or 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-mentioned amendments to MFRSs has no material effect 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 and are relevant but have not been adopted by the Group:

Amendments to MFRSs effective for annual periods beginning on or after 1 January 2025

- Amendments to MFRS 121 – Lack of Exchangeability

Amendments to MFRSs effective for annual periods beginning on or after 1 January 2026

- Amendments to MFRS 1, 7, 9, 10 and 107 – Annual Improvements to MFRS Accounting Standards —Volume 11
- Amendments to MFRS 9 and MFRS 7 – Amendments to the Classification and Measurement of Financial Instruments

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

MFRSs effective for annual periods beginning on or after 1 January 2027

- MFRS 18 – Presentation and Disclosure in Financial Statements
- MFRS 19 – Subsidiaries without Public Accountability: Disclosures

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MFRS 101 – Presentation of Financial Statements will be withdrawn on the application of MFRS 18. The Group is currently assessing the impact that may arise from the adoption of the above new MFRSs.

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 period under review.

A5. Material changes in estimates

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

A6. Debts and equity securities

Saved for the repayment of hire purchase facilities as disclosed in this interim report, there was no issuance, cancellation, repurchase, resale and repayment of debts and equity securities during the current financial period under review.

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 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.

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Analysis of Revenue by Products and Services

	Individual 6 months ended				Cumulative 6 months ended			
	30 Sept 2024		30 Sept 2023		30 Sept 2024		30 Sept 2023	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Products & Services A ⁽ⁱ⁾	1,835	73.08	2,125	100.00	1,835	73.08	2,125	100.00
Products & Services B ⁽ⁱⁱ⁾	676	26.92	-	-	676	26.92	-	-
Total	2,511	100.00	2,125	100.00	2,511	100.00	2,125	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.

A8. Changes in the composition of the Group

There were no changes in the composition of the Group for the current financial period under review.

A9. Interest bearing bank borrowings

	As at 30 September 2024 RM'000
Non-current bank borrowings	
Hire purchase	22
Current bank borrowings	
Hire purchase	4
Total interest-bearing bank borrowings	26

A10. Capital commitments

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

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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 period under review.

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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B. ADDITIONAL INFORMATION REQUIRED UNDER THE LISTING REQUIREMENTS

B1. Review of Performance

The Group recorded revenue of RM2.51 million and Gross Profit (“GP”) of RM1.11 million, which contributed to 44.22% GP margin for the 1st half-year ended 30 September 2024. The revenue of the Group for the period under review is derived from the provision of digital healthcare solutions and related services. The Group recorded a profit before tax (“PBT”) of RM0.75 million and profit after tax (“PAT”) of RM0.66 million for the period under review.

1st Half-year ended 30 September 2024 vs 1st Half-year ended 30 September 2023

The Group recorded revenue of RM2.51 million for the 1st half-year ended 30 September 2024 as compared to RM2.13 million recorded in the immediate preceding financial period, representing an increase of RM0.38 million or 17.84%. This is mainly due to our Company secured a new IT-BPO for non-clinical information management system from a global technology company involve in travel industry.

The Group recorded a PBT of RM0.75 million for the 1st half-year ended 30 September 2024 as compared to PBT of RM1.13 million in the immediate preceding financial period, representing decrease of RM0.38 million or 33.63%. The decrease in PBT is mainly due to lower partial compensation Profit Guarantee for the 1st half-year ended 30 September 2024 of approximately RM0.73 million (1st half-year ended 30 September 2023: RM1.80 million) as disclosed in Note B3 of this report, however mitigated by reduction in administrative expenses by RM0.73 million from RM1.82 million in the 1st half-year ended 30 September 2023 to RM1.09 million in the 1st half-year ended 30 September 2024 due to reduction in headcount personnel.

B2. Prospects

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

As at 30 September 2024, the outstanding Group’s orderbook for THIS and IT-BPO stands at approximately RM6.6 million. On top of this, there are secured Insurance Data Exchange and Analytical System solution (“IDEAS”) contracts based on per transaction fees.

The Group will continue to intensify our marketing efforts to offer digitalSENSE (the brand name of our proprietary hospital information system solution) and 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 healthcare IT-BPO and maintenance services and non-clinical information management system.

We are cautiously optimistic on the future prospect and outlook of the Group in view of the increasing bid book. 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.

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 2025 will remain favourable.

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

Save 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”) (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 Shamsuddin (“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 financial year ended (“FYE”) 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 and FYE 31 March 2024, the Obligors had partially compensated for the Profit Guarantee amounting of RM1.50 million and RM1.80 million.

For the financial period ended 30 September 2024, the Obligors have partially compensated for the Profit Guarantee amounting to approximately RM0.73 million.

Pursuant thereof, the balance aggregate guaranteed profit to be fulfilled by the Obligors during the remaining guaranteed financial year for financial period ending 31 March 2025 is approximately RM5.97 million.

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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 Health 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 Health 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).

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

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- (b) **The Sessions Court of Kuala Lumpur (Civil Suit No. WA-B52NCvC-37-02/2023) 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 and a Statement of Claim, our Company filed the suit against UKM and Hatar claiming for amongst others, damages in the amount of RM913,181.00 arising from the wrongful termination of the Letter of Intent as compensation.

On 8 April 2024, our Company has obtained judgement in default of Appearance (“**Judgement in Default**”) and the solicitors have been instructed to file a recovery proceeding against UKM. On 24 May 2024, our Company received an unsealed Notice of Application (“**NOA**”) to set aside the said Judgement In Default together with the accompanying Affidavits in Support. The Court has fixed the date on 4 December 2024 for the decision on the NOA.

C3. Dividend

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