Capillary Technologies (Malaysia) Sdn. Bhd.

201701025567 (1239733-D)
(Incorporated in Malaysia)

Reports
and Financial Statements

31st March

2026

nk associates
(Chartered Accountants)
(AF 1313)

Registration No : 201701025567 (1239733-D)

Capillary Technologies (Malaysia) Sdn. Bhd.

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Reports and Financial Statements

31st March 2026

Capillary Technologies (Malaysia) Sdn. Bhd.

(Incorporated in Malaysia)

Directors' Report

for the year ended 31st March 2026

The Directors submit their report and the audited financial statements of the Company for the financial year ended 31 March 2026.

Principal Activity

The Company is principally engaged in the business of software development services.

There has been no significant change in the nature of this activity during the financial year under review.

Results

	RM
Profit after tax	45,789

Dividends

No dividend was paid during the financial year and the Directors do not recommend any dividend to be paid for the financial year under review.

Reserves and Provisions

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

Issue of Shares and Debentures

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

Directors

The directors who have held office during the financial year and up to the date of this report are as follows:

Aneesh Reddy Boddu
Selva Kumari A/P Karuppiah
Anant Choubey
Sridhar Bollam

Directors' Benefits

During and at the end of the current financial year, no arrangements subsisted to which the Company is a party, with the object or objects of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Since the end of the current financial year no Director has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

Directors' Interests

None of the Director in office at the end of the year have interest in shares of the Company during the financial year ended 31 March 2026.

Directors' Interest in Holding Company
(Capillary Pte. Ltd., Incorporated in Singapore)

None of the Director in office at the end of the year have interest in shares of the Holding Company during the financial year ended 31 March 2026.

Directors' Remunerations

None of the directors or past directors of the Company have received any remunerations from the Company during the year.

Indemnifying Directors, Officers or Auditors

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

Other Statutory Information

Before the financial statements of the Company were made out, the Directors took reasonable steps:

(a) 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 have satisfied themselves that all known bad debts had been written-off and that adequate provision had been made for doubtful debts; and

(b) to ensure that any current assets which were unlikely to be realised at their book values in the ordinary course of business have been written down to their estimated realisable values.

(c) 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 have satisfied themselves that all known bad debts had been written-off and that adequate provision had been made for doubtful debts; and

(d) to ensure that any current assets which were unlikely to be realised at their book values in the ordinary course of business have been written down to their estimated realisable values.

As of the date of this report, there does not exist:

(a) any charge on the assets of the Company which has arisen since the end of the year and secures the liability of any other person; or

(b) any contingent liability of the Company which has arisen since the end of the year.

Other Statutory Information (Cont'd)

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 year which, in the opinion of the Directors, will or may substantially affect the ability of the Company to meet its obligations as and when they fall due.

In the opinion of the Directors:

(a) the results of the operations of the Company during the year were not substantially affected by any item, transaction or event of material and unusual nature.

(b) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the year and the date of this report which is likely to affect substantially the results of operations of the Company for the year in which this report is made.

Holding Company

The directors regard Capillary Pte Ltd., a Company incorporated in Singapore, as the holding Company and Capillary Technologies International Pte Ltd, a Company incorporated in Singapore, as the Ultimate Holding Company.

Auditors' Remuneration

The details of the auditors' remuneration are disclosed in Note 13 to the financial statements.

Registration No : 201701025567 (1239733-D)

Auditors

The auditors, Messrs. NK Associates, have expressed their willingness to continue in office.

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

Aneesh Reddy Boddu
(Director)

Anant Choubey
(Director)

Bangalore, Karnataka, India

Dated: 04 MAY 2026

Registration No : 201701025567 (1239733-D)

Capillary Technologies (Malaysia) Sdn. Bhd.

(Incorporated in Malaysia)

Statement By Directors

Pursuant to Section 251(2) of the Companies Act, 2016

The Directors of **Capillary Technologies (Malaysia) Sdn. Bhd.,** state that, in their opinion, the accompanying financial statements are drawn up in accordance with Malaysian Private Entities Reporting Standard and the requirements of Companies Act, 2016 in Malaysia so as to give a true and fair view of the financial position of the Company as at **31 March 2026** and of the financial performance and the cash flows of the Company for the year ended on that date.

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

Aneesh Reddy Boddu
(Director)

Anant Choubey
(Director)

Bangalore, Karnataka, India
Dated: 04 MAY 2026

Statutory Declaration

Pursuant to Section 251(1)(b) of the Companies Act, 2016

I, **Aneesh Reddy Boddu**, being the Director primarily responsible for the financial management of **Capillary Technologies (Malaysia) Sdn. Bhd.**, do solemnly and sincerely declare that the financial statements are, in my opinion, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Oaths and Declaration of Notaries Act, 1952.

Aneesh Reddy Boddu
(Director)

Subscribed and solemnly declared by the abovenamed at Bangalore in the state of Karnataka, India on 04 MAY 2026

Before me,

Notary Public

NOTARY
K.V. MANI
Bengaluru, Karnataka
Reg. No 21613
Exp.Dt. 08-03-2030
GOVT. OF INDIA

SWORN TO BEFORE ME
K.V. MANI, B.A.,LL.B.
ADVOCATE & NOTARY
GOVT. OF INDIA, Reg. No.: 21613
No. 23/1, Hosur Main Road,
Adugodi, Bengaluru-560 030

nk associates
(Chartered Accountants)
(AF 1313)

audit@nk.com.my
www.nk.com.my

Unit D-3-3A, Level 4, Block D
SetiaWalk, Persiaran Wawasan
Pusat Bandar Puchong
47160 Puchong
Selangor Darul Ehsan
Malaysia

Tel : 603-5882 2054
Fax : 603-5882 2053

Independent Auditors' Report

to the members of Capillary Technologies (Malaysia) Sdn. Bhd.
(Registration No: 201701025567 (1239733-D)) (Cont'd)
(Incorporated in Malaysia)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **Capillary Technologies (Malaysia) Sdn. Bhd.**, which comprise the statement of financial position as at **31 March 2026**, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 9 to 26.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at **31 March 2026**, and of its financial performance and its cash flows for the year then ended in accordance with Malaysian Private Entities Reporting Standard and the requirements of the Companies Act, 2016 in Malaysia.

Basis for Opinion

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

Independence and Other Ethical Responsibilities

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

Material Uncertainty Related to Going Concern

We draw attention to Note 2 to the financial statements, which indicates that the Company's current liabilities exceeded its current assets by RM 3,843,454. In addition, the Company also reported a capital deficiency of RM 3,839,158. As stated in Note 2 to the financial statements, the Company is dependent on the financial support from its shareholder. Should the financial support not available, the Company may not be able to fulfill its financial obligations as and when they fall due in the ordinary course of the business. These conditions indicate that a material uncertainty exist that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter

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 Directors' Report but does not include the financial statements of the Company and our auditors' report thereon.

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audit@nk.com.my
www.nk.com.my

Unit D-3-3A, Level 4, Block D
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47160 Puchong
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Independent Auditors' Report

to the members of Capillary Technologies (Malaysia) Sdn. Bhd.
(Registration No: 201701025567 (1239733-D)) (Cont'd)
(Incorporated in Malaysia)

Information other than the Financial Statements and Auditors' Report Thereon (Cont'd)

Our opinion on the financial statements of the Company does not cover the Directors' Report and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Company, our responsibility is to read the Directors' Report and, in doing so, consider whether the Directors' Report is materially inconsistent with the financial statements 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 the Directors' Report, 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 Company that give a true and fair view in accordance with Malaysian Private Entities Reporting Standard 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 Company that are free from material misstatement, whether due to fraud or error.

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

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

- Identify and assess the risks of material misstatement of the financial statements 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.

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Independent Auditors' Report

to the members of Capillary Technologies (Malaysia) Sdn. Bhd.
(Registration No. 201701025567 (1239733-D)) (Cont'd)
(Incorporated in Malaysia)

Auditors' Responsibilities for the Audit of the Financial Statements (Cont'd)

- 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 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 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 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Company, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

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.

NK Associates

NK ASSOCIATES
Firm No: AF 1313
Chartered Accountants

JYAKUMARAN A/L MUNIANDY
Approval No: 02132/03/2027 J
Chartered Accountant

Puchong, Selangor, Malaysia
Dated: 04 MAY 2026

Registration No : 201701025567 (1239733-D)

Capillary Technologies (Malaysia) Sdn. Bhd.

(Incorporated in Malaysia)

Statement of Financial Position

as at 31st March 2026

	NOTE	2026 RM	2025 RM
ASSETS			
Non-Current Asset			
Property, plant and equipment	4	4,296	1,039
		4,296	1,039
Current Assets			
Trade receivables		812,216	52,176
Deposits and prepayments	5	154,515	106,348
Amount due from a related company	6	20,584	-
Cash and cash equivalents		155,197	55,765
		1,142,512	214,289
Total Assets		1,146,808	215,328
EQUITY AND LIABILITY			
Equity			
Share capital	7	500,100	500,100
Accumulated losses		(6,960,145)	(7,005,934)
Share option reserve	8	2,620,887	2,537,573
Total Equity		(3,839,158)	(3,968,261)
Current Liabilities			
Other payables and accruals	9	327,351	190,315
Deferred revenue	10	261,138	208,912
Amount due to holding company	11	4,263,537	3,640,161
Amount due to related companies	6	133,940	144,201
		4,985,966	4,183,589
Total Liability		4,985,966	4,183,589
Total Equity and Liability		1,146,808	215,328

The annexed notes form an integral part of these financial statements

Capillary Technologies (Malaysia) Sdn. Bhd.
(Incorporated in Malaysia)

Statement of Comprehensive Income
for the year ended 31st March 2026

	NOTE	2026 RM	2025 RM
Revenue	12	2,156,950	2,616,784
Direct expenses		(2,078,779)	(2,488,047)
Gross Profit		78,171	128,737
Other operating income		357,932	231,292
Other operating expenses		(390,314)	(342,859)
Profit Before Tax	13	45,789	17,170
Income tax expense	14	-	-
Profit After Tax		45,789	17,170

The annexed notes form an integral part of these financial statements

Capillary Technologies (Malaysia) Sdn. Bhd.

(Incorporated in Malaysia)

Statement of Changes in Equity

for the year ended 31st March 2026

	Share Capital RM	Accumulated Losses RM	Share Option Reserve RM	Total Equity RM
As at 01 April 2025	500,100	(7,005,934)	2,537,573	(3,968,261)
Profit after tax	-	45,789	-	45,789
Share option reserve	-	-	83,314	83,314
As at 31 March 2026	500,100	(6,960,145)	2,620,887	(3,839,158)
As at 01 April 2024	500,100	(7,023,104)	2,350,926	(4,172,078)
Profit after tax	-	17,170	-	17,170
Share option reserve	-	-	186,647	186,647
As at 31 March 2025	500,100	(7,005,934)	2,537,573	(3,968,261)

The annexed notes form an integral part of these financial statements

Capillary Technologies (Malaysia) Sdn. Bhd.
(Incorporated in Malaysia)

Statement of Cash Flows
for the year ended 31st March 2026

	2026 RM	2025 RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	45,789	17,170
Adjustments for:		
Depreciation of property, plant and equipment	2,909	2,069
Employee share option reserve	83,314	186,647
Property, plant and equipment written off	-	2,952
Operating profit before changes in working capital	132,012	208,838
Changes in receivables	(828,791)	369,825
Changes in payables	802,377	(563,644)
Net cash generated from operating activities	105,598	15,019
CASH FLOWS FROM INVESTING ACTIVITY		
Purchase of property, plant and equipment	(6,166)	-
Net cash used in investing activity	(6,166)	-
NET INCREASE IN CASH AND CASH EQUIVALENTS	99,432	15,019
OPENING CASH/CASH EQUIVALENTS	55,765	40,746
CLOSING CASH/CASH EQUIVALENTS	155,197	55,765
CASH/CASH EQUIVALENTS COMPRISES OF:-		
Bank balances	155,197	55,765

The annexed notes form an integral part of these financial statements

Capillary Technologies (Malaysia) Sdn. Bhd.
(Incorporated in Malaysia)

Notes to the Financial Statements
31st March 2026

1. **General Information**

The Company is a private limited company incorporated and domiciled in Malaysia.

The registered office of the Company is located at Unit D-3-5, Level 5, Block D, SetiaWalk, Persiaran Wawasan, Pusat Bandar Puchong, 47160 Puchong, Selangor Darul Ehsan.

The principal place of business is located at Suite 31-16, Q Sentral, No. 2A, Jalan Stesen Sentral 2, Kuala Lumpur Sentral, 50470 Kuala Lumpur.

The Company is principally engaged in the business of software and data analytical services.

The Directors regards Capillary Pte Ltd, a company incorporated in Singapore as the Holding Company, which holds entire of the equity shares in the Company and Capillary Technologies International Pte Ltd, a company incorporated in Singapore as the Ultimate Holding Company.

The financial statements are presented in Ringgit Malaysia (RM) which is also the functional currency of the Company.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 04 MAY 2026.

2. **Significant Accounting Policies**

The financial statements have been prepared in accordance with the Malaysian Private Entities Reporting Standard ("MPERS") and the requirements of the Companies Act, 2016.

The Company's current liabilities exceeded its current assets by RM 3,843,454 and a capital deficit of RM 3,839,158 for the year ended 31 March 2026. The Board of Directors is confident of the recovery and accordingly, the financial statements for the year ended 31 March 2026 of the Company have been prepared on going concern basis. Nevertheless, the ability of the Company to continue as a going concern is dependent on continuous financial support from its holding company.

The financial statements have been prepared on the historical cost basis, except for the revaluation of certain assets and liabilities.

The principal accounting policies adopted are set out below:

2.1 **Property, Plant and Equipment**

The cost of an item of property, plant and equipment is recognised as an asset when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. After recognition as an asset, an item of property, plant and equipment are measured at cost less any accumulated depreciation and any accumulated impairment losses, except for freehold land and buildings.

Except for freehold land and properties under construction which are not depreciated, depreciation is provided on a reducing balance method so as to write off the cost of the assets less its residual values of the following assets over their estimated useful lives, as follows:

2.1 Property, Plant and Equipment (Cont'd)

	Rate
Computer systems	63%
Furniture and fittings	30%
Office equipment	50%

Depreciation of an asset begins when it is ready for its intended use.

If there is an indication of a significant change in factors affecting the residual value, useful life or asset consumption pattern since the last annual reporting date, the residual values, depreciation method and useful lives of depreciable assets are reviewed and adjusted prospectively.

The carrying amounts of items of property, plant and equipment are derecognised on disposal or when no future economic benefits are expected from their use or disposal. Any gain or loss arising from the derecognition of items of property, plant and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amounts of the item, is recognised in profit or loss. Neither the sale proceeds nor any gain on disposal is classified as revenue.

2.2 Impairment of Non-Financial Assets other than Goodwill, Inventories and Financial Assets

At each reporting date, the Company assesses whether there is any indication that an asset may be impaired. If any such indication exists, the recoverable amount of the asset is estimated.

When there is an indication that an asset may be impaired, but it is not possible to estimate the recoverable amount of the individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

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

If the recoverable amount of an asset or a cash-generating unit is less than the carrying amount, an impairment loss is recognised to reduce the carrying amount to its recoverable amount. An impairment loss for a cash-generating unit is firstly allocated to reduce the carrying amount of any goodwill allocated to the cash-generating unit, and then, to the other non-current assets of the unit pro rata on the basis of the carrying amount of each appropriate asset in the cash-generating unit. Impairment loss is recognised immediately in profit or loss, unless the asset is carried at a revalued amount, in which case it is treated as a revaluation decrease.

The recoverable amount is the higher of an assets or cash-generating unit's fair value less to sell, value in use and zero.

An impairment loss recognised in prior periods for an asset, or the appropriate assets of a cash-generating unit is reversed when there has been a change in the estimates used to determine the asset's recoverable amount. An impairment loss is reversed to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognised in prior periods. A reversal of an impairment loss is recognised immediately in profit or loss, unless the asset is carried at revalued amount, in which case it is treated as a revaluation increase.

2.3 Financial Assets

Financial assets are recognised in the statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

On initial recognition, financial assets are measured at transaction price, include transaction costs for financial assets not measured at fair value through profit or loss, unless the arrangement constitutes, in effect, a financing transaction for the counterparty to the arrangement.

After initial recognition, financial assets are classified into one of three categories: financial assets measured at fair value through profit or loss, financial assets that are debt instruments measured at amortised cost, and financial assets that are equity instruments measured at cost less impairment.

(i) Financial Assets at Fair Value through Profit or Loss

Financial assets are classified as at fair value through profit or loss when the financial assets are within the scope of Section 12 of the MPERS or if the financial assets are publicly traded or their fair value can otherwise be measured reliably without undue cost or effort.

Changes in fair value are recognised in profit or loss.

If a reliable measure of fair value is no longer available for an equity instrument that is not publicly traded but is measured at fair value through profit or loss, its fair value at the last date that instrument was reliably measurable is treated as the cost of the instrument, and it is measured at this cost amount less impairment until a reliable measure of fair value becomes available.

(ii) Financial Assets that are Debt Instruments measured at Amortised Cost

After initial recognition, debt instruments are measured at amortised cost using the effective interest method. Debt instruments that are classified as current assets are measured at the undiscounted amount of the cash or other consideration expected to be received.

Effective interest method is a method of calculating the amortised cost of financial assets and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimate future cash receipts through the expected life of the financial assets or, when appropriate, a shorter period, to the carrying amount of the financial assets.

(iii) Financial Assets that are Equity Instruments measured at Cost Less Impairment

Equity instruments that are not publicly traded and whose fair value cannot otherwise be measured reliably without undue cost or effort, and contracts linked to such instruments that, if exercised, will result in delivery of such instruments, are measured at cost less impairment.

(iv) Impairment of Financial Assets

At the end of each reporting period, the Company assesses whether there is any objective evidence that financial assets that are measured at cost or amortised cost, are impaired.

Objective evidence could include:

- significant financial difficulty of the issuer; or
- a breach of contract; or

2.3 **Financial Assets (Cont'd)**

(iv) **Impairment of Financial Assets (Cont'd)**

- the lender granting to the borrower a concession that the lender would not otherwise consider; or

- it becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or

- observable data indicating that there is a measurable decrease in the estimated future cash flows from the financial assets since the initial recognition of those assets.

For certain category of financial assets, such as trade receivables, if it is determined that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, the assets are included in a group with similar credit risk characteristics and collectively assessed for impairment.

Impairment losses, in respect of financial assets measured at amortised cost, are measured as the differences between the assets' carrying amounts and the present values of their estimated cash flows discounted at the assets' original effective interest rate.

If there is objective evidence that impairment losses have been incurred on financial assets measured at cost less impairment, the amount of impairment losses are measured as the difference between the asset's carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

The carrying amounts of the financial assets are reduced directly, except for the carrying amounts of trade receivables which are reduced through the use of an allowance account. Any impairment loss is recognised in profit or loss immediately. If, in subsequent period, the amount of an impairment loss decreases, the previously recognised impairment losses are reversed directly, except for the amounts related to trade receivables which are reversed to write back the amount previously provided in the allowance account. The reversal is recognised in profit or loss immediately.

(v) **Derecognition of Financial Assets**

Financial assets are derecognised when the contractual rights to the cash flows from the financial assets expire, or are settled, or the Company transfers to another party substantially all of the risks and rewards of ownership of the financial assets.

On derecognition of financial assets in their entirety, the differences between the carrying amounts and the sum of the consideration received and any cumulative gains or losses are recognised in profit or loss in the period of the transfer.

2.4 **Cash and Cash Equivalents**

Cash and cash equivalents in the statement of cash flows comprise cash and bank balances, short-term bank deposits and other short-term, highly liquid investments that have a short maturity of three months or less from the date of acquisition, net of bank overdrafts (if any).

2.5 **Liabilities and Equity**

(i) **Classification of Liabilities and Equity**

Financial liabilities and equity instruments are classified in accordance with the substance of the contractual arrangement, not merely its legal form, and in accordance with the definitions of a financial liability and an equity instrument.

2.5 **Liabilities and Equity (Cont'd)**

(ii) **Equity Instruments**

Ordinary shares are classified as equity.

Equity instruments are any contracts that evidence a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments issued by the Company, other than those issued as part of a business combination or those accounted for in paragraph 22.15A to 22.15B, are measured at the fair value of the cash or other resources received or receivable, net of transaction costs. If payment is deferred and the time value of money is material, the initial measurement shall be on a present value basis.

The Company accounts for the transaction costs of an equity as a deduction from equity. Income tax relating to the transaction costs is accounted for in accordance with Section 29 of the MPERS.

Distributions to owners are deducted from the equity. Related income tax is accounted for in accordance with Section 29 of the MPERS.

2.6 **Financial Liabilities**

Financial liabilities are recognised in the statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

On initial recognition, financial liabilities are measured at transaction price, include transaction costs for financial liabilities not measured at fair value through profit or loss, unless the arrangement constitutes, in effect, a financing transaction for the Company to the arrangement.

After initial recognition, financial liabilities are classified into one of three categories: financial liabilities measured at fair value through profit or loss, financial liabilities measured at amortised cost, or loan commitments measured at cost less impairment.

(i) **Financial Liabilities measured at Fair Value through Profit or Loss**

Financial liabilities are classified as at fair value through profit or loss when the financial liabilities are within the scope of Section 12 of the MPERS or if the financial liabilities are publicly traded or their fair value can otherwise be measured reliably without undue cost or effort.

If a reliable measure of fair value is no longer available for an equity instrument that is not publicly traded but is measured at fair value through profit or loss, its fair value at the last date that instrument was reliably measurable is treated as the cost of the instrument, and it is measured at this cost amount less impairment until a reliable measure of fair value becomes available.

(ii) **Financial Liabilities measured at Amortised Cost**

After initial recognition, financial liabilities other than financial liabilities at fair value through profit or loss are measured at amortised cost using the effective interest method. Gains or losses are recognised in profit or loss when the financial liabilities are derecognised or impaired.

Effective interest method is a method of calculating the amortised cost of financial liabilities and of allocating the interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimate future cash payments through the expected life of the financial liabilities or, when appropriate, a shorter period, to the carrying amount of the financial liabilities.

(iii) **Loan Commitments measured at Cost Less Impairment**

Commitments to receive loan that meet the conditions of Section 11 of the MPERS are measured at cost less impairment.

2.6 **Financial Liabilities (Cont'd)**

(iv) **Derecognition of Financial Liabilities**

Financial liabilities are derecognised when the obligation specified in the contract is discharged, cancelled or expires.

Any difference between the carrying amounts of the financial liabilities derecognised and the consideration paid is recognised in profit or loss.

2.7 **Share-Based Payments**

The Holding Company and Ultimate Holding Company operates an equity-settled share-based payments scheme to allow the employees of the Group to acquire ordinary shares of the Holding Company and Ultimate Holding Company. The fair value of the options granted is recognised as employees benefit expenses with a corresponding credit to equity-settled employee benefits reserves. The fair value determined at the grant date is expensed in profit or loss in accordance with Section 26 of the MPERS over the periods during which the employees become unconditionally entitled to the options, based on the Company's estimate of the ordinary shares that will eventually vest, and adjusted for the effect of non-market-based vesting conditions.

At each reporting date, the Company revises the estimates of the number of options that are expected to become exercisable and recognises the impact of the revision of the original estimates in employees benefit expenses and in a corresponding credit to equity-settled employee benefits reserves over the remaining vesting period.

2.8 **Revenue**

Revenue from services rendered is measured at the fair value of the consideration receivable and is recognised in the income statement when services to customers are completed and subsequently invoiced.

2.9 **Employment Benefits**

(i) **Short-Term Employment Benefits**

Short-term employment benefits, such as wages, salaries and other benefits, are recognised at the undiscounted amount as a liability and an expense when the employees have rendered services to the Company.

The expected cost of accumulating compensated absences are recognised when the employees render services that increase their entitlement to future compensated absences. The expected cost of non-accumulating compensated absences, such as sick and medical leaves, are recognised when the absences occur.

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

The expected cost of profit-sharing and bonus payments is recognised when the Company has a present legal or constructive obligation to make such payments as a result of past events and a reliable estimate of the obligation can be made. A present obligation exists when the Company has no realistic alternative but to make the payments.

(ii) **Defined Contribution Plan**

Contributions payable to the defined contribution plan are recognised as a liability and an expense when the employees have rendered services to the Company.

2.10 Related Parties

A party is related to an entity if:

i) directly or indirectly through one or more intermediaries, the party:

* controls, is controlled by, or in under common control with, the entity (this includes parents, subsidiaries and fellow subsidiaries); or
* has an interest in the entity that gives it significant influence over the entity;
* has joint control over the entity; or

ii) the party is an associate of the entity; or

iii) the party joint venture in which the entity is a venturer; or

iv) the party is a member of the key management personnel of the entity or its parent; or

v) the party is a close member of the family of any individual referred in (i) or (iv); or

vi) the party is an entity that is controlled, jointly controlled or significantly influenced by, or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (iv) or (v); or

vii) the party is a post-employment benefit plan or the benefit of employees of the entity, or of any entity that is related party of the entity.

Close members of the family of an individual are those family members who may be expected to influence, or be influenced by, that individual in their dealings with the entity.

2.11 Income Tax

Tax expense is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised in other comprehensive income.

Tax payable on taxable profit for current and past periods is recognised as a current tax liability to the extent unpaid. If the amount paid in respect of the current and past periods exceeds the amount payable for those periods, the excess is recognised as a current tax asset.

Current tax assets and liabilities are measured at the amounts expected to be paid or recovered, using the tax rates and laws that have been enacted or substantially enacted by the reporting date.

Current tax liabilities and assets are offset if, and only if the Company has a legally enforceable right to set off the amounts and plan either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred tax is provided in full on temporary differences which are the differences between the carrying amounts in the financial statements and the corresponding tax base of an asset or liability at the end of the reporting period.

Deferred tax liabilities are recognised for all taxable temporary differences that are expected to increase taxable profit in the future. Deferred tax assets are recognised for all deductible temporary differences that are expected to reduce taxable profit in the future and the carry forward of unused tax losses and unused tax credits.

2.11 **Income Tax (Cont'd)**

Deferred tax liabilities and assets are not recognised in respect of the temporary differences associated with the initial recognition of an asset or a liability in a transaction that is not a business combination and at the time of the transactions, affects neither accounting profit nor taxable profit. Deferred tax liabilities are also not recognised for temporary difference associated with the initial recognition of goodwill.

Deferred tax liabilities and assets reflect the tax consequences that would follow from the manner in which the Company expects to recover or settle the carrying amounts of their assets and liabilities and are measured at the tax rates and laws that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantially enacted by the reporting date.

3. **Critical Judgements and Estimation Uncertainty**

3.1 **Critical Judgements Made in Applying Accounting Policies**

There are no critical judgements made by management in the process of applying the accounting policies of the Company.

3.2 **Key Sources of Estimation Uncertainty**

There are no key assumptions concerning the future and other key sources of estimation uncertainty at the end of each reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period.

4. **Property, Plant and Equipment**

	Balance at 01.04.2025 RM	**Additions RM**	**Disposals RM**	**Balance at 31.03.2026 RM**
Cost				
Computer systems	18,223	6,166	-	24,389
	18,223	6,166	-	24,389

	Balance at 01.04.2025 RM	**Charge for the year RM**	**Disposals RM**	**Balance at 31.03.2026 RM**
Accumulated depreciation				
Computer systems	17,184	2,909	-	20,093
	17,184	2,909	-	20,093

	Net Carrying Amount		**Depreciation Charge**	
	2026 RM	**2025 RM**	**2026 RM**	**2025 RM**
Computer systems	4,296	1,039	2,909	1,502
Furniture and fittings	-	-	-	561
Office equipment	-	-	-	6
	4,296	1,039	2,909	2,069

5. **Deposits and Prepayments**

	2026 RM	2025 RM
Deposits	25,500	25,500
Prepayments	129,015	80,848
	154,515	106,348

6. **Amount Due From/(To) A Related Company**

This amount is unsecured, interest-free, and repayable on demand.

7. **Share Capital**

	Number of shares			
	2026 Units	2025 Units	2026 RM	2025 RM
Issued and fully paid:	500,100	500,100	500,100	500,100

8. **Share Option Reserve**

(i) **Description of the Share-Based Payment Arrangements**

The Company has the following share-based payment arrangements:

a) Capillary Employee Stock Option Scheme – 2021 (‘CESP’) of the Holding Company.

At a meeting of the members of the Parent held on 29 October 2021, the shareholders have approved the 'Capillary Employees Stock Option Scheme' - 2021 (CESP). Capillary Group shall mean the Holding Company, is wholly owned subsidiary and step-subsidiaries, either existing or as may be incorporated from time to time and its Ultimate Holding Company.

The plan is administered by a Board of Directors of the Parent /compensation committee/ nomination and remuneration committee constituted by the Board (as the case may be) (Administrator). Under CESP all employees are entitled to a grant of options once they have been in service and eligible based on conditions determined by the Administrator. The exercise price shall be as may be determined by the Administrator at the time of grant of options provided that the exercise price shall not be more than the fair market value of the shares as on the date of grant of options.

There shall be a minimum period of one (1) year between the grant of options and vesting of options, with a maximum period of ten (10) years from the date of grant of such options. Vesting of options would be subject to continued employment with the Parent and the options would vest on a quarterly basis. The option grantee may exercise the vested options (whether granted pre-listing or post-listing) within (a) 10 (ten) years from the date of vesting of options, or (b) 12 (twelve) years from the date of listing, whichever is later.

8. **Share Option Reserve (Cont'd)**

b) Capillary Employee Stock Option Scheme – 2026 ('CESP') of the Holding Company.

Effective July 1, 2025, the Company has amended its existing CESP plan, whereby the options granted to employees shall vest only upon the achievement of market linked condition of share price and continued employement with the Group at any time during the vesting period with a maximum period of ten (10) years. The options are granted at an exercise price of 20% discount on the fair market value of share price at the grant date of options.

(ii) **Measurement of Fair Values**

a) The fair value of the share options granted is estimated at the grant date using Black-Scholes method, taking into account the terms and conditions upon which the share options were granted.

Capillary Employee Stock Option Scheme – 2021 ('CESP') of the Holding Company

	2026
	Unit
Outstanding as 01 April	82,005
Granted during the year	-
Forfeited during the year	-
Cancelled during the year	-
Exercised during the year	-
Expired during the year	-
Outstanding at 31 March	82,005
Estimated fair value at date of exercise of options during the year	
Range of exercise price for outstanding options	

The fair value of the options granted, and inputs were:

	2026
	RM
Grant date	Over the period
No of options	82,005
Risk-free rate	6.60%
Option life	5.50 years
Expected dividend	0%
Expected volatility	61.90%
Weighted average share price	RM 27.33

8. **Share Option Reserve (Cont'd)**

b) The fair value of the options has been calculated using the Black-Scholes Option Pricing methodology and combination of Binomial model and Monte Carlo Simulation' methodology, taking into account the terms and conditions upon which the share options were granted.

Capillary Employee Stock Option Scheme – 2026 ('CESP') of the Holding Company

	2026 **Unit**
Outstanding as 01 April	-
Granted during the year	301
Forfeited during the year	-
Cancelled during the year	-
Exercised during the year	-
Expired during the year	-
Outstanding at 31 March	301
Estimated fair value at date of exercise of options during the year	
Range of exercise price for outstanding options	

The fair value of the options granted, and inputs were:

	2026 **RM**
Grant date	Over the period
No of options	301
Risk-free rate	6.46%-6.48%
Option life	8.70-9.00 years
Expected dividend	0%
Expected volatility	31.24%-31.41%
Weighted average share price	RM 21.30

9. **Other Payables and Accruals**

	2026 **RM**	**2025** **RM**
Other payables	1,168	4,320
Accruals	326,183	185,995
	327,351	190,315

10. **Deferred Revenue**

	2026 **RM**	**2025** **RM**
Deferred revenue	261,138	208,912

Deferred revenue represents amounts received from customers for services that are performed in future periods.

11. Amount Due To Holding Company

The amount due to Holding Company is unsecured, interest free and repayable upon demand.

12. Revenue

Revenue represents net invoiced value of software development services.

13. Profit Before Tax

	NOTE	2026 RM	2025 RM
This is stated after charging:			
Audit fees		11,000	14,000
Depreciation of property, plant and equipment		2,909	2,069
Employee benefits expenses	13.1	1,921,378	2,345,663
Loss on foreign exchange (realised)		240	6,349
Loss on foreign exchange (unrealised)		3,601	-
Office rental		114,000	109,500
Professional fees		41,069	42,463
Property, plant and equipment written off		-	2,952
And crediting:			
Gain on foreign exchange (realised)		(357,932)	(88)
Gain on foreign exchange (unrealised)		-	(221,537)

13.1 Employee Benefits Expenses

	2026 RM	2025 RM
Salaries, allowances, bonuses and commission	1,722,811	2,013,380
Employee share option expenses	83,314	186,647
Defined contribution plan	96,421	135,527
Defined contribution benefits	18,832	10,109
	1,921,378	2,345,663

14. Income Tax Expense

There is no tax charge for the year as the Company is in tax loss position.

As at 31 March 2026, the Company has unabsorbed tax losses amounting to RM 6,660,163 (2025: RM 6,958,387) and unabsorbed capital allowance amounting to RM Nil (2025: RM 6,833) which, subject to agreement of the Inland Revenue Board, can be carried forward to set-off against future taxable profits.

The income tax expense is reconciled to the accounting profit at the applicable tax rate as follows:

	2026 RM	2025 RM
Profit Before Tax	45,789	17,170
Applicable tax rate	24%	24%
Tax at applicable tax rate	10,989	4,121
Effect on tax:		
Income not taxable under tax legislation		-
Expenses not deductible under tax legislation	63,859	13,609
Utilisation of unabsorbed losses	(71,992)	(16,090)
Utilisation of unabsorbed capital allowances	(2,856)	(1,640)
Tax expense for the year	-	-

15. Related Party Disclosures

(a) Identities of related parties

Parties are considered to be related to the Company if the Company has 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 Company and the party are subject to common control or common significant influence. Related parties may be individuals or other parties.

The Company has related party relationship with its Ultimate Holding, holding company and company which has common directors.

(b) In addition to the transactions and balances detailed elsewhere in the financial statements, the Company had the following transactions with related parties during the financial year:

	2026 RM	2025 RM
(a) Revenue		
- Holding Company	629,840	2,044,347

16. Financial Instruments

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

	2026 RM	2025 RM
Financial assets		
At amortised cost		
Trade receivables	812,216	52,176
Other receivables and deposits	25,500	25,500
Amount due from a related company	20,584	-
Cash and cash equivalents	155,197	55,765
	1,013,497	133,441
Financial liabilities		
At amortised cost		
Other payables and accruals	1,167	4,320
Deferred revenue	261,138	208,912
Amount due to holding company	4,263,537	3,640,161
Amount due to a related company	133,940	144,201
	4,659,782	3,997,594

FOR MANAGEMENT PURPOSES ONLY

Capillary Technologies (Malaysia) Sdn. Bhd.

(Incorporated in Malaysia)

Statement of Detailed Comprehensive Income

for the year ended 31st March 2026

	2026 RM	2025 RM
Revenue	2,156,950	2,616,784
Less : Direct expenses		
Purchase and other related cost	157,401	142,384
Employee benefit expenses	1,921,378	2,345,663
	2,078,779	2,488,047
Gross Profit	78,171	128,737
Add : Other operating income		
Gain on foreign exchange (realised)	357,932	88
Gain on foreign exchange (unrealised)	-	221,537
Other income	-	9,667
	357,932	231,292
Less :		
Other operating expenses	390,314	342,859
	390,314	342,859
Profit Before Tax	45,789	17,170

FOR MANAGEMENT PURPOSES ONLY

Capillary Technologies (Malaysia) Sdn. Bhd.

(Incorporated in Malaysia)

Schedule of Detailed Operating Expenses

for the year ended 31st March 2026

	2026 RM	2025 RM
Audit fees	11,000	14,000
Bank charges	36	34
Depreciation of property, plant and equipment	2,909	2,069
Electricity charges	6,350	2,500
Impairment loss of other receivables	-	10,001
Loss on foreign exchange (realised)	240	6,349
Loss on foreign exchange (unrealised)	3,601	-
Office expenses	19,472	-
Office rental	114,000	109,500
Professional fees	41,069	42,463
Property, plant and equipment written off	-	2,952
Repair and maintenance	2,275	6,481
Selling and marketing expenses	42,722	45,831
SST expenses	4,732	-
Staff welfare	103,238	72,389
Tax agent fees	1,000	1,120
Travelling and conveyance expenses	37,670	27,170
Total Other Operating Expenses	390,314	342,859

The statement is prepared for the purpose of the Management's use only and does not form part of the statutory audited financial statements