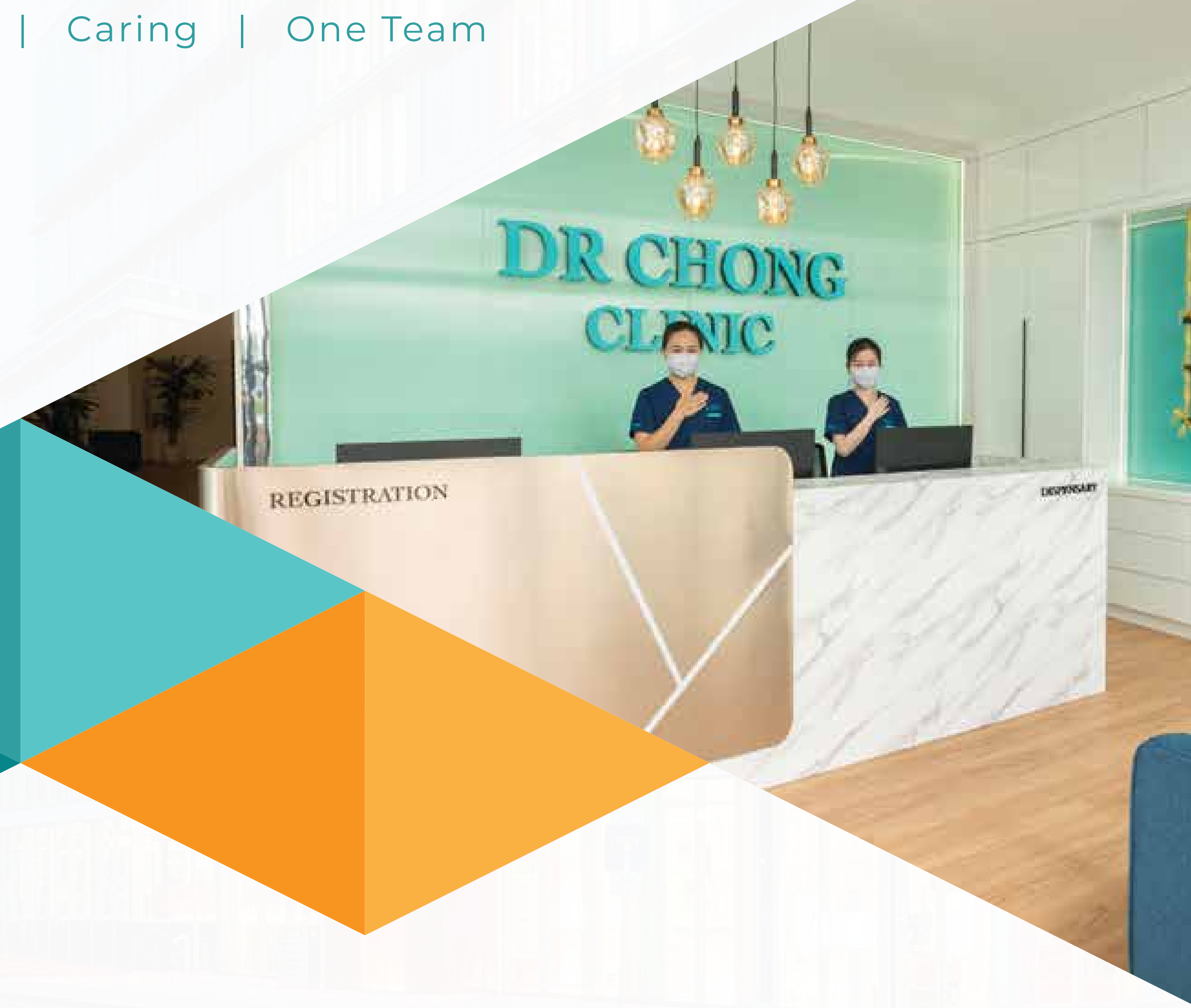
DC HEALTHCARE HOLDINGS

DC HEALTHCARE HOLDINGS BERHAD

ANNUAL REPORT 2023

Detailed | Caring | One Team



DR CHONG CLINIC SKIN | LASER | AESTHETIC

10 DRS

DC BODY

DC Healthcare Holdings Berhad Reg No. 202201014036 (1459733-P)

Annual Report 2023

DC Healthcare Holdings Berhad
Reg No. 202201014036 (1459733-P)
(Incorporated in Malaysia)

Suite 22.01, 22.02 & 22.05,
Level 22, Centrepoint South, Mid Valley City,
Lingkaran Syed Putra,
59200, Kuala Lumpur,
Wilayah Persekutuan.

www.dchealthcareholdings.com

DC HEALTHCARE
HOLDINGS

DC HEALTHCARE HOLDINGS BERHAD

2023 IPO Listing Ceremony

WHAT`S INSIDE THIS REPORT

2ND
ANNUAL GENERAL MEETING

online meeting platform of TIIH Online website at https://tiih.online

Tuesday,
11 June 2024

11.00 a.m.

VISION, MISSION, AND CORE VALUES

Our Vision

The Trusted Leader in Medical Aesthetic and Wellness Healthcare

The leading medical aesthetic and wellness healthcare provider in the region and South East Asia

Our Mission

Deliver Medical Aesthetic and Wellness Solutions

To deliver personalised medical aesthetic, wellness health services and to develop high-quality skincare products for the people and the communities we serve

Our Core Values

Detailed

Provide holistic services passionately by paying attention to every detail.

Caring

Provide compassionate patient-centered care and excellent service.

One-Team

Demonstrate great teamwork and grow together as a team by responding rapidly to opportunities and risks.

CORPORATE INFORMATION

BOARD OF DIRECTORS

DATUK DR. MOHD NOOR BIN AWANG
(INDEPENDENT NON-EXECUTIVE CHAIRMAN)

DR. CHONG TZE SHENG
(MANAGING DIRECTOR)

DR. LAI NGAN CHEE
(EXECUTIVE DIRECTOR)

REKHA A/P PALANYSAMY
(INDEPENDENT NON-EXECUTIVE DIRECTOR)

SIM LEE SAN
(INDEPENDENT NON-EXECUTIVE DIRECTOR)

YAP EE LING
(INDEPENDENT NON-EXECUTIVE DIRECTOR)

AUDIT AND RISK MANAGEMENT COMMITTEE

Sim Lee San
(Chairperson / Independent Non-Executive Director)

Yap Ee Ling
(Independent Non-Executive Director)

Rekha A/P Palanysamy
(Independent Non-Executive Director)

REMUNERATION COMMITTEE

Yap Ee Ling
(Chairperson / Independent Non-Executive Director)

Sim Lee San
(Independent Non-Executive Director)

Rekha A/P Palanysamy
(Independent Non-Executive Director)

NOMINATION COMMITTEE

Rekha A/P Palanysamy
(Chairperson / Independent Non-Executive Director)

Yap Ee Ling
(Independent Non-Executive Director)

Sim Lee San
(Independent Non-Executive Director)

COMPANY SECRETARIES

Tan Tong Lang
(SSM PC No. 202208000250)
(MAICSA7045482)

Thien Lee Mee
(SSM PC No. 201908002254)
(LS0010621)

Nurul Syahidah Binti Mat Tahil
(SSM PC No. 202308000535)
(LS0010742)

REGISTERED OFFICE

B-21-1, Level 21, Tower B,
Northpoint Mid Valley City,
No. 1, Medan Syed Putra Utara,
59200 Kuala Lumpur.
Tel : +603 9770 2200
Fax : +603 2201 7774
Email : boardroom@boardroom.com.my

HEAD AND MANAGEMENT OFFICE

Suites 22.01, 22.02 & 22.05,
Level 22, Centrepoint South Mid Valley City, Lingkaran Syed Putra,
59200 Kuala Lumpur.
Tel : +603 2201 6707
Email : info@dchealthcareholdings.com
Website: dchealthcareholdings.com

SPONSOR

M&A Securities Sdn. Bhd.
Registration No. 197301001503 (15017-H)
Level 11, 45 & 47, The Boulevard
Mid Valley City, Lingkaran Syed Putra
59200 Kuala Lumpur
Tel : +603 2284 2911

SHARE REGISTRAR

Tricor Investor & Issuing House Services Sdn Bhd
Registration No. 197101000970 (11324-H)

Unit 32-01, Level 32,
Tower A, Vertical Business Suite,
Avenue 3, Bangsar South,
No. 8 Jalan Kerinchi,
59200 Kuala Lumpur.
Tel : +603 2783 9299
Email : kamal.mohd@vistra.com

AUDITORS

Moore Stephens Associates PLT
(LLP0000963-LCA & AF 002096)

Unit 3.3A, 3rd Floor,
Surian Tower,
No.1, Jalan PJU 7/3,
Mutiara Damansara,
47810 Petaling Jaya, Selangor.
Tel : +603 7728 1800

BANKS

CIMB Bank Berhad
Registration No. 197201001799 (13491-P)

Malayan Banking Berhad
Registration No. 196001000142 (3813-K)

STOCK NAME : DCHCARE

ACE Market
Bursa Malaysia Securities Berhad
Sector : Healthcare
Stock Code: 0283

CORPORATE STRUCTURE

DC HEALTHCARE HOLDINGS

DC HEALTHCARE HOLDINGS BERHAD

DR CHONG CLINIC
SKIN | LASER | AESTHETIC

MEDICAL AESTHETIC

100%
Klinik Dr Chong Sdn Bhd

100%
DC Lasers Sdn Bhd

100%
DC Lasers (Puchong) Sdn Bhd

100%
DC Lasers (Mid Valley) Sdn Bhd

10 DRS

TRADING

100%
Ten Doctors Sdn Bhd

DC BODY

SLIMMING

100%
DC Wellness Sdn Bhd

MEDIA HIGHLIGHTS

DC Healthcare控股有限公司首次公开募股（IPO）超额认购达59.46倍

Business Journal · Follow
Jul 10

吉隆坡（2023年7月7日）– 知名非侵入性及微创美容医疗服务提供商**DC Healthcare控股有限公司**（"DC Healthcare"或"该集团"）今日宣布，其首次公开募股（"IPO"）中向马来西亚公众发售部份的部分，获得超额认购59.46倍。

DC Healthcare的IPO发行规模达1亿9926万股，其中公开发售4981万股新股，另配售9963万股，以下列方式供各界申请：

公开发售

• 4981万股通过投票方式发售予马来西亚公众

• 2989万股发售予合格人士，包括董事、雇员；及

THE EDGE MALAYSIA

Tuesday 10 Oct 2023

Home Corporate Economy Court & Politics Sections EdgeTV Tech

上市创业板 DC Healthcare签包销协议

By Bernama / Bernama

30 May 2023, 05:03 pm

The Star

DC Healthcare inks underwriting agreement with M&A Securities

MARKETS

Tuesday, 30 May 2023 2:29 PM MYT

From left, DC Healthcare executive director Dr Lai Ngan Chee, managing director Dr Chong Tze Sheng, M&A Securities managing director of corporate finance Datuk Datuk Bill Tan and deputy head of corporate finance Dennis Wong

KUALA LUMPUR: DC Healthcare Holdings Bhd has entered into an underwriting agreement with M&A Securities Sdn Bhd for its upcoming initial public offering (IPO) on the ACE Market of Bursa Malaysia.

The aesthetic medical services specialist said the listing exercise involves the public issue of 199.26 million shares or 20% of its enlarged number of issued shares, and an offer for sale of 99.63 million shares or 10% of the enlarged share capital to selected investors.

In a statement, DC Healthcare said M&A will underwrite 79.7 million issue shares made available to the Malaysian public and through the pink form allocations.

The balance 119.55 million issue shares for selected investors and 99.63 million offer shares to be placed out by M&A will not be underwritten.

According to DC Healthcare managing director Dr Chong Tze Sheng, the group seeks to expand the number of its aesthetic medical clinics through utilising the proceeds from the IPO.

""We are looking forward to working with M&A for the IPO, continuing a journey that we first began with the opening of our first clinic in 2016 that provided general medical services and then transitioned into providing focusing on aesthetic services," he said.

The company has a market presence in the central and southern regions of Peninsular Malaysia, namely in Negeri Sembilan, Selangor, Johor and Kuala Lumpur.

For the five months of the financial period ended May 31, 2022, the group recorded revenue of RM18.45mil compared with RM8.48mil in the same period in 2021 with a net profit margin of 22.08% and 16.47% respectively.

It said aesthetic services contributed 92.11% to total revenue during the 2022 period and 87.46% in the 2021 period.

IPO DC Healthcare bakal raih modal RM49.81 juta

BeritaHarian Tue, Jun 27, 2023 03:26pm - 3 months View Original

Tze Sheng (kiri) pada majlis pelancaran prospektus DC Healthcare di Kuala Lumpur, hari ini - NSTP/Aminudin Sahid

KUALA LUMPUR: Penyedia perkhidmatan perubatan estetik, DC Healthcare Holdings Bhd dijangka meraih RM49.81 juta menerusi tawaran awam permulaan (IPO) membabitkan terbitan 199.26 juta saham biasa pada harga 25 sen sesaham.

Media Highlights (Cont'd)

Tuesday
10 Oct 2023

THE EDGE MALAYSIA

Home / Analysts recommend subscribing to DC H...

Corporate | Malaysia

Analysts recommend subscribing to DC Healthcare IPO issue

By Thom Wai Lun / theedgemalaysia.com — 28 Jun 2023, 06:26 pm

KUALA LUMPUR (June 28): Two research houses have issued a "subscribe" recommendation on DC Healthcare Holdings Bhd, which is slated for listing on the ACE Market on July 17.

At the initial public offering (IPO) price of 25 sen per share, the aesthetic medical services provider is valued at 26.04 times price-earnings ratio (PER) based on its profit after tax (PAT) of RM8.58 million for the financial year ended Dec 31, 2022 (FY2022).

南洋商报

财经新闻

大马首家医美股 DC医疗首日上市一度飙86%

2023年07月17日

（吉隆坡17日讯）大马首家上市医美服务供应商——DC医疗（DCHCARE，0283，创业板）首日挂牌表现亮眼，股价一度飙涨21.5仙至46.5仙，涨幅高达86%。

BH ONLINE

Selasa, 10 Oktober 2023, 9:33am

Penyenaraian sulung DC Healthcare catat premium 60 peratus

Julai 17, 2023 @ 11:29am

BUSINESS TIMES

CORPORATE | ECONOMY | FEATURE | INSIGHT | PROPERTY

DC Healthcare's share price gets 60 per cent lift on ACE market debut

[illegible]

KUALA LUMPUR: Aesthetic medical service provider DC Healthcare Holdings Bhd's share price opened at 40 sen or 60 per cent higher from its reference price of 25 sen, on its debut on the ACE market of Bursa Malaysia Bhd.

DC Healthcare currently operates 13 aesthetic clinics in the central and southern regions of Peninsular Malaysia.

The Group provides aesthetic medical services such as facial sculpting and body contouring and, general medical services focusing on skin diseases such as psoriasis and eczema, as well as blood test health screening.

The company's share price hit a high of 47 sen before settling at

44 sen a share as at 10.25am.

The group raised a total of RM45.81 million through the initial public offering, from which RM9.44 million is to set up eight new clinics across the northern and southern regions of Peninsular Malaysia.

The Star

DC Healthcare to expand clinics and services for growth

Tuesday, 29 Aug 2023 8:47 PM MYT

DC Healthcare Holdings Bhd managing director Dr. Chong Tze Sheng

KUALA LUMPUR: DC Healthcare Holdings Bhd plans to expand existing clinics, strengthen medical staff, and continuously upgrade technology to support the growth in the aesthetic medicine market.

"The addition of two new clinics in the first half of the year, bringing our total to 13 clinics and as well as the increase in the number of treatments provided, has played a vital role in driving this growth. It not only reflects our commitment to increasing access to our services but also emphasises our belief in the quality of care we provide," managing director Dr. Chong Tze Sheng said in a statement.

"With the Malaysian aesthetic medicine market projected to register a compound annual growth rate (CAGR) of 18.8% from 2021 to 2027, our prospects in the aesthetic medical service industry remain favourable.

"Our planned expansion in the southern and northern regions, coupled with investments in technology and skilled personnel, underlines our confidence in our competitive strengths and the favourable industry outlook," Chong said.

DC Healthcare posted a net profit of RM4mil in the second quarter ended June 30, with the year-to-date net profit reaching RM6.4mil.

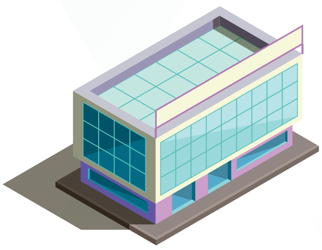
It achieved a 6.43% quarter-on-quarter revenue increase, totalling RM17.8mil. Its revenue for the first six months stood at RM34.7mil.

DC Healthcare was listed on the ACE Market of Bursa Malaysia on July 17. The counter closed down 0.5 sen to 51.5 sen.

KEY CORPORATE MILESTONES

2023

- Officially the first medical aesthetic clinic chain listed in the ACE Market of Bursa Malaysia in July.
- Expanded medical aesthetic outlets to Central and Southern Malaysia with 2 more outlets in Melawati (KL) and IOI City Mall (Putrajaya). Currently there are total of 4 outlets under renovation in Taman Molek Johor Bahru, Ipoh, Penang and Publika (KL).
- Welcoming of DC Body, an innovative wellness concept making its debut in Publika, Penang, Johor Bahru and USJ Taipan and currently under renovation.
- Launched its own range of skincare products, branded under “NewB Premium Ageless” and “NewB Premium Hydration”.

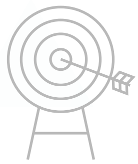


2022

- Opened 5 outlets in Seremban 2, Puchong, Mid Valley, Sri Petaling, and Klang.

2021

- Opened the 6th outlet in Cheras Sunway Velocity Mall.

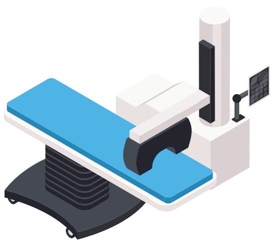


2020

- Opened the 5th outlet in TTDI, Kuala Lumpur.

2019

- Opened the 4th outlet in Bangsar, Kuala Lumpur.
- Awarded the SME100 Fast Moving Companies Award.
- Awarded Star Outstanding Business Award 2019.
- Awarded SMEs Best Brand Award 2018-2019.

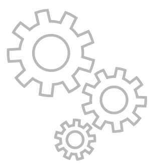


2018

- Opened the 3rd outlet in Johor Bahru.

2017

- Opened the 2nd outlet in Shah Alam, Kuala Lumpur.



2016

- Founded Dr Chong Clinic in Kepong, Kuala Lumpur.

AWARDS AND ACCOLADES

The 100 – Most Influential Young Entrepreneurs 2019

AMAEA 2018 – Asia Medical Aesthetic Exchange Association

SME100 Awards 2019 – Fast Moving Companies

The BrandLaureate SMEs BestBrands Awards 2018-2019 – Wellness – Aesthetique Solutions

SOBA 2019 – Outstanding Achievement

SOBA 2020 – Best Brand (Gold)

SOBA 2020 – Best Used Of Technology (Gold)

SOBA 2020 – Best In Customer Service (Silver)

SOBA 2020 – Male Entrepreneur Of The Year

SOBA 2020 – Malaysia Business Of The Year (Grand Winner)

Outstanding Branding Award 2023

Outstanding Entrepreneur Award 2023

Nanyang Centenary Business Award 2023 (Klinik Dr. Chong Sdn. Bhd.)

Nanyang Centenary Business Award 2023 (Managing Director, Dr. Chong Tze Sheng)

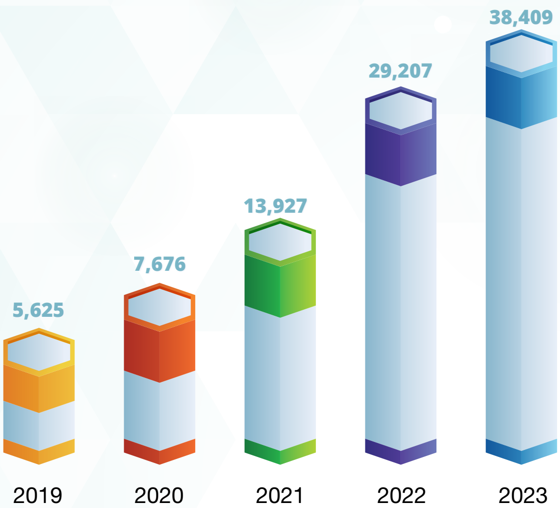
FINANCIAL HIGHLIGHTS

FINANCIAL YEAR ENDED ("FYE") 31 DECEMBER		2019	2020	2021	2022	2023
Operating Results						
Revenue	RM'000	12,210	14,449	25,479	51,964	67,701
Gross Profit ("GP")	RM'000	5,625	7,676	13,927	29,207	38,409
Earnings before Interest, Tax, Depreciation & Amortization ("EBITDA")	RM'000	2,975	4,742	8,937	18,018	13,470
Profit Before Tax ("PBT")	RM'000	1,745	2,699	6,203	12,578	4,966
Profit After Tax ("PAT")	RM'000	1,168	1,901	4,602	9,559	2,504
Key Financial Position Data						
Total Assets	RM'000	12,988	16,868	32,541	48,317	99,165
Total Equity	RM'000	3,854	4,755	7,997	15,047	64,384
Total Liabilities	RM'000	9,134	12,113	24,544	33,270	34,781
Financial Ratio						
GP Margin	%	46.07	53.12	54.66	56.21	56.73
PBT Margin	%	14.29	18.68	24.35	24.21	7.34
PAT Margin	%	9.57	13.16	18.06	18.40	3.70
*Basic/Diluted Earnings Per Share ("EPS")	sen	0.12	0.19	0.46	0.96	0.25
Effective tax rate	%	33.07	29.57	25.81	24.00	49.58

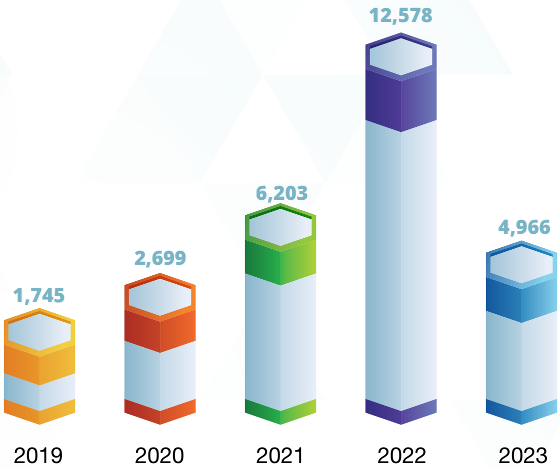
* EPS is based on PAT divided by 996,300,000 enlarged number of Shares in issue on 17 July 2023

Financial Highlights (Cont'd)

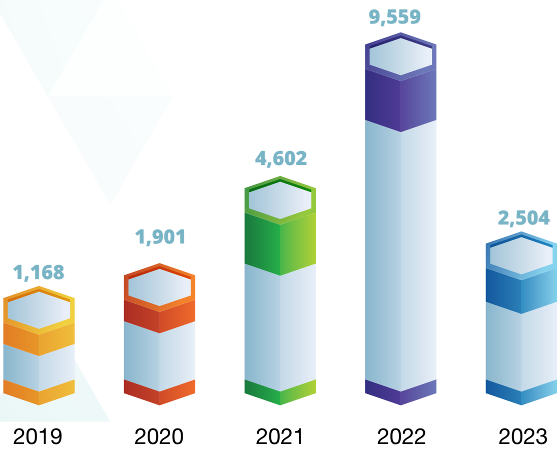
GROSS PROFIT (RM'000)



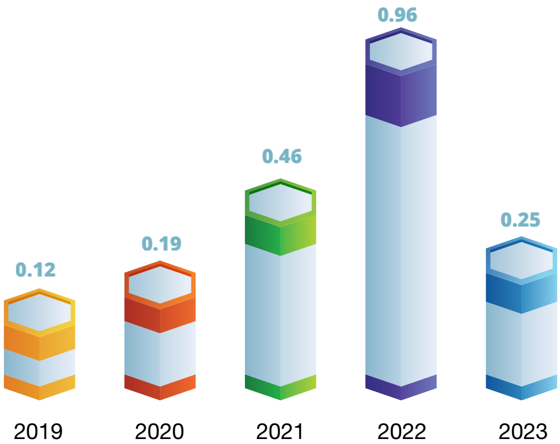
PROFIT BEFORE TAX (RM'000)



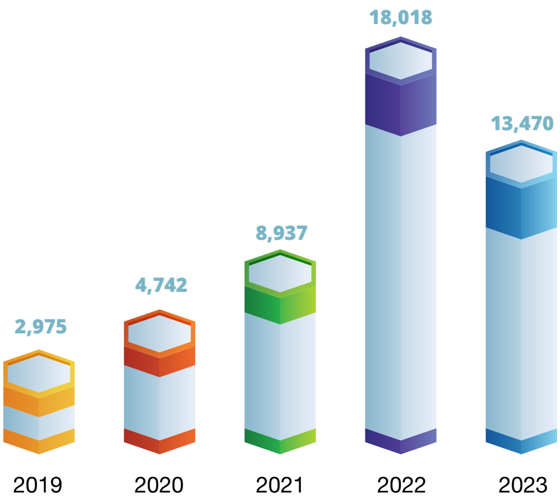
PROFIT AFTER TAX (RM'000)



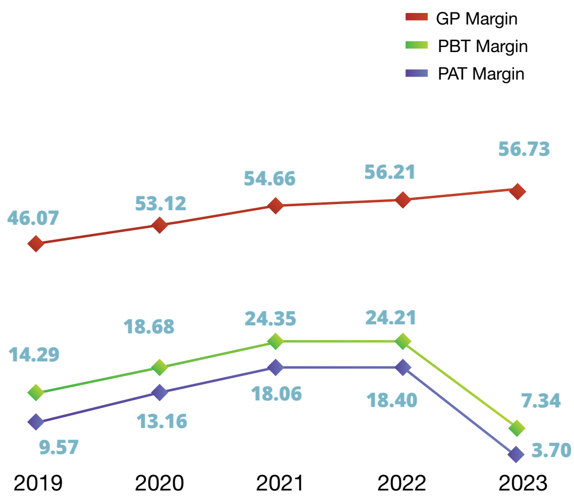
EARNINGS PER SHARE (sen)



EBITDA MARGIN (RM'000)



GP, PBT, PAT MARGIN (%)



DR CHONG CLINIC

SKIN | LASER | AESTHETIC

Dr. Chong Clinic:
Pioneering Medical Aesthetic Excellence with Innovative Treatments

In the realm of beauty and wellness, Dr. Chong Clinic emerges as a paragon of excellence, seamlessly blending Aesthetic Services and General Medical Services to redefine the path to radiant skin and holistic well-being. Our journey unfolds across two distinctive segments, each offering a tapestry of transformative experiences.

Medical Aesthetic Services:
A Symphony of Transformation

Within the Medical Aesthetic Services domain, a myriad of possibilities awaits those seeking to enhance their natural beauty. Our repertoire includes: facial and skin treatments; facial sculpting; body contouring; hair growth and removal and sales of skincare products. All treatments are performed by our highly skilled and experienced team of LCP Certified Medical Aesthetic Physicians utilising Non-Invasive or Minimally-Invasive procedures, and are personalised to each individual based on the analysis of their skin and personal objective.

Nurturing Skin Health:
The Foundation of Beauty

Regular facial and skin treatments is key to maintaining good skin health. However, factors such as unhealthy diet and the use of wrong off-the-shelf products can make it difficult to maintain good skin health. Upon consultation, our doctors will customise a treatment plan to address each customer's conditions and concerns. To treat common skin concerns like acne, pigmentation and scarring, we offer facial treatments that use a variety of topical products and medical machines and equipment. To perform more complex procedures during skin treatments, we utilise stronger topical products like chemical solutions to initiate skin peeling together with specialised medical machines and equipment.

A Legacy of Innovation:
Celebrating 7 Years with Dr. Chong Clinic

As we fondly reflect on seven years of accomplishment, Dr. Chong Clinic stands as a beacon of innovation and excellence in the realms of medical aesthetic and healthcare. Our unwavering commitment to elevating your medical aesthetic and healthcare journey has been the driving force behind our success. Join us in celebrating the unveiling of cutting-edge treatments and state-of-the-art machines that continue to define the essence of Dr. Chong Clinic's transformative legacy. Embark on a journey to radiant beauty and holistic well-being with us.

DR CHONG
CLINIC

SKIN | LASER | AESTHETIC

Comprehensive Medical Aesthetic

Solutions for Every Journey:
Introducing Ultherapy and Thermage

In a groundbreaking leap towards non-invasive medical aesthetic solutions, Dr. Chong Clinic proudly introduces Ultherapy and Thermage, heralding a new era of medical aesthetic skincare innovation.

Experience beauty redefined as Ultherapy, an FDA-cleared, non-invasive procedure, naturally uplifts the neck, chin, and brow while enhancing lines and wrinkles on the upper chest. Utilizing ultrasound technology, it stimulates collagen production, promising a transformative, surgery-free lift at Dr. Chong Clinic, where beauty seamlessly meets innovation.

In collaboration with the global leader Thermage, Dr. Chong Clinic presents a revolutionary approach to address sagging skin, wrinkles, and fine lines. Through the power of radiofrequency technology, Thermage tightens and contours the skin, unveiling timeless beauty. Immerse yourself in the transformative journey with Thermage at Dr. Chong Clinic.

Dr. Chong Clinic propels into the future with Ultherapy and Thermage, upholding our commitment to comprehensive medical aesthetic solutions. From laser therapies to non-surgical facelifts and advanced hair treatments, our clinic delivers remarkable, personalised results tailored to your unique aesthetic beauty journey.

PROFILE OF DIRECTORS

DATUK DR. MOHD NOOR BIN AWANG

Independent Non-Executive Chairman

Board Committee Membership: NIL

Datuk Dr. Mohd Noor Bin Awang ("Datuk Dr. Mohd Noor"), currently serves as the Independent Non-Executive Chairman since his redesignation on 19 April 2023 after he was initially appointed as an Independent Non-Executive Director on 6 October 2022. His appointment enriches our Board with a wealth of experience spanning healthcare, academia, and politics, thereby providing a robust, multifaceted perspective valuable to our governance and appealing to investors appreciating leadership with both depth and breadth in experience.

An accomplished dental surgeon, he graduated with a Bachelor of Dental Surgery ("BDS") from University of Malaya Dental School in 1979 and earned his Master of Science in Oral Surgery from the University of London, United Kingdom, in 1983.

Datuk Dr. Mohd Noor's career narrative intertwines academia, politics, and private healthcare consultancy. With an initial focus on academia at the University of Malaya Dental School, he progressed to Deputy Dean until 1992. His career briefly intersected with politics through community work with UMNO from 1992 until 1994, followed by a pivot into the private healthcare sector in 1995 when he joined Subang Jaya Medical Centre (currently known as Ramsay Sime Darby Care Group of hospitals) as a Consultant in Oral & Maxillofacial Surgery department. At present, he continues to offer his expertise at Subang Jaya Medical Centre, Pantai Hospital Kuala Lumpur and Sunway Medical Centre.

He does not hold any directorship in other public companies and listed corporations.

He has no family relationship with any Director and/or major shareholder of the Company. He has no conviction of any offences within the past five (5) years and has no public sanctions and/or penalties imposed by the relevant regulatory bodies during the financial year. He has no conflict of interest or potential conflict of interest, including any interest in any competing business with DC Healthcare and its subsidiaries.

Profile of Directors (Cont'd)

DR. CHONG TZE SHENG

Managing Director

Board Committee Membership: NIL

Dr. Chong Tze Sheng ("Dr Chong") is the First Director of the Company appointed on 18 April 2022. He then was redesignated as an Executive Chairman on 6 October 2022 and subsequently redesignated as the Managing Director of the Group on 19 April 2023. He is responsible for developing the overall corporate trajectories and oversees the holistic business direction, strategic planning and future growth initiatives. With a blend of clinical, surgical, and entrepreneurial expertise, Dr. Chong significantly influences the company's strategic and operational avenues, propelling it towards future success.

Dr. Chong is an accomplished alumnus of University Sains Malaysia, where he graduated with a Degree of Doctor of Medicine ("MD") in 2009. His pursuit of specialised knowledge led him to the American Academy of Aesthetic Medicine, where he earned a Diploma in Aesthetic Medicine. Dr. Chong's academic achievements continued with a Postgraduate Diploma in Practical Dermatology, attained with Distinction from Cardiff University, Wales. Furthering his expertise, he completed a Master of Science in Practical Dermatology at Cardiff University. Dr. Chong solidified his professional standing by obtaining his License in Credentialing and Privileging ("LCP") for Aesthetic Medical Practice from the Malaysian Ministry of Health in 2017.

Dr. Chong's medical tenure started with a diverse housemanship at Sungai Buloh Hospital from 2009 to 2011. He later worked in surgery and general medicine at Hospital Teluk Intan and Klinik Kesihatan Bukit Kuda until 2013. Moving into aesthetics in 2013, he joined a skin specialist and medical aesthetic company. In 2016, he established Klinik Dr Chong, leading the business and contributing significantly to the medical aesthetic industry.

He does not hold any directorship in other public companies and listed corporations.

Dr. Chong is the spouse of Dr. Lai Ngan Chee, who is the Executive Director of the Company.

He has no family relationship with any Director and/or major shareholder of the Company. He has no conviction of any offences within the past five (5) years and has no public sanctions and/or penalties imposed by the relevant regulatory bodies during the financial year. He has no conflict of interest or potential conflict of interest, including any interest in any competing business with DC Healthcare and its subsidiaries.

Profile of Directors (Cont`d)

DR. LAI NGAN CHEE

Executive Director

Board Committee Membership: NIL

Dr Lai Ngan Chee ("Dr Lai") is the First Director of the Company appointed on 18 April 2022. Dr. Lai was redesignated as the Executive Director of the Group on 19 April 2023. She plays a pivotal role in managing and implementing the Group's strategies into daily operations while also overseeing business development and marketing functions. She holds a Doctor of Medicine degree from Universiti Sains Malaysia, obtained in 2009.

Dr. Lai embarked on her professional journey with a comprehensive medical practice at Sungai Buloh Hospital from 2009 to 2011. During this period, she gained valuable experience in various medical disciplines, including intensive patient management in anesthesiology at Hospital Teluk Intan, and outpatient services at Klinik Kesihatan Bukit Kuda from 2012 to 2017. In April 2017, she transitioned to her current position within the Group, bringing with her a wealth of medical and operational expertise.

She does not hold any directorship in other public companies and listed corporations.

Dr. Lai is spouse of Dr. Chong Tze Sheng, who is Managing Director of the Company.

She has no family relationship with any Director and/or major shareholder of the Company. She has no conviction of any offences within the past five (5) years and has no public sanctions and/or penalties imposed by the relevant regulatory bodies during the financial year. She has no conflict of interest or potential conflict of interest, including any interest in any competing business with DC Healthcare and its subsidiaries.

Profile of Directors (Cont'd)

YAP EE LING

Independent Non-Executive Director

Board Committee Membership:-

- *Chairperson of the Remuneration Committee*
- *Member of the Audit & Risk Management Committee*
- *Member of the Nomination Committee*

Ms. Yap Ee Ling serves as an Independent Non-Executive Director, having been appointed to the Board on 6 October 2022. She contributes a robust legal background and a wealth of experience in corporate law to the Board, reinforcing its strategic and governance capabilities.

She graduated with a Bachelor of Laws from the University of Glamorgan (now University of South Wales) in 1998 and was subsequently admitted as an Advocate and Solicitor of the High Court of Malaya in 2000.

She commenced her legal career at Lee Hishammuddin in 2001, specialising in corporate, conveyancing, and banking, before transitioning to Mazlan & Associates in 2004, where she honed her expertise in various facets of corporate and commercial laws, including IPOs, mergers, and acquisitions until 2014. In 2015, she co-founded Ilham Lee, a law firm where she continues to practice as a Partner.

She currently sits on the Boards of Mobilia Holdings Berhad and Cloudpoint Technology Berhad.

She has no family relationship with any Director and/or major shareholder of the Company. She has no conviction of any offences within the past five (5) years and has no public sanctions and/or penalties imposed by the relevant regulatory bodies during the financial year. She has no conflict of interest or potential conflict of interest, including any interest in any competing business with DC Healthcare and its subsidiaries.

Profile of Directors (Cont'd)

REKHA A/P PALANYSAMY

Independent Non-Executive Director

Board Committee Membership:-

- *Chairperson of the Nomination Committee*
- *Member of the Audit & Risk Management Committee*
- *Member of the Remuneration Committee*

Ms. Rekha A/P Palanysamy was appointed to the Board as an Independent Non-Executive Director on 6 October 2022. She brings her wealth of experience and lends her meticulous financial and analytical expertise to the Board.

Rekha graduated with a Bachelor of Accounting from Multimedia University Malaysia in 2006 and achieved her Chartered Accountant status from the Malaysian Institute of Accountants in 2018.

Her career, starting in 2006 at Iswara & Company, spans audit, tax advisory, and corporate secretarial services, with an initial role in preparing audit working papers and management reports. Rekha further honed her auditing skills at Deloitte Kassim Chan from 2007 to 2010, working on financial statements of varied businesses and ensuring compliance with statutory requirements. A stint as a Manager at Sylvester Anthony & Co and a Financial Analyst role at Hewlett-Packard Multimedia Sdn. Bhd. between 2010 and 2015 allowed her to manage comprehensive internal audits and perform intricate financial analysis respectively. Since 2015, Rekha has been associated with VR Advisory, initially as a Manager and later becoming a partner in 2019. Presently the sole partner, she specialises in ensuring clients are audit-ready and in compliance with pertinent guidelines.

She does not hold any directorship in other public companies and listed corporations.

She has no family relationship with any Director and/or major shareholder of the Company. She has no conviction of any offences within the past five (5) years and has no public sanctions and/or penalties imposed by the relevant regulatory bodies during the financial year. She has no conflict of interest or potential conflict of interest, including any interest in any competing business with DC Healthcare and its subsidiaries.

Profile of Directors (Cont'd)

SIM LEE SAN

Independent Non-Executive Director

Board Committee Membership:-

- *Chairperson of the Audit & Risk Management Committee*
- *Member of the Nomination Committee*
- *Member of the Remuneration Committee*

Ms. Sim Lee San serves as an Independent Non-Executive Director since her appointment to the Board on 6 October 2022.

Her academic and professional background in accounting is cemented by a Diploma in Association of Accounting Technician ("AAT") achieved in 1998 and memberships in Association of Chartered Accountants ("ACCA") since 2004 and fellow member of ACCA since 2009, and a member of Malaysian Institute of Accountant since 2005.

Her career, initiating in 2002, weaves through varied roles in auditing, financial accounting, and management across a spectrum of companies. Her journey started as a Tax Assistant at Tan Cheng Hooi & Co, transitioning through roles at several firms, including YK Tan & Co and GHL Transact Sdn. Bhd., the latter where she climbed from Assistant Accountant to Finance Manager, engaging in vital financial and investment management tasks. Her career also spanned financial accounting roles at Popular Books (Co) Sdn. Bhd. and Symphony House Berhad, where she ensured stringent financial reporting and asset management. Following a tenure at 3D Networks Sdn. Bhd. and significant time at QI Services (M) Sdn. Bhd., where she moved from Group Accountant to Assistant Finance Manager, overseeing financial reporting and regulatory compliance. She embraced project management at CTOS Data Systems Sdn. Bhd., focusing on enhancing policies and ensuring compliance. Her most recent roles included a consultancy at Tech Data Advanced Solutions and a Finance Manager position at Travelex Currency Exchange & Payments Sdn. Bhd. Currently, she is not affiliated with any company. In 2024, she joined K.H.Khor Realty Sdn Bhd, a property company as Manager to in-charge of operations of the company.

She does not hold any directorship in other public companies and listed corporations.

She has no family relationship with any Director and/or major shareholder of the Company. She has no conviction of any offences within the past five (5) years and has no public sanctions and/or penalties imposed by the relevant regulatory bodies during the financial year. She has no conflict of interest or potential conflict of interest, including any interest in any competing business with DC Healthcare and its subsidiaries.

PROFILE OF KEY SENIOR MANAGEMENT

MADAM MAH LAI HENG

Chief Operating Officer

Madam Mah Lai Heng ("Madam Mah") has been appointed as the Group Chief Operating Officer of DC Healthcare effective from 1 November 2023. With an impressive career spanning 27 years in the healthcare industry, Madam Mah brings a wealth of experience and a proven track record of excellence to her new role.

Her journey in healthcare management is marked by her adeptness in handling complex hospital operations and her strategic insight in healthcare administration. Notably, her roles have encompassed a broad range of responsibilities including hospital management, operations, licensing, commissioning, and clinical quality management. This extensive background ensures her expertise in not just managing, but also enhancing healthcare delivery systems across various settings.

Madam Mah's strategic leadership was particularly evident during her tenure as Chief Operating Officer at BP Healthcare Group in 2022, where she played a crucial role in optimising operations and enhancing service delivery. Her international exposure is highlighted by her successful stint as General Manager at Shanghai United Family Hospital & Clinics from 2018 to 2020, where she skillfully managed the complexities of an international healthcare setting.

Previously, she has held significant leadership positions within KPJ Healthcare Berhad, serving as Senior General Manager and Chairman of the KPJ Group Central Licensing Committee, and earlier as CEO of KPJ Penang Specialist Hospital and General Manager of Kuching Specialist Hospital. Subsequently she also lead the East Malaysia KPJ Group of Specialist Hospital and KPJ Pahang Specialist Hospital as Regional Executive Director. Her leadership in these roles not only drove substantial growth but also elevated clinical standards.

Madam Mah's academic qualifications are equally commendable, holding a Master of Business Administration from Henley Management College, University of Reading, UK, a degree in Advanced Critical Care Nursing from the University of South Australia, and a Bachelor of Nursing Science from the University Malaya.

She does not hold any directorship in other public companies and listed corporations. She has no family relationship with any Director and/or major shareholder of the Company.

Profile of Key Senior Management (Cont'd)

YONG YEW SUN

Chief Financial Officer

Yong Yew Sun currently serves as the Chief Financial Officer, managing the overarching elements of the Group's accounting, financial and treasury functions since joining on 25 April 2022. He also involved in preparing financial budgets, providing financial advices, monitoring the compliance of financial processes with statutory and regulatory requirements as well as company's policies. With a professional accounting qualification from the Malaysian Institute of Certified Public Accountants (MICPA) obtained in 1997 and has been a member of Malaysian Institute of Accountant (MIA) since 1998, he embarked on a career spanning three decades, contributing significantly to audit and financial management in various establishments.

Initiating his career journey in 1990 with Kassim Chan & Co, and progressing through various audit roles, he became a vital asset in managing statutory audits and leading audit assignments for myriad companies. This foundation in audit provided a stable platform for his subsequent roles in financial management across sectors, including securities, hospitality, property, trading and the food and beverage industry.

He does not hold any directorship in other public companies and listed corporations. He has no family relationship with any Director and/or major shareholder of the Company. He has no conviction of any offences within the past five (5) years and has no public sanctions and/or penalties imposed by the relevant regulatory bodies during the financial year. He has no conflict of interest or potential conflict of interest, including any interest in any competing business with DC Healthcare and its subsidiaries.

Profile of Key Senior Management (Cont'd)

DR LEONG CHEE YONG

Medical Director

Dr. Leong Chee Yong ("Dr Leong") brings a diverse medical and managerial background to his role as Medical Director, where he oversees the daily operations of clinics and doctor training.

Initiating his medical journey, Dr. Leong earned his Doctor of Medicine ("MD") from Universiti Kebangsaan Malaysia in 2009, subsequently enriching his qualifications with a Certificate in Primary Care Dermatology in 2016 and an LCP for Aesthetic Medical Practice from MOH in 2017.

His early career, rooted in Hospital Teluk Intan in 2009, subsequent positions at Hospital Taiping and Hospital Tengku Ampuan Rahimah, was characterised by managing various medical sub-departments and supervising medical teams, mainly within the obstetrics and gynaecology specialisation. Transitioning into medical aesthetic in 2013 with Klinik Pakar Kulit Ko Sdn. Bhd., he provided aesthetic consultations and procedures under licensed practitioners. He left Klinik Pakar Kulit Ko Sdn. Bhd. in 2015. His career then evolved into pivotal managerial roles as a founding Medical Director at both Klinik Setia Taipan in 2016 and Skinfinity Sdn. Bhd. in 2017. He left both companies in 2019 respectively.

In these capacities, he was not only a practising general practitioner but also managed various aspects of clinic operations and doctor training programs, revealing his adept capability in medical administration.

Joining the current Group in January 2020, Dr. Leong has integrated his rich experience in medical practice and administration to proficiently manage clinic operations and ensure meticulous training for new doctors. His career is not only highlighted by his practical medical proficiency across varied specializations but also his strategic and administrative acumen in a clinic's operational context.

He does not hold any directorship in other public companies and listed corporations. He has no family relationship with any Director and/or major shareholder of the Company. He has no conviction of any offences within the past five (5) years and has no public sanctions and/or penalties imposed by the relevant regulatory bodies during the financial year. He has no conflict of interest or potential conflict of interest, including any interest in any competing business with DC Healthcare and its subsidiaries.

INTRODUCING newB:

A NEW BEGINNING IN SKINCARE BREAKTHROUGHS

DC Healthcare Holdings Berhad is proud to unveil its latest innovation in the world of skincare fi newB Premium Skincare. As a brand under its subsidiary company namely Ten Doctors Sdn. Bhd., newB is the result of a visionary endeavour by a group of experienced and qualified medical aesthetic physicians to redene beauty and skincare.

With a mission to meet the ever-evolving expectations and desires of skincare enthusiasts, newB presents two Japan premium quality skincare ranges: newB Premium Ageless and newB Premium Hydration, each designed to deliver exceptional results that exceed expectations. Through a co-development with Dr Chong Clinic, the newB range of products guarantees proven expertise and conscience in ecacy.

Premium Ageless:

The New Best Antioxidant

A must-have skincare product from newB Premium Ageless is the Eye Concentrate, a revolutionised antiageing product in the consumer retail industry. Its unique formula, powered by a breakthrough ingredient called DiamondC60™, offers instant wrinkle and fine line reduction within a mere 5 minutes. This ground-breaking ingredient contains Japan Quality Fullerene, The First Natural Fullerene in Malaysia directly from Japan, making newB a pioneer in harnessing its potential. Fullerene is a super antioxidant that was first discovered in 1985 by three scientists, and subsequently received the 1996 Nobel Prize in Chemistry.

Dr Chong Tze Sheng, Group Managing Director of DC Healthcare Holdings Berhad, expresses the significance of DiamondC60™ in their products, stating, ‡DiamondC60™ holds a distinguished patent in Japan as a guarantee of its quality. It is the cornerstone of our Premium Ageless range, offering long-lasting youthful, ageless skin. This is not just skincare; this is a revolution in anti-ageing.· DiamondC60™ is a strong antioxidant for anti-ageing that comes with 250 times more power than Vitamin C, longer-lasting anti-oxidative activity for more than 20 hours, and is more stable to UV rays than Vitamin C and Vitamin E.

The Premium Ageless range stands as a testament to the brand's unwavering commitment to excellence. By seamlessly blending the powerful ingredients of DiamondC60™, Grape Juice, and Grape Skin Extracts, this transformative formula reclaims skin firmness and elasticity, resulting in an age-defying complexion that exudes confidence.

10DRS

Premium Hydration:
The New Best Water-Boost

In the realm of hydration, newB takes centre stage with a highly-recommended product, the Premium Hydration Concentrate. This product offers 5 minutes hydration and soothing boost benefits through the innovative 7HA Boost Complex, ensuring ultimate water-boost for lasting healthy, soft and plump skin.

The 7HA Boost Complex presents a splendid fusion of hyaluronic acid (HA) in 7 distinct molecular sizes, meticulously combined with the exceptional FUCOGEL®. The harmonious blend fully hydrates from the outermost layer of the skin to its very core. Each size of HA plays a unique role, ensuring that every layer is thoroughly quenched and revitalised.

Our remarks, "Our Premium Hydration range is all about elevating your skin's hydration game. Our unique formulation enables water molecules irresistibly drawn and meticulously held in place to prolong lasting hydration, revealing a dewy complexion that glows with unparalleled softness and suppleness."

newB is not just another skincare brand; it is a commitment to providing the best beauty solutions for its customers. The brand stands by its vision to be the leading health and beauty company in Malaysia by providing long-term revolutionised products in the consumer retail market. It is also on a mission to elevate the quality of our selections continuously through the synergy of a group of experienced medical aesthetic physicians and modern technology breakthroughs.

We aim to continuously stay at the forefront of technology and beauty trends, offering new-gen skincare products that our consumers can rely on.

Discover the secret to eternal beauty and join us on this 5-minute beauty reborn journey. newB can be purchased online via Shopee, Lazada, TikTok Shop, and Watsons Malaysia Online Store. Find links to online stores at https://10drs.com/newbskincare/.

VISION + MISSION = newB プレミアムスキンケア

10DRS

CHAIRMAN STATEMENT

Dear Valued Shareholders,

On behalf of the Board of Directors ("Board"), it is with great pride that I present to you the Annual Report and Audited Financial Statements of DC Healthcare Holdings Berhad ("DC Healthcare" or "Company") and its Subsidiaries ("Group") for the financial year ended 31 December 2023 ("FYE 2023"). Our listing on the ACE Market of Bursa Malaysia Securities Berhad ("ACE Market") in July 2023 stands as a defining milestone, propelling us towards the forefront of Malaysia's medical aesthetic services industry.

As a newly public-listed entity, we have focused on becoming the trusted leader in the medical aesthetic services sector. Our investments in advanced technologies and the constant upskilling of our team have kept us at the cutting edge of this rapidly advancing field.

FINANCIAL PERFORMANCE

I am thrilled to report that FYE 2023 has been our most successful financial year to date, as revenue jumped by 30.28%, reaching RM67.70 million. This is the first year the Group's revenue surpasses the RM60 million mark, showcasing our long-term growth potential as we leverage our brands and clinic network to drive growth. We have maintained our Group's profitability with a gross profit margin above 50% in current financial year. We recorded a profit after tax of RM2.50 million even as we navigated the one-off non-recurring listing expenses and other consultancy fees in relation to the listing exercise, amounting to RM4.0 million. Financially, DC Healthcare remains solid, with cash and cash equivalents totalling RM30.23 million and a comfortable current ratio of 2.80 as of 31 December 2023.

Chairman Statement (Cont'd)

OPERATIONAL MILESTONES

Our operational achievements this year have been significant. We expanded our clinic network, enhancing accessibility and service quality with the opening of two new branches in Melawati and IOI City Mall. These new facilities, located in Taman Molek, Johor Bahru, and Bandar Seri Botani, Ipoh, are equipped with advanced medical aesthetic technologies and staffed by seasoned professionals, reflecting our dedication to excellence and patient-centered care. This expansion underscores our ongoing commitment to making premier medical aesthetic treatments more accessible across Malaysia and aligns with our strategic vision to enhance our service portfolio and fortify our presence within the medical aesthetic industry. Additionally, the incorporation of DC Wellness Sdn. Bhd. has further broadened our service offerings and market reach. These developments not only strengthen our position in the market but also align with our commitment to diversifying our healthcare portfolio.

Aside from that, the Group is taking proactive measures to adhere to Environmental, Social and Governance ("ESG") principles, understanding that sustainable practices are key to our long-term viability and community well-being. This year, we have deepened our commitment to ESG, holistically integrating these principles into our business approach.

Our proactive measures have culminated in a momentous achievement for DC Healthcare, as we were honoured with two prestigious awards: the Nanyang Business Centenary Awards and the Outstanding Branding Awards, during the 100th anniversary celebration of Nanyang Siang Pau. These accolades are a testament to our excellence in medical aesthetic healthcare and affirm our unwavering commitment to community service. We are dedicated to continuing our contributions to society, actively participating in community development, and enhancing the health and well-being of individuals.

FUTURE OUTLOOK

Looking ahead, the prospects for medical aesthetic industry are bright and promising. The Malaysian medical aesthetic services market is poised for significant growth, and we are well-positioned to capitalise on these opportunities. Our focus on expanding our service range and a commitment to quality and innovation sets us on a path to continued leadership in the healthcare sector.

ACKNOWLEDGEMENTS

Our achievements this year are the fruits of the labour of our dedicated team. I extend my profound gratitude to each member for their passion and commitment. Their hard work and dedication are the pillars of our success.

I also wish to express my sincere thanks to our clients and shareholders. Your trust, support, and valuable insights have been indispensable in shaping our journey. With our stakeholders' unwavering support and our team's collective efforts, I am confident that DC Healthcare will achieve its vision of leading the medical aesthetic services industry, creating lasting value for all our stakeholders.

Thank you for placing your trust and confidence in DC Healthcare.

Datuk Dr Mohd Noor Bin Awang
Independent Non-Executive Chairman

MANAGEMENT DISCUSSION & ANALYSIS

This year has been a defining period for DC Healthcare Holdings Berhad ("DC Healthcare" or "Company") and its Subsidiaries ("Group"), marked by our listing on the ACE Market of Bursa Malaysia Securities Berhad ("ACE Market"), strategic development, and ambitious growth amidst a challenging economic climate. We honoured to present our Management Discussion and Analysis ("MD&A") for the financial year ended 31 December 2023 ("FYE 2023"), our first year as a listed entity.

Our IPO has been a pivotal milestone, and it has laid a robust financial foundation for our future endeavours. It has not only provided us with the capital necessary to fuel our expansion plans but has also elevated our brand visibility and reinforced our market credibility. This strategic move has been met with tremendous positivity from investors and has positioned us to accelerate our growth initiatives. Our core business areas, led by our robust aesthetic services, have seen remarkable growth. During the financial year, we benefitted from the opening of new clinics and an increase in customer demand. This MD&A section presents a comprehensive review of DC Healthcare's operational achievements and financial health over FYE 2023. It also provides a forward-looking perspective, highlighting our ambitious growth objectives and outlining the strategic initiatives we are implementing for the next financial cycle.

BUSINESS OVERVIEW

DC Healthcare Group is a dynamic and rapidly growing player in the healthcare industry, specialising in aesthetic medical services. With its main operational footprint in Malaysia, the company has successfully established itself as a reputable provider in this niche market.

Core Business Areas

Aesthetic Services: The cornerstone of DC Healthcare's operations, aesthetic services contribute significantly to the company's revenue. The services range from non-invasive to minimally invasive procedures, catering to a diverse client base. These include skin treatments, facial aesthetics, body contouring, and more, delivered through a network of state-of-the-art clinics.

General Medical Services: Complementing its aesthetic offerings, the Group provides general medical services. Though smaller in revenue contribution, this segment is crucial in holistic patient care and wellness.

Slimming Services: The Group also offers slimming services as part of its holistic wellness plan for its patients. These services, meticulously developed in collaboration with nutritionists and medical experts from Dr Chong Clinic, include non-invasive body contouring, personalised nutrition planning, and specialised treatments.

Skincare Products: In addition to service-based offerings, DC Healthcare has ventured into the retail segment with its range of skincare products. The recent launch of the 'newB' skincare line, developed by its subsidiary company namely, Ten Doctors Sdn. Bhd., marks a significant step in diversifying its product portfolio.

Geographic Presence and Operational Footprint

DC Healthcare's operational presence spans across key regions in Peninsular Malaysia, including Negeri Sembilan, Selangor, Johor, and Kuala Lumpur. The company's strategic location in these areas provides accessibility and convenience to a broad customer base.

Market Positioning and Competitive Strengths

DC Healthcare’s strong market positioning is bolstered by its commitment to excellence and innovation. Our competitive strengths lie at the core of our identity, driving our mission to deliver unparalleled aesthetic and general medical services. As we navigate through the complexities of the healthcare industry, it is our unique blend of expert personnel, cutting-edge technology, and a profound commitment to patient-centric care that positions us as leaders in our field. These pillars not only define our approach to healthcare but also serve as the foundation upon which we build our reputation, foster patient trust, and achieve outstanding clinical outcomes.

1) LCP-Certified Doctors: A Foundation of Excellence

At DC Healthcare, the cornerstone of our clinical excellence lies in our team of LCP (“Letter of Credentialing and Privileging”) certified doctors. This prestigious accreditation is more than just a credential; it is a testament to our commitment to the highest standards of care and patient safety. LCP certification, awarded only to physicians who meet rigorous criteria for education, training, and professional experience, underscores the depth of expertise our team brings to the healthcare landscape.

The significance of having LCP-certified professionals cannot be overstated. It assures our patients that they are in capable hands and capable of delivering quality care that meets the stringent standards set by healthcare authorities. For DC Healthcare, this translates into a powerful differentiator in a competitive market, elevating our brand as a trusted provider of aesthetic medical services. By prioritizing this level of qualification among our staff, DC Healthcare not only advances the field of aesthetic medicine but also fortifies its reputation for excellence and safety.

BUSINESS OVERVIEW (CONT'D)

Market Positioning and Competitive Strengths (Cont'd)

2) Advanced Medical Technology: Pioneering Patient Care

Innovation is at the heart of DC Healthcare's approach to aesthetic medicine. Our clinics are equipped with state-of-the-art medical technology, setting a benchmark for advanced care in the industry. From the latest in laser therapy devices to cutting-edge software for patient management and diagnostics, our technological arsenal is both broad and bespoke.

These innovations not only offer superior results and reduced recovery times but also underscore our commitment to pioneering patient care. For example, our use of minimally invasive laser treatments has revolutionised skin rejuvenation and scar treatment, offering patients effective outcomes with minimal downtime. The impact of these technologies on the patient experience is profound. By reducing recovery times, we not only enhance the comfort and convenience of treatments but also empower our patients to return to their daily lives sooner, with confidence.

3) Patient-Centric Approach: Elevating the Healthcare Experience

At DC Healthcare, the patient experience is our priority. Our model is built on the understanding that exceptional care extends beyond the treatment room. From the initial consultation to post-treatment care, every touchpoint with our patients is designed to be informative, supportive, and personalised.

Our personalised treatment plans, tailored to meet the individual needs and goals of each patient, ensure that care is not only effective but also aligned with the expectations and comfort levels of our clients. We have also introduced feedback mechanisms, including patient surveys and follow-up calls, which play a crucial role in our continuous improvement process. These insights allow us to refine our services, address any concerns, and enhance the overall patient experience. Highlighted by positive testimonials and high satisfaction rates, the success of our patient-centric approach is a driving force behind our reputation as a leader in aesthetic and general medical services.

GROUP FINANCIAL PERFORMANCE

For the financial year ended 31 December 2023 ("FYE 2023"), our Group's revenue increased by 30.28% to RM67.70 million, from RM51.96 million in the previous financial year, which ended 31 December 2022 ("FYE 2022"). This growth predominantly derived from the aesthetic services segment, which thrived with the opening of new clinics and an uptick in client demand. The Group's focused growth strategies include expanding its aesthetic services and foray into skincare products.

Despite some of the one-off non-recurring expenses, such as those associated with the listing expenses and other consultancy fee of RM4.0 million, the Group managed to maintain its profitability and reported a profit before tax ("PBT") of RM4.97 million in FYE 2023. In line with this, DC Healthcare reported a profit after tax ("PAT") of RM2.50 million in FYE 2023. After excluding the listing expenses and other consultancy fees in relation to the IPO exercise of RM4.0 million, the Group recorded an adjusted profit before tax of RM8.97 million in FYE 2023.

GROUP FINANCIAL PERFORMANCE (CONT'D)

Revenue Review by Segment

The Group's revenue segmental results for FYE 2023 and FYE 2022 are as follows:

Revenue	Financial Year			
	31.12.2023 RM'000		31.12.2022 RM'000	
Aesthetic services	58,057	85.8%	45,053	86.7%
General medical services	6,960	10.3%	5,219	10.0%
Sale of skincare products	2,684	3.9%	1,693	3.3%
	67,701	100.0%	51,964	100.0%
Gross Profit	38,409		29,207	

Our revenue was mainly generated from the aesthetic services segment, which contributed 85.76% and 86.70% of our total revenue for FYE 2023 and FYE 2022 respectively.

During the current financial year, all the business segments have reported double-digit growth in their revenue. The aesthetic services segment's revenue increased by 28.86% to RM58.06 million in FYE 2023 as compared to FYE 2022. The increase was mainly due to the opening of new clinics and increase in patient volume. This has also helped the general medical services and sale of skincare products services segment to improve by 33.35% and 58.54%, reaching revenues of RM6.96 million and RM2.68 million, respectively, in FYE 2023 compared to FYE 2022.

Aesthetic Services: Despite economic headwinds, this segment demonstrated remarkable revenue growth, propelled by innovative services and an expanded clinic network.

General Medical Services: This segment also grew, benefiting from increased healthcare awareness and DC Healthcare's established reputation for quality care.

Skincare Products: Although the launch of the 'newB' skincare line contributed only 3% to revenue, we remain committed to enhancing performance and achieving further growth.

Gross Profit

Our Group's gross profit ("GP") and GP margin by business segment for FYE 2023 and FYE 2022 are as follows:

	FYE 2023	FYE 2022
Gross Profit (RM mil)	**38.41**	**29.21**
Gross Profit Margin (%)	56.7	56.2

In FYE 2023, our Group navigated a highly competitive business environment that negatively impacted consumer spending in Malaysia, challenging the business landscape. Despite these conditions, our proactive strategies enabled us to maintain our GP margin at around the similar level of around 56.73% in FYE 2023 as compared to 56.21% in FYE 2022. Our GP for the period rose significantly, by 31.50%, reaching RM38.41 million, up from RM29.21 million the previous year.

This sustained margin performance was largely driven by our aesthetic services segment, with valuable support from our product sales and general medical services segments.

GROUP FINANCIAL PERFORMANCE (CONT'D)

Additional Financial Information

Opening new clinics generally entails significant initial costs, such as leasing of properties, obtaining medical equipment, recruiting, hiring, training of medical and support staff. Such initial set up costs for new clinics can be a considerable expense before these facilities reach their full operating potential. These expenditures contribute to the challenge of achieving optimal financial performance until the new facilities reach full operational capacity.

Furthermore, during this fiscal year, the group incurred one-time, non-recurring listing expenses and consultancy fees related to the IPO exercise, totalling RM4.0 million. Additionally, the launch of new clinics necessitates robust marketing campaigns to establish a presence in new markets, impacting short-term financial performance. It's important to note that new clinics may require time to attain the patient volume needed for optimal financial outcomes, leading to thinner margins during the initial phase.

Statement of Financial Position as at 31 December 2023

Our Group's cash and cash equivalents rose to RM30.23 million in FYE 2023 as compared to RM7.67 million in FYE 2022. This was mainly due to the increase in financing activities by RM34.96 million in FYE 2023 arising from the proceeds of RM49.82 million raised from the Group's IPO. Aside from that, the positive operating cash flow of RM3.91 million in FYE 2023 also helped to support the increase in its net cash. Meanwhile, there was a net outflow of RM16.31 million in investing activities on the back of the Group's store expansion strategy.

The Group has fully eliminated its bank borrowings by repaying all its term loans and hire purchase obligations during FYE 2023. At the back of this improvement, DC Healthcare's total assets increased to RM99.17 million as at 31 December 2023, as compared to RM48.32 million a year ago, with a current ratio of 2.80.

The strong balance sheet position reinforces the Group's solid foundation and capacity for future growth. Going forward, DC Healthcare will remain prudent in managing its financial position to achieve strategic objectives of generating higher revenue in the coming years. This is in line with the Group's strong track record as seen by its retained earnings of RM15.72 million. As at 31 December 2023, the Group's total equity attributable to shareholders stood at RM64.38 million while net assets per share attributable to shareholders is 6.46 sen per share.

OPERATION OVERVIEW

This year's listing on the ACE Market marked a significant corporate milestone for the Group in its journey towards expansion and diversification. This strategic financial move has been pivotal in supporting the Group's various operational expansion, diversification and growth initiatives.

Expansion and Growth

One of the significant highlights of the year was the expansion of DC Healthcare's clinic network. The Group successfully opened new clinics, extending its reach and accessibility. As of 31 December 2023, we have grown our number of aesthetic clinics to 13 from 11 as of 31 December 2022. These new clinics contributed to the increase in revenue and reinforced the Group's presence in key markets.

Alongside physical expansion, DC Healthcare also focused on enhancing the range and quality of its services. This included introducing new aesthetic and medical treatments, utilising advanced technologies, and continuously training its staff to provide exceptional patient care.

DC Healthcare plan to broaden its service portfolio by launching specialised slimming outlets, focusing on weight management and wellness services. These new slimming outlets will be parked under the Group's wholly-owned subsidairy company, DC Wellness Sdn. Bhd. ("DCW"), which provides slimming services, beauty salon services, and the sale of related products. The formation of DCW represents a strategic move to expand into new segments of healthcare and wellness, aiming to promote healthy weight loss and overall well-being.

FUTURE OUTLOOK

Market Growth Potential

According to research by Protégé Associates', the Malaysian aesthetic medical services market is poised for a significant growth trajectory, with projections indicating a robust compound annual growth rate (CAGR) of 18.8% from 2021 to 2027. This growth is driven by increasing consumer awareness about skin health, rising disposable incomes, and a growing inclination towards aesthetic enhancements for personal well-being.

DC Healthcare is strategically positioned to harness these market opportunities. The company's planned expansions are about increasing the number of clinics and enhancing the range and quality of services offered. With a strong focus on customer satisfaction and service excellence, DC Healthcare aims to be a leader in this rapidly growing sector.

The introduction of the 'newB' skincare range represents a significant stride in diversifying DC Healthcare's product portfolio. This move, alongside continuous technological advancements in treatments and procedures, signals the Group's commitment to staying ahead in the dynamic healthcare landscape.

Aside from that, the Group also expanded into the slimming services through the establishment of DC Body under its subsidiary, DCW. This initiative aims to enhance the landscape of beauty, wellness, and weight management by incorporating holistic living into daily life, empowering individuals with confidence in their physical journey. Targeting the opening of more outlets within three years, DC Body is set to launch its pilot center in Penang by February 2024, with subsequent openings in Taipan, Publika, and Johor Bharu. The expansion leverages the escalating demand for personalised health services amidst alarming obesity rates in Malaysia, as reported by the National Health Screening Initiative 2023 and the World Obesity Atlas. DC Body's strategy of tapping into the slimming and wellness sector's upward trend, coupled with the integration of technology and a focus on holistic health, positions the brand to not only address a significant public health issue but to also play a key role in the future of personalised weight management and wellness, thereby contributing to a healthier, more prosperous Malaysia.

The expansion of DC Healthcare's clinic network, particularly in under-served regions, is another key aspect of its growth strategy. This expansion not only broadens the company's geographical footprint but also makes aesthetic medical services more accessible to a wider customer base. Investing in skilled personnel and cutting-edge technology is at the core of DC Healthcare's future plans. By focusing on talent development and adopting the latest medical technologies, the company is setting a foundation for delivering superior healthcare services.

Anticipated Risks and Mitigation Strategies

Despite the positive outlook and growth potential for DC Healthcare going forward, we have also taken proactive measures to address some of the anticipated risks associated with the industry and our business. With this initiative, we have formulated robust mitigation plans, which are crucial for sustaining growth and ensuring the resilience of the Group in the long-term.

We outline some of the primary risks faced by the company along with strategic actions designed to mitigate these challenges:

1. **Regulatory Changes and Compliance Risks**

   The healthcare industry is subject to stringent regulations, which can change. Failure to comply with these regulations can result in fines, loss of licenses, or other sanctions.

   Mitigation Plan:

   - **Continuous Monitoring and Adaptation:** Establish a dedicated compliance team responsible for staying abreast of regulatory changes and ensuring company-wide adherence through regular training and updates.

   - **Engagement and Advocacy:** Actively engage with regulatory bodies and participate in industry associations to stay informed and influence policy-making processes in favour of fair and manageable regulations.

FUTURE OUTLOOK (CONT'D)

Anticipated Risks and Mitigation Strategies (Cont'd)

2. Technological Disruptions and Cybersecurity Threats

Rapid technological advancements can render existing technologies obsolete. Moreover, the increasing digitisation of patient records and reliance on digital tools expose the company to cybersecurity threats.

Mitigation Plan:

- **Investment in Technology:** Allocate resources towards acquiring and implementing state-of-the-art technology and software upgrades to ensure the company remains at the forefront of technological advancements.
- **Cybersecurity Framework:** Develop and enforce a comprehensive cybersecurity framework that includes regular security audits, employee training on data privacy and security, and implementing cutting-edge security software and protocols.

3. Market Competition

The aesthetic medical services market is highly competitive. New entrants and existing competitors can erode market share and affect profitability.

Mitigation Plan:

- **Differentiation Strategy:** Continue to differentiate DC Healthcare through superior service quality, LCP-certified practitioners, and advanced treatments that are not easily replicated by competitors.
- **Market Research and Customer Engagement:** Conduct regular market research to understand customer needs and preferences, and engage with customers through personalised marketing and loyalty programs to enhance customer retention.

4. Economic Fluctuations and Consumer Spending

Economic downturns can reduce consumer spending on elective medical services, impacting revenue.

Mitigation Plan:

- **Diversification**: Diversify service offerings to include a mix of essential and elective treatments, ensuring a steady revenue stream even during economic downturns.
- **Flexible Pricing Models:** Introduce flexible pricing models and payment plans to make services more accessible to a broader segment of the population during varying economic conditions.

5. Talent Acquisition and Retention

The success of DC Healthcare hinges on the expertise and dedication of its staff. The industry faces challenges in attracting and retaining qualified professionals.

Mitigation Plan:

- **Competitive Compensation and Benefits:** Offer competitive salaries, benefits, and opportunities for professional development to attract and retain top talent.
- **Work Culture and Environment:** Cultivate a positive work culture that values collaboration, innovation, and employee well-being, making DC Healthcare an attractive place to work.

By proactively addressing these anticipated risks with comprehensive mitigation strategies, DC Healthcare aims to safeguard its operations, maintain its competitive edge, and continue delivering exceptional healthcare services to its patients.

DIVIDENDS

Our Group presently does not have any formal dividend policy.

The declaration of interim dividends and the recommendation of final dividends are subject to the discretion of our Board and any final dividends for the year are subject to our shareholders' approval. It is our intention to pay dividends to shareholders in the future.

However, such payments will depend upon a number of factors, including our Group's financial performance, capital expenditure requirements, general financial condition and any other factors considered relevant by our Board.

Acknowledgements

DC Healthcare wants to seize this moment to extend the deepest gratitude to our dedicated team, whose unwavering dedication and tireless efforts have been pivotal to our company's accomplishments. Additionally, heartfelt thanks goes to our shareholders and clients, whose steadfast trust and support have been instrumental in guiding us through both the challenges and triumphs of the past year.

Reflecting on the operational achievements of DC Healthcare in FYE 2023, it is clear that this was a landmark year of strategic development and expansion. The successful expansion of our clinic network, enhancements in services, crucial acquisitions, and the formation of strategic partnerships have not only reinforced our standing in the market but have also laid a solid foundation for continued growth and prosperity in the years to come. These strategic endeavours underscore our unwavering commitment to innovation, excellence in care, and customer satisfaction within the dynamic healthcare sector.

Additionally, our gratitude extends to everyone who contributed to the successful IPO and the various growth initiatives that have distinguished this year. These milestones are a testament to our collective vision and drive to excel, positioning DC Healthcare as a frontrunner in the healthcare industry.

DC BODY

the UPCOMING

INTRODUCING DC BODY

A TRANSFORMATION INTO
NEW WEIGHT MANAGEMENT ERA

DC Body sculpted the brand under DC Wellness Sdn. Bhd. which is a subsidiary company of DC Healthcare Holding Berhad to take its passion for beauty, wellness and weight management to the next level. Founded on a philosophy of helping people embrace holistic living as part of their lifestyle through Define Confidence in everyBody.

DC Body focus on cultivating confidence and holistic well-being. DC Body offer personalised weight management plans for those who embrace wellness as a lifestyle, recognizing the importance of the mind-body connection and celebrating physical improvements in a journey to sustainable well-being.

With the mission to be a trusted leader in the wellness industry, our centers are designed to promote tranquility and rejuvenation. With a soothing atmosphere, natural elements, and soft lighting, our space encourages relaxation and stress relief. Whether customers seek physical restoration or body transformation, our center provides the perfect setting for wellness journey.

DC Wellness Sdn. Bhd. targeted more outlets for DC Body center in the next three (3) years as new entrants in the weight management industry. As of mid-April 2024, DC Body has a total of 4 outlets located in USJ Taipan (Selangor), Auto City (Pulau Pinang), Publika (Kuala Lumpur), and Bukit Indah (Johor Bahru). Our strategic planning cultivates market shares in the next three (3) years.

DC BODY

UNWIND DC BODY:
RELAX, RESTORE, RESHAPE!

Introducing DC Body experts, the force behind wellness journey to help accomplish customer goals. Our commitment to be there, inspire, encourage and to celebrate each step of weight management progress. Together, we will embark on this transformation journey towards a healthier, happier life at our own pace.

Our treatments are meticulously curated by certified nutritionists, and co-developed with medical professionals from Dr. Chong Clinic. Our unwavering dedication to crafting personalised, optimal treatment plans and harnessing cutting-edge technology, birthed the innovative concept of body specialists that we embody today.

- Weight Management Nutritionists
- Body Contouring Specialists
- Body Products

DC Body elevates personal weight management journey at ultimate sanctuary for self relieves transformation. Our ultimate goals for customer

✓ 6 stars experience
✓ Proven Expertise, Co-Developed with Dr. Chong Clinic
✓ Backed by Medical Advisory Committee
✓ Focused & Specialised in Holistic Weight Management
✓ Money Back Guarantee
✓ Non-Invasive Treatment

SUSTAINABILITY STATEMENT

DC Healthcare is proud to present its inaugural Sustainability Statement for the financial year ended 31 December 2023 ("FYE 2023"). This significant milestone marks our commitment to integrating Environmental, Social, and Governance ("ESG") principles into our core operations, particularly in the medical aesthetic services industry. We recognize the importance of sustainable practices in driving value for our stakeholders, society, and the environment, and we are dedicated to fostering long-term value through these practices. This Statement serves to underscore DC Healthcare's commitment to enhancing our sustainability performance, showcasing the notable achievements and milestones attained during FYE 2023.

As we embark on this journey towards sustainable value creation in our first year as a listed entity, DC Healthcare is devoted to cultivating long-term sustainable relationships with all stakeholders. Our focus is on instilling sustainability awareness among our employees and integrating such ideals into our organizational culture, business processes, and strategic decision-making. We aim to develop sustainable business models that positively influence the community, economy, and environment.

Throughout FYE 2023, DC Healthcare has actively identified and implemented various initiatives aligned with our sustainability ambitions. We have taken a proactive approach to addressing economic, environmental, and social risks and opportunities, ensuring these considerations form an integral part of our operational and strategic planning. Our Statement provides a comprehensive overview of material sustainability activities and the management of risks and opportunities that impact the economic, environmental, and social dimensions of our operations.

Understanding that sustainability is an evolving journey, we acknowledge the necessity of constantly refining our strategies for continuous improvement. Enhancing the quality of our reporting is crucial for providing greater clarity and transparency regarding our sustainability efforts. This Statement is not just a record of our current sustainability approach and the significant outcomes of the past year; it also symbolises our commitment to ongoing improvements. DC Healthcare is committed to learning, adapting, and embracing best practices, ensuring that our journey in sustainability remains dynamic, effective, and aligned with the evolving needs of our stakeholders and the environment.

Sustainability Statement (Cont'd)

REPORTING STANDARDS

This Statement has been compiled in accordance with the following guideline:

- Bursa Malaysia's Sustainability Reporting Guide, as issued by Bursa Malaysia.

Our sustainability framework is anchored by strong governance mechanisms, ensuring rigorous oversight of these policies and processes. This framework, alongside our governance structure, acts as a detailed guide, clearly outlining our sustainability objectives and the strategies we employ to achieve them.

REPORT SCOPE AND BOUNDARY

The Sustainability Statement for DC Healthcare encompasses the reporting period from 1 January 2023 to 31 December 2023 ("FYE 2023"). Our report focuses on the economic, environmental, and social ("EES") aspects, highlighting the key initiatives and areas we identified as critical. This Statement primarily addresses the business activities undertaken by DC Healthcare. The information and data presented in this Statement have been collated from our internal reporting procedures, systems, and records, ensuring accuracy and reliability in our disclosures.

OUR APPROACH TO SUSTAINABILITY

Sustainability Governance

01 Board of Directors

1. Provides overall oversight of sustainability strategy.

02 Management Team

1. Oversees implementation of sustainability initiatives and ESG considerations.
2. Identifies, evaluates, and manages risks and oppurtunites related to sustainability.
3. Responsible for stakeholder engagement, performance monitoring, and materiality assessment.
4. Prepares and presents sustainability reports for the Board's approval

03 Operational Teams

1. Executes sustainability strategies at the operational level.
2. Reports progress and challenges to the Senior Management and Management Team.

04 External Stakeholders

1. Engage with the organisation for feedback and participation in sustainability initiatives.

Governance forms the bedrock of our sustainability strategy. DC Healthcare conducts its business with high ethical standards, adhering to all relevant laws and regulations, which underlines our dedication to accountability and social responsibility. Our governance approach mirrors our commitment to recognising, assessing, monitoring, and managing risks and opportunities in Environmental, Social, and Governance ("ESG") domains. This approach is crucial for driving sustainable development and value creation.

Sustainability Statement (Cont`d)

OUR APPROACH TO SUSTAINABILITY (CONT'D)

Sustainability Governance (Cont'd)

Under the Board of Directors ("the Board") oversight, sustainable business practices are ingrained at all organisational levels. The Board has delegated authority to the Management to oversee the execution of sustainability strategies and the achievement of the Group's sustainability objectives. The Management team, led by the Managing Director and comprising Executive Directors and senior management members, is responsible for the identification, evaluation, monitoring, and management of ESG risks and opportunities. They ensure that the Group attentively handles all material sustainability matters through various activities, including stakeholder engagement and materiality assessment.

Additionally, the Management is entrusted with preparing sustainability reports for the Board's review and approval, as required by regulatory mandates. This responsibility ensures transparency and compliance in our sustainability reporting practices.

Overall, DC Healthcare remains unwavering in its commitment to sustainability, continuously seeking to improve our practices, raise awareness, and make a positive impact on the broader community, economy, and environment. We believe that through our collective efforts, we can strike a balance between sustainable development and value creation for all our stakeholders.

Stakeholder Engagement

The Board of DC Healthcare recognises the crucial role that our stakeholders, both internal and external, play in achieving our company's goals and sustaining long-term business excellence and sustainability. In the field of medical aesthetic services, stakeholder engagement is pivotal to our sustainability journey, helping us identify, prioritise, and address key sustainability issues. Throughout FYE 2023, stakeholder engagements, conducted through both formal and informal channels, have been essential in shaping our sustainability agenda, promoting mutual understanding, and fostering collaborative efforts.

These engagements, held at regular intervals, reflect DC Healthcare's commitment to open communication and strong relationship-building with our stakeholders. This is particularly important in our industry, where patient care, service quality, and innovation are central. By engaging with our stakeholders, we aim to gather valuable insights, address concerns, and work collaboratively towards shared sustainability goals that benefit all involved.

OUR APPROACH TO SUSTAINABILITY (CONT'D)

Stakeholder Engagement (Cont'd)

The following table outlines the different stakeholder engagement activities undertaken by DC Healthcare. It details the areas of focus identified and the responses formulated to address the emerging interests and concerns. This approach ensures that stakeholders' feedback is thoroughly considered and incorporated into our sustainability strategies. As a result, it contributes significantly to the continuous enhancement and refinement of our initiatives, aligning with our commitment to excellence in the medical aesthetic services sector.

Stakeholder Group	Focus Areas	Engagement Channels	Frequency
Patients and Clients	Service quality, treatment satisfaction, privacy and safety	Feedback surveys, patient forums and service feedback channels	After every treatment/service, and as needed
Employees	Professional development, workplace environment, health, and safety	Training programs, wellness initiatives and internal meetings	Monthly meetings and annual training
Suppliers and Partners	Ethical sourcing, partnership synergies, quality of medical products and services	Supplier audits, partnership meetings and collaborative projects	Annually and as needed
Regulatory Bodies	Compliance with healthcare regulations and industry standards	Compliance reporting, regulatory updates and consultations	Annually and as needed
Community and Society	Community health and well-being, corporate social responsibility	Community health programs, CSR initiatives and public events	Annual CSR initiatives and ongoing community programs
Investors and Shareholders	Financial performance, corporate governance and strategic direction	AGMs, investor briefings and financial reports	Annual general meeting and quarterly reports
Analysts/Media	Company performance, market positioning and future outlook	Press releases, media briefings and interviews	Annually and as needed

OUR APPROACH TO SUSTAINABILITY (CONT'D)

Materiality Matters Identified Through Stakeholder Engagement for DC Healthcare

Through comprehensive stakeholder engagement, DC Healthcare has identified several materiality matters crucial for its strategic direction and operational excellence. These matters reflect the concerns and priorities of our diverse stakeholder groups, including patients, employees, suppliers, regulatory bodies, the community, investors, and the media.

1. **Patient Satisfaction and Safety:** This emerged as a top priority. Patients expressed a keen interest in the quality and safety of treatments, driving us to focus on continuous improvement in these areas.

2. **Regulatory Compliance and Ethical Practices:** Stakeholders emphasised the importance of strict adherence to healthcare regulations and ethical standards. This is vital in maintaining trust and integrity in our operations.

3. **Quality of Services and Innovations:** There's a strong demand for high-quality services and innovative treatments in medical aesthetic healthcare, as highlighted by patients and industry partners.

4. **Employee Development and Well-being:** Employees stressed the importance of professional growth and a supportive work environment. This aligns with our goal of ensuring a skilled and motivated workforce.

5. **Sustainable Supply Chain Management:** Suppliers and partners underlined the significance of sustainable and ethical practices in the supply chain, resonating with global trends towards sustainability.

6. **Community Engagement and CSR:** The local communities and NGOs we engaged with expressed a desire for more active participation in health and well-being programs, guiding our CSR initiatives.

7. **Financial Performance and Transparency:** Investors and shareholders highlighted the need for robust financial performance and transparent reporting to sustain trust and investment.

8. **Stakeholder Communication and Engagement:** Regular and effective communication was identified as key by all stakeholders, ensuring transparency and collaborative relationships.

9. **Environmental Impact of Operations:** While not the highest priority, there was still a notable interest in minimising the environmental impact of our operations, especially from community and regulatory stakeholders.

10. **Market Presence and Expansion:** Stakeholders, particularly investors and market analysts, are interested in our strategies for market expansion and the introduction of new services.

To effectively manage and improve our sustainability performance, we have categorised our materiality matters into four key pillars: Economic, Environmental, Social ("EES"), and Governance. This structured approach enables us to address a broad spectrum of concerns and opportunities that are critical to our stakeholders and essential for our long-term success.

The breakdown into these four pillars reflects our holistic understanding of the various factors that impact our business and the industry at large. It ensures that our strategies are well-rounded, taking into consideration not just the economic aspects of our operations but also our environmental responsibilities, social commitments, and governance practices. This categorisation aligns with global best practices and helps us to effectively integrate sustainability into every aspect of our operations, ensuring a balanced approach to achieving our business objectives while contributing positively to society and the environment.

- **Economic:** Focuses on enhancing service quality, ensuring financial growth and transparency, and expanding market presence.

- **Environmental:** Emphasizes sustainable practices in the supply chain and minimising the environmental impact of operations.

- **Social:** Concentrates on patient satisfaction and safety, employee development and well-being, and community engagement.

- **Governance:** Involves adhering to regulatory compliance, ethical practices, and maintaining effective stakeholder communication.

OUR APPROACH TO SUSTAINABILITY (CONT'D)

Materiality Matters Identified Through Stakeholder Engagement for DC Healthcare (Cont'd)

These materiality matters, identified through stakeholder engagement, are instrumental in shaping DC Healthcare's sustainability strategies and operational focus. They not only align with the company's business objectives but also reflect our commitment to the broader social and environmental responsibilities in the healthcare sector.

Economic	Environmental	Social	Governance
Quality of Services and Innovations	Sustainable Supply Chain Management	Patient Satisfaction and Safety	Regulatory Compliance and Ethical Practices
Financial Performance and Transparency	Environmental Impact of Operations	Employee Development and Well-being	Stakeholder Communication and Engagement
Market Presence and Expansion	-	Community Engagement and CSR	-

SUSTAINABILITY PERFORMANCE, TARGET AND INITIATIVES

Economic

1. Enhancing Quality of Services and Innovations

DC Healthcare is committed to enhancing the quality of its services, a strategy that encompasses both maintaining high standards in existing treatments and innovating in the medical aesthetic field. The company's strategic focus is on offering cutting-edge solutions that meet the evolving needs of clients, ensuring that it remains at the forefront of industry trends. To achieve this, significant investment in research and development (R&D) is planned, including collaborations with technology providers and industry experts to introduce state-of-the-art medical aesthetic treatments.

Staff training and development are also key components of this strategy, with practitioners being equipped with the latest techniques and technologies. In FYE 2023, the staff completed a total of 199 hours of training (Doctors : 144 hours / Non-Doctors : 55 hours). The expected outcome of these efforts is twofold: reinforcing DC Healthcare's position as a leader in the industry and attracting a broader client base, and ensuring the company's long-term sustainability and growth by staying ahead of industry trends.

2. Financial Performance and Transparency

At DC Healthcare, maintaining robust financial performance and ensuring transparency in financial reporting are central to our key economic initiatives. These are crucial for building and sustaining investor confidence, as well as for facilitating informed business decision-making. To this end, we plan to implement regular and detailed financial disclosures, complemented by comprehensive stakeholder briefings. These measures provide a clear view of the company's financial health and strategic direction. We place a strong emphasis on using advanced financial management tools and adhering to best practices in financial reporting to meet these goals.

Reflecting on our expected outcomes, DC Healthcare has demonstrated a robust financial performance in FYE 2023. Our revenue reached RM67.70 million, largely fueled by our medical aesthetic services, which accounted for approximately 85.76% of the total revenue. Despite facing significant one-off expenses, including RM4.0 million related to non-recurring IPO costs, the Group achieved a profit before tax of RM4.97 million. This figure not only underscores our operational efficiency and strong market position in the medical aesthetic services industry but also demonstrates our financial resilience and lays a solid foundation for future growth.

SUSTAINABILITY PERFORMANCE, TARGET AND INITIATIVES (CONT'D)

Economic (Cont'd)

3. Market Presence and Expansion

DC Healthcare strategically focuses on expanding its market presence and exploring new service areas as part of its core economic initiatives. The aim is to penetrate new market segments and geographic locations, thereby broadening the company's client base and revenue streams. In its commitment to capitalising on the burgeoning medical aesthetic market, DC Healthcare Holdings Bhd emphasises key business strategies such as expanding its clinic network, particularly in the Southern and Northern regions of Peninsular Malaysia. This expansion is supported by strengthening the team with highly skilled medical doctors and support staff. Concurrently, there is an ongoing effort to upgrade medical technology continually, enhancing the range and quality of services offered in line with the expansion goals. In addition, the Group is working towards diversifying its customer base, aiming to attract a wider demographic spectrum and thereby solidify its market presence.

Environmental

1. Sustainable Supply Chain Management

DC Healthcare is dedicated to ensuring the sustainability of its supply chain, though currently in the initial stages of this endeavour. The Group is actively exploring measures to monitor and ensure that its suppliers comply with environmental standards. As part of its gradual progression in sustainability practices, DC Healthcare is considering the introduction of sustainability audits in the future. However, this is not an immediate priority, given the Group's recent initiation into its sustainability journey.

For the time being, the focus is predominantly on engaging local suppliers within the Group's supply chain management framework. Notably, Klinik Dr Chong Sdn. Bhd. and DC Wellness Sdn. Bhd. source entirely from local suppliers, while Ten Doctors Sdn. Bhd. has a 77.0% in local supplier engagement. This approach not only supports local businesses but also aligns with the Group's broader objectives of fostering a sustainable and responsible supply chain.

2. Environmental Impact of Operations:

DC Healthcare is dedicated to enhancing the energy efficiency of its operations as a key component of its environmental strategy, emphasising the principles of 3Rs: reduce, reuse, and recycle.

Although specific waste management implementations have not been established in 2023, the company is actively developing future strategies to minimise its environmental footprint, focusing on water, paper, and electricity usage.

Water Conservation Measures:

The Group plans to encourage efficient water use, such as turning off taps immediately after use and promoting the use of the half-flush option in toilet reservoirs. These simple yet effective measures can significantly reduce water wastage.

Paper Usage Optimization:

In its effort to save paper, DC Healthcare advocates for mindful printing, encouraging staff to think before printing. The company also plans to implement a policy of using both sides of the paper to maximise utilisation. Embracing digital transformation, DC Healthcare aims to go paperless where possible, using e-signatures and digital formats for reading, sending, and storing documents, thereby significantly reducing paper consumption.

SUSTAINABILITY PERFORMANCE, TARGET AND INITIATIVES (CONT'D)

Environmental (Cont'd)

2. Environmental Impact of Operations: (Cont'd)

Electricity Efficiency:

To reduce electricity usage, DC Healthcare intends to maximise the use of natural light in its facilities. The Group will also implement guidelines to ensure that lights are turned off when not in use. Regarding air conditioning, setting thermostats to no lower than 24°C is another targeted strategy to reduce energy consumption while maintaining a comfortable environment.

Through these planned initiatives, DC Healthcare aims to significantly contribute to environmental conservation, aligning its operations with sustainable practices and reinforcing its commitment to a greener future.

Social

1. Patient Satisfaction and Safety

At DC Healthcare, patient satisfaction and safety are critical components of our service delivery in the medical aesthetic services sector. We understand that the well-being and contentment of our patients are not just indicators of our service quality but also fundamental to our reputation and success. To this end, we have ingrained these priorities deeply within our operational ethos.

To ensure patient satisfaction, our approach encompasses a comprehensive patient experience, from the initial consultation through to the post-treatment phase. We focus on understanding and meeting patient expectations, providing personalised care and attention. This commitment extends to ensuring high treatment outcomes and maintaining an empathetic, patient-centric approach at all times. Regular feedback mechanisms are in place to gauge patient satisfaction and to continually refine our services.

Safety is an equally critical aspect underpinning every treatment and interaction at our clinics. Our staff, from medical professionals to support personnel, undergo continuous training in the latest medical techniques, safety protocols, and patient care practices. We invest in advanced medical technology and equipment, prioritising safety and effectiveness in our treatments. By combining a skilled team with cutting-edge technology, we aim to provide safe, high-quality medical aesthetic services that our patients can trust and rely on.

Employee development and well-being are pivotal aspects of DC Healthcare's organisational strategy, reflecting our commitment to fostering a supportive and progressive work environment. Recognising that our employees are the backbone of our success, we place a strong emphasis on initiatives that contribute to their professional growth and overall well-being.

A key component of our approach is the implementation of comprehensive training programs. These programs are designed not only to enhance professional skills and competencies but also to ensure that our team stays abreast of the latest developments and innovations in the medical aesthetic field. By investing in the continuous learning and development of our staff, we aim to empower them to excel in their roles and contribute effectively to the company's goals.

SUSTAINABILITY PERFORMANCE, TARGET AND INITIATIVES (CONT'D)

Social (Cont'd)

2. Employee Development and Well-being

Total training hours of the month - Doctors group

	Total
Sales training	30 hours
Doctor CME program	47 hours
CME Junior doctor	23 hours
Neuro-Linguistic Programming ("NLP") training	3.5 hours
Junior Doctor training	4 hours
Chemical peel training	4 hours
Regene training	6 hours
Rejuran training	6 hours
Radiesse training	9 hours
Ultherapy and Thermage training	4 hours
Mint thread training	3 hours
Filler training	4.5 hours
	144 hours

In addition to professional development, we prioritise mental health support for our employees. Recognising the challenging nature of the healthcare industry, we provide resources and support systems to help staff manage stress, maintain work-life balance, and address any mental health concerns. This includes access to counselling services, mental health days, and initiatives aimed at creating a supportive and open workplace culture.

Furthermore, DC Healthcare is committed to promoting gender diversity within our workforce. We believe that a diverse team brings a wealth of perspectives and ideas, fostering a more dynamic and innovative workplace. Our gender diversity initiatives focus on ensuring equitable opportunities for all, regardless of gender, and creating an inclusive environment where every employee feels valued and respected. Moreover, in alignment with our commitment to gender diversity, DC Healthcare places special emphasis on empowering women, who form 77.14% of our workforce. This emphasis on gender diversity is also reflected in our leadership, with 66.67% of our directorial roles held by women. By prioritising the advancement and representation of women in both staff and leadership positions, DC Healthcare not only enriches its organisational culture but also strengthens its capability to meet the diverse needs and expectations of our clients.

SUSTAINABILITY PERFORMANCE, TARGET AND INITIATIVES (CONT'D)

Social (Cont'd)

3. Community engagement and CSR

DC Healthcare is deeply committed to community engagement and Corporate Social Responsibility (CSR), actively participating in various initiatives and programs aimed at making a positive impact in the communities it serves. In 2023, our CSR initiatives spanned a broad spectrum of community support and engagement activities, reflecting our commitment to social responsibility.

Starting in January, we extended our support to Rumah Kebajikan OKU Hati Berganda, aiding individuals with physical and mental challenges through donations totaling RM3,294 and organizing enriching activities like games and shared meals. In April, the Ramadan CSR event at Pusat Aktiviti Komuniti Asnaf Raudhatul Fateh focused on assisting orphans and disadvantaged groups, contributing RM4,000 worth of essential items and engaging in health checks and team-building exercises. Our commitment to social causes continued with a donation drive during International Women's Day at Rumah Kita, supporting a shelter for women, and a significant contribution of RM11,088 in October for breast cancer awareness through CSR Pink Days. The year also saw a successful blood donation drive in collaboration with Persatuan Amal Setia Gong Xian Zhe, enhancing community health efforts. Culminating in December, the Sri Petaling Fun Run and Charity Bazaar not only promoted health and wellness but also raised RM11,249 for charity.

Date	Program Name	Details	Type of Donation	Activities	Amount Donated
10 Jan 23	CSR at Rumah Kebajikan OKU Hati Berganda	Supported a home for children and individuals with physical and mental challenges	Clothes, medicines, food and household items	Games, coloring, dancing and shared lunch	RM3,294
20 Apr 23	Ramadan CSR at Pusat Aktiviti Komuniti Asnaf Raudhatul Fateh	Aid for a home of orphans, disadvantaged and disabled children, indigenous kids and single mothers	Mattresses, fans, clothes, food and Raya angpaos	Health checks, presentations and team-building	RM4,000
8-15 Mar 2023	CSR International Women's Day at Rumah Kita	Transit shelter home for women	Used clothes	Donation drive with rewards	-
6-15 Oct 2023	CSR Pink Days for Breast Cancer Awareness Month	Breast cancer awareness support	Proceeds from sales campaign	Awareness campaign and social media video	RM11,088
19 Nov 2023	Blood Donation Drive with Persatuan Amal Setia Gong Xian Zhe	Blood donation drive at Endah Parade Mall Sri Petaling	Snacks goodie bags	Blood donation drive and lucky draw	RM1,500
1-3 Dec 2023	Sri Petaling Fun Run and Charity Bazaar	Fun Run and Charity Bazaar at Endah Parade Mall Sri Petaling	Cash, runners apparels, bib, mineral water, vouchers, goodie bags and vouchers	Charity Bazaar and Fun Run	RM11,249

These initiatives reflect DC Healthcare's commitment to enriching the lives of those in need and spreading awareness on crucial health issues. By engaging in these diverse programs, the company not only fulfils its social responsibility but also strengthens its connection with the community, demonstrating a holistic approach to healthcare that extends beyond its clinics.

SUSTAINABILITY PERFORMANCE, TARGET AND INITIATIVES (CONT'D)

Social (Cont'd)

3. Community engagement and CSR (Cont'd)

January - CSR at Rumah Kebajikan OKU Hati Berganda

SUSTAINABILITY PERFORMANCE, TARGET AND INITIATIVES (CONT'D)

Social (Cont'd)

3. Community engagement and CSR (Cont'd)

April - Ramadan CSR at Pusat Aktiviti Komuniti Asnaf Raudhatul Fateh

SUSTAINABILITY PERFORMANCE, TARGET AND INITIATIVES (CONT'D)

Governance

1. **Regulatory Compliance and Ethical Practices**

   At DC Healthcare, we prioritise regulatory compliance and ethical standards in our operations, particularly in the medical aesthetic sector. To ensure adherence to these principles, we have implemented a strategy of conducting spontaneous in-house audits, to ensure objectivity and thoroughness. These audits cover all aspects of our operations, providing critical insights into our compliance with healthcare regulations and ethical practices. This approach not only helps us maintain current standards but also prepares us for evolving legal and ethical requirements. By engaging in this rigorous process, we aim to uphold the highest levels of patient care and trust, reinforcing our commitment as a responsible healthcare provider.

2. **Stakeholder Communication and Engagement**

   DC Healthcare places great emphasis on effective stakeholder communication and engagement, utilising various channels to foster open dialogue and gather feedback. This includes regular meetings and discussions with stakeholders, as well as surveys and digital feedback platforms to capture their insights and concerns. These initiatives are essential for understanding and aligning with stakeholder needs, ensuring transparency, and building trust. By actively engaging with our stakeholders and enhancing our feedback mechanisms, DC Healthcare commits to maintaining responsive and collaborative relationships, crucial for our growth as a responsible healthcare provider.

SUMMARY OF ESG PERFORMANCE

DC Healthcare is taking significant strides on its journey towards embracing ESG principles. As the Group embarks on this path, the year ahead is pivotal in setting definitive ESG targets, which will serve as benchmarks for the Group's transition to more sustainable initiatives. This crucial phase involves laying down the groundwork for a structured approach to ESG concerns, reflecting the Group's commitment to sustainable development.

With the initial ESG performance data captured in the latest reporting period, DC Healthcare now has a clearer perspective on its current standing and the areas requiring targeted action. Overall, the upcoming year is crucial for DC Healthcare as we aim to build on these initial steps, establish specific ESG goals, and deepen its commitment to sustainable practices. By doing so, the Group will not only enhance its operational excellence but also reinforce its reputation as a socially responsible and environmentally conscious organisation.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

INTRODUCTION

The Board presents the Audit and Risk Management Committee ("ARMC") Report to provide perspectives on the ARMC's performance in executing its duties for the Financial Year Ended 31 December 2023 ("FYE 2023"), adhering to Rule 15.15(1) of the ACE Market Listing Requirements ("AMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities") and the Malaysian Code on Corporate Governance 2021 ("MCCG 2021").

The ARMC was established with the main goal of aiding the Board of Directors ("the Board") in upholding the principles of accountability, integrity, and sound corporate governance in assisting the Board in fulfilling its fiduciary responsibilities relating corporate accounting, financial reporting practices, system of risk management and internal control, the audit process and adherence to laws and regulatory requirements. The terms of reference for the ARMC can be accessed on the Company's website, www.dchealthcareholdings.com.

COMPOSITION AND MEETINGS

The present ARMC members comprise of three (3) Independent Non-Executive Directors, which is in accordance with Rule 15.09 (1) (a) and (b) of the AMLR of Bursa Securities. The present members of the ARMC are as follows:-

Directors	Directorship	Designation
Sim Lee San *Appointed as Chairperson of ARMC on 25 November 2022*	Independent Non-Executive Director	Chairperson
Rekha A/P Palanysamy *Appointed as Member of ARMC on 25 November 2022*	Independent Non-Executive Director	Member
Yap Ee Ling *Appointed as Member of ARMC on 19 April 2023*	Independent Non-Executive Director	Member

The ARMC Chairperson, Ms Sim Lee San is a member of Association of Chartered Certified Accountants ("ACCA") and Malaysian Institute of Accountants ("MIA") meanwhile Ms Rekha A/P Palanysamy, member of ARMC is a member of the MIA. Therefore, the ARMC is in compliance with the Rule 15.09(1)(c) of the AMLR of Bursa Securities. The ARMC shall elect a Chairman from among its member and the elected Chairman shall be an Independent Director. All member of ARMC is not an alternate director and financially literate in discharging their duties and responsibilities as member of ARMC.

The ARMC members possess pertinent experience and expertise in finance and accounting and have diligently fulfilling their responsibilities in alignment with the ARMC's terms of reference.

The Company acknowledged the importance of preserving the independence of its external auditors, ensuring the absence of any potential conflicts of interest. None of the ARMC members had previously served as audit partners for External Auditors of the Group. The Company will comply to a cooling-off period of at least three (3) years if a prospective ARMC member was formerly an audit partner for the Group's external auditors. This practice has been formalised and incorporated into the ARMC's Terms of Reference.

During the FYE 2023, a total of three (3) ARMC meetings were held and the record of the attendance by each member are as follow:

Directors	Number of ARMC meetings attended	%
Sim Lee San	3/3	100%
Rekha A/P Palanysamy	3/3	100%
Yap Ee Ling	3/3	100%

Before each ARMC meeting held, the Company Secretary will distribute the meeting agendas along with the relevant meeting materials to the ARMC members no later than seven (7) days from the date of ARMC meeting. This process allows the Committee members to thoroughly review the agenda items, including the supporting documents, and if necessary, request additional information or clarification from Management.

Audit and Risk Management Committee (Cont'd)

SUMMARY OF ACTIVITIES

The Chairperson of ARMC reports to the Board at each Board meeting on the activities carried out by the ARMC in the discharge of its duties and responsibilities. The major works undertaken by the ARMC during the financial year were as follows:

1. FINANCIAL REPORTING

(i) Reviewed the quarterly unaudited financial results of the Group including the announcements pertaining thereto, before recommending to the Board for approval and release the results to Bursa Securities;

(ii) Reviewed the annual audited financial statements of the Company and the Group, together with the external auditors, before recommending the same to the Board for approval;

(iii) Reviewed the impact of changes in accounting policies and adoption of new accounting standards, together with significant matters highlighted in the financial statements;

(iv) Reviewed related party transactions and conflict of interest situation that may arise within the Group and/ or Company, to ensure that transactions entered into were on arm's length basis and on normal commercial terms; and

(v) Report to the Board on its activities and significant findings and results.

2. EXTERNAL AUDIT

(i) Reviewed the External Auditors' reports regarding audit and accounting issues stemming from the audit, as well as updates on new developments in accounting standards issued by the Malaysia Accounting Standard Board prior to submission to the Board for approval. The review was to ensure the financial reporting and disclosures requirements are in compliance with:

- Provision of Companies Act 2016;
- AMLR of Bursa Securities;
- Malaysian Financial Reporting Standards (MFRSs);
- Applicable approved accounting standards in Malaysia; and
- Other legal and regulatory requirements.

(ii) Reviewed the Audit Planning Memorandum for FYE 2023 and thereafter recommended the same to the Board for notation and approval;

(iii) Reviewed and discussed with the external auditors of their audit findings inclusive of system evaluation, audit fees, issues raised, audit recommendations and management's response to these recommendations;

(iv) Evaluated the performance of the external auditors for FYE 2023 covering areas such as calibre, quality processes, audit team, audit scope, audit communication, audit governance and independence and considered and recommended the re-appointment of the external auditors;

(v) Reviewed and approved the non-audit services provided/to be provided by the External Auditors and its affiliates to ensure the provision of the non-audit services does not impair their independence or objectivity as External Auditors of the Group and the Company;

(vi) Reviewed the Statement on Risk Management and Internal Control before recommending to the Board for approval and inclusion in the Annual Report; and

(vii) Reviewed the proposed fees for the External Auditors in respect of their audit and non-audit of the Company and the Group.

The Company has appointed Messrs. Moore Stephens Associates PLT as the first Auditor of the Company on 1 November 2022 to conduct the external audit for the FYE 2023.

SUMMARY OF ACTIVITIES (CONT'D)

3. INTERNAL AUDIT

(i) Discussed with the internal auditors and reviewed the overall adequacy, competency and effectiveness of the system of internal controls;

(ii) Reviewed and approved the Internal Audit Plan during the first ARMC meeting each year to ensure adequacy of resources, competencies and coverage of auditable entities with significant and high risks. Any subsequent changes to the Internal Audit Plan are approved by the ARMC;

(iii) Reviewed and assessed the adequacy of scope, functions and resources of the firm of internal auditors (that was engaged to undertake the internal audit function) and that it has the necessary authority to carry out its work;

(iv) Reviewed the major findings of internal audit, areas required improvements, and management's response, and ensure that appropriate actions are taken on the recommendations of the internal audit function; and

(v) Reviewed the proposed fees for the Internal Auditors in respect of their audit of the Company and the Group.

4. MATTERS RELATING TO RELATED PARTY TRANSACTION AND CONFLICT OF INTEREST

(i) Reviewed the quarterly and annual financial statements on disclosures relating to related party transactions and conflict of interest that arose within the Group, if any.

INTERNAL AUDIT FUNCTIONS

The Group has outsourced its internal audit function to SocialGreen Governance Sdn. Bhd. ("SGG" or "Internal Auditor"), a professional firm which has an ample team of audit professionals dedicated to conducting the internal audit review, led by Ms Andrea Huong Jia Mei, a Member of the Institute of Internal Auditors Malaysia ("IIA") and a member of the Malaysian Institute of Accountants.

Internal Auditor provides independent assessment on the effectiveness and efficiency of internal controls utilising a global audit methodology and tool to support the corporate governance framework and an efficient and effective risk management framework to provide assurance to the ARMC. The appointment and resignation of the Internal Auditors as well as the proposed audit fees are subject to review by the ARMC and to the Board for approval.

The ARMC approves the Internal Audit Plan during the first ARMC meeting each year. Any subsequent changes to the Internal Audit Plan are approved by the ARMC. The scope of internal audit covers the audits of all units and operations, including subsidiaries as stated in the letter of engagement.

The Internal Auditors assist the ARMC in reviewing the effectiveness of the internal control systems while ensuring that there is an appropriate balance between controls and risks all through the Group in accomplishing its business targets. With the establishment of the internal audit function, it will be possible to address any deficiencies identified in the systems and controls of the respective operating units. The establishment of the internal audit function aims to improve resource management and efficiency throughout the Group's operations.

Audit and Risk Management Committee (Cont'd)

INTERNAL AUDIT FUNCTIONS (CONT'D)

During the FYE 2023, the following activities were carried out by the Internal Auditors in discharge of its responsibilities:

(i) Executed the internal audit function based on an Internal Audit Plan tabled and approved by the ARMC;

(ii) The Internal Audit Plan encompasses critical functional areas and business activities of the major subsidiaries of the Group. It also addresses issues related to control deficiencies and areas for improvement, providing pertinent recommendations to rectify these issues.

(iii) Emphasis on implementing best practices and ensuring management assurance across all business risks, with a particular focus on operational effectiveness and efficiency, reliability of reporting, compliance with applicable laws and regulations, and safeguarding of assets;

(iv) Performed follow-ups on the status of management-agreed action plans on recommendations raised in previous internal audit cycles, specifying timelines for the resolution of outstanding matters; and

(v) Presentation of reports issued by the internal audit function at AMRC meetings with management in attendance to provide the clarifications or additional information to address questions raised by ARMC members in relation to the matters raised.

The cost incurred for the internal audit function in respect of the financial year is approximately RM30,000.

For more details of the internal controls, internal audit function and risk management, please refer to the Statement on Risk Management and Internal Control included in this Annual Report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors ("the Board") of DC Healthcare and its subsidiaries are pleased to present this Corporate Governance ("CG") Overview Statement ("Statement") to provide the investors with an overview of the CG practices adopted by the Company in achieving the intended outcomes as set out in the Malaysian Code on Corporate Governance 2021 ("MCCG 2021") with reference to the three (3) key principles under the stewardship of the Board as follows:-

a) Principle A: Board leadership and effectiveness;
b) Principle B: Effective audit and risk management; and
c) Principle C: Integrity in corporate reporting and meaningful relationship with stakeholders.

This statement articulates the Board's dedication to the MCCG 2021 and delineates the Group's adherence to the principles and implementation of best practice provisions outlined in the MCCG 2021 for the financial year ended on 31 December 2023 ("FYE 2023"). This commitment is made in accordance with Rule 15.25 of the ACE Market Listing Requirements ("AMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities").

The CG Report 2024 is available for viewing on the Company's corporate website at www.dchealthcareholdings.com as well as via the announcement on the Website of Bursa Securities.

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS

I. BOARD RESPONSIBILITIES

1. Board of Directors

DC Healthcare and its subsidiaries ("the Group") is led by Board who are responsible for the success of the Group by providing entrepreneurial leadership and direction as well as supervision of the management. The Board bears responsibility for providing comprehensive governance, stewardship, and supervision for the direction and management of the Group. It establishes strategic directions and objectives, devises policies, and implements key strategic action plans for the Group. Regular reviews of the Group's business operations and management performance are conducted by the Board, which also ensures the availability of requisite resources.

The Board is fully responsible for the Company's performance and directs it in the pursuit of both short and long-term objectives. It formulates corporate strategies for growth and new business development while offering guidance and direction to the Management to facilitate the Company to achieve its corporate goals and objectives.

To enable the Board to function effectively with proper accountability and to ensure that the powers and direction of the Company are vested in the Board, the Board Charter has delineated a schedule of matters reserved for the Board's deliberation and decision. These include, amongst others, the following:

- Oversee Group's Business;
- Review and adopt strategic plans for the Group;
- Review and adopt corporate governance best practice in relation to risk management, legal and compliance management and internal control systems;
- Review and approve the annual business plans, financial statements and annual reports;
- Identifying the principal risk and ensuring the appropriate system is implemented to mitigate the identified principal risks; and
- Monitoring the relationship between the Group and the management, shareholder and stakeholders and Developing and implementing an investor relations program or shareholder communication policy for the Group.

To assist in the discharge of its responsibilities, the Board has established the following Board Committees as required by the applicable laws, regulations, rules, directives and guidelines and as recommended by MCCG 2021 to perform certain of its functions and to provide recommendations and advice:

I. Audit and Risk Management Committee ("ARMC")
II. Nomination Committee ("NC")
III. Remuneration Committee ("RC")

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

I. BOARD RESPONSIBILITIES (CONT'D)

1. Board of Directors (Cont'd)

The Board Committee is assigned specific responsibilities for supervising the Group's operations and has the authority to act on behalf of the Board as outlined in their respective Terms of Reference. The Chairperson and members of each Board Committee are appointed by the Board.

The Chairperson of the respective Board Committees will report to the Board on the key issued deliberated or outcomes of any discussions and makes recommendations to the Board. Nevertheless, the Board retains the ultimate responsibility for making final decisions on all matters.

The Board may form other committees delegated with specific authorities to act on their behalf. These committees will operate under approved terms of reference or guidelines and are formed whenever required.

Board meeting agenda includes statutory matters governance and management reports, which includes strategic risks, strategic projects, and operational items. The Board approved an annual performance contract setting the priorities director and performance targets for the Group within the parameters of the corporate plan.

2. Separation of position of the Chairman and Managing Director

The Board has defined distinct roles and responsibilities in fulfilling its fiduciary and leadership duties. The positions of Chairman and Managing Director ("MD") within the company are occupied by separate individuals, each acknowledging a well-defined division of responsibilities and accountability. This intentional separation aims to maintain a balance of power and authority. Additionally, it fosters an open and healthy exchange of views between the Board and Management when deliberating on the business, strategic objectives, and key activities of the Company.

The Board is chaired by Datuk Dr. Mohd Noor Bin Awang, an Independent Non-Executive Chairman who leads the Board with focus on governance and compliance and acts as a facilitator at Board with focus on governance and compliance and acts as a facilitator at Board meetings to ensure that relevant reviews and contributions from Directors are forthcoming on matters being deliberated and that no Board member dominates the discussion.

The MD, Dr. Chong Tze Sheng, supervises the daily operations of the organisation, aiming for seamless and efficient functioning of the Group. The MD executes policies, strategies, and decisions approved by the Board of Directors. The MD monitor the operating financial results against plans and budgets while acting as a crucial link between the Board and the management team, ensuring the success of the Group's governance and management functions.

The MD take on primary responsibility to spearhead and manage the overall business activities of the various business division of the Group to ensure optimum utilisation of corporate resources and expertise by all the business divisions and at the same time achieve the Group's long-term objectives. Meanwhile the Chairman of the Board is responsible in leading the Board in the oversight and supervision of the Group's management.

In accordance with Practice 1.4 of the MCCG 2021, the Chairman of the Board is not a member of the ARMC, NC or RC to ensure there is check and balance as well as objective review by the Board. The roles of the Chairman and Executive Directors are separately held, and each has a clear division and responsibilities between them to ensure the balance of control, power and authority.

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

I. BOARD RESPONSIBILITIES (CONT'D)

3. Supply and Access to Information

The Board has unrestricted access to the advice and services of the Company Secretaries who is suitably qualified and competent to support the Board. The Company Secretaries are responsible for providing support and guidance to the Board on policies and procedures, rules and regulations and relevant laws in regard to the Company as well as the best practices on governance.

In addition, all Directors have full and unrestricted access to all information pertaining to the Group's businesses and affairs, in a timely manner to enable them to discharge their duties effectively.

Procedures have been established for timely dissemination of Board and Board Committee papers to all Directors and Board Committees in advance of the scheduled meetings. Notices of meetings together with the relevant meeting papers are sent to Directors at least seven (7) days before the date of meetings. This is to guarantee that the meeting documents, inclusive of timely notice of agenda items and supporting information, are provided to the Board well in advance. Additionally, Directors have ample time to review the meeting papers and seek clarification whenever they require advice or further explanation from management and/or Company Secretaries. The discussions of the Board regarding the meeting's agenda and the conclusions drawn in fulfilling its duties and responsibilities are meticulously documented in the minutes of meetings by the Company Secretaries. These records are appropriately maintained and stored at the Registered Office of the Company.

Moreover, the Board has direct access to the guidance and support provided by the Company Secretaries who are responsible for ensuring compliance with the Board's meeting procedures and compliance with relevant rules and regulations. External advisers are invited to attend meetings to provide insights and professional views, advice and explanation on specific items on the meeting agenda, when required. Key Senior Management may be invited to join the meetings to brief the Board and Board Committees on the requisite information on matters being discussed, where necessary. The Chairman of the Board Committees, namely, the Audit and Risk Management Committee, Remuneration Committee and Nomination Committee briefs the Board on matters discussed as well as decisions taken at the meetings of their respective Board Committees meetings.

Technology is effectively used in the meetings of Board and Board Committees and in communication with the Board, where the Directors may receive agenda and meeting materials online and participate in meetings via audio or video conferencing.

4. Commitment of the Board

The date of meeting for the Board and Board Committees has been fixed in advance for each financial year. This approach ensures that the calendars of Directors and Committee members are reserved in advance, enabling thorough planning by the management throughout the entire financial year.

The Board meets on a quarterly basis, to oversee the Group's business activities and, when needed, approve financial or business objectives and strategies. Any ad-hoc or special Board meetings are called into session as required by specific circumstances. The Chairman of the respective Board Committees report to the Board, summarizing key discussions from their committee meetings and providing recommendations for Board decisions, where necessary.

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

I. BOARD RESPONSIBILITIES (CONT'D)

4. Commitment of the Board (Cont'd)

A total of six (6) Board meetings held during the FYE 2023. The following outlines the attendance of each Director at the FYE 2023 Board meetings:

Directors	Number of meetings attended	Percentage of Attendance %
Datuk Dr Mohd Noor Bin Awang *(appointed on 6/10/2022)*	6/6	100%
Dr Chong Tze Sheng *(appointed on 18/04/2022)*	6/6	100%
Dr Lai Ngan Chee *(appointed on 18/04/2022)*	6/6	100%
Rekha A/P Palanysamy *(appointed on 6/10/2022)*	6/6	100%
Sim Lee San *(appointed on 6/10/2022)*	6/6	100%
Yap Ee Ling *(appointed on 6/10/2022)*	6/6	100%

All the Directors complied with the minimum attendance requirement of 50% for the Board Meetings conducted during the financial year under reviewed, as stated in the Rule 15.05 of the AMLR.

To ease Directors in managing their schedules, the Company Secretaries will circulate tentative dates for Board and Board Committee meetings for the beginning of the year in advance, towards the end of the preceding year. This is to ensure that Directors have ample time to plan their attendance at scheduled Board and/or Board Committee meetings, including the Annual General Meeting ("AGM"). Following each Board and Committees meeting, the date for the next meeting is to be reaffirmed.

5. Directors' Training

All appointed Directors of the Company has successfully attended the Mandatory Accreditation Program Part I as prescribed by Bursa Securities. They are committed to ongoing self-improvement, aiming to continuously enhance their skills and knowledge to maximize their effectiveness as Directors throughout their tenure. Throughout their time in office, the Directors receive regular updates on the Group's business and stay informed about regulatory requirements.

Although the Board does not have a policy requiring each Director to attend specific number and types of training session each year, the Board recognises the importance of the Directors' training and encourage the Directors to regularly participate in ongoing seminars, training and educational programs to stay abreast of the latest developments in statutory laws, regulations and best practices, where appropriate, in line with the changing business environment and enhance their business acumen and professionalism in discharging their duties to the Group.

Details of seminars/conferences/training programmes attended by the Board members during FYE 2023 are listed as below:

Name of Director	Seminars/Conferences/Training Programmes Attended
Datuk Dr Mohd Noor Bin Awang	Mandatory Accreditation Programme ("MAP") (Part 1)
Dr Chong Tze Sheng	MAP (Part 1)
Dr Lai Ngan Chee	MAP (Part 1)
Rekha A/P Palanysamy	MAP (Part 1)
Sim Lee San	MAP (Part 1)

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

I. BOARD RESPONSIBILITIES (CONT'D)

5. Directors' Training (Cont'd)

Name of Director	Seminars/Conferences/Training Programmes Attended
Yap Ee Ling	MAP (Part 1)
	Top In Tech – Setting ESG At The Forefront
	Sustainability Report Awareness
	Sustainability Report – Sustainable Development Goals
	Sustainability Report – ESG Risk Assessment (Part I and II)
	Issues And Development To Companies Act 2016
	AOB's Conversation With Audit Committees : AOB's Oversight Of Auditors Of Public Listed Companies And Impact Of Climate Change On Financial Statements
	Bar Council Corporate And Commercial Law Committee Conference : Environmental, Social, And Governance (Esg) - Opportunities, Pitfalls, And Challenges
	Bar Council Corporate And Commercial Law Committee Conference : Transnational Contracts: Conflicts Of Laws Key Issues Of Commercial Law In Transactional Contracts: The Neglected Dimension In Private International Law

The Board will consistently assess and identify the training requirements for each Director, with a specific focus on new laws and regulations, as well as essential practices for effective corporate governance and risk management. This initiative aims to equip Directors with the necessary knowledge to fulfil their duties effectively.

Furthermore, the Board will receive updates on recent developments in statutory and regulatory requirements during Committee and/or Board meetings through briefings provided by the External Auditors, Internal Auditors, and Company Secretaries.

6. Board Committees

Audit and Risk Management Committee (ARMC)

The ARMC oversees internal control policies and procedures that are in place to protect the Group's assets and uphold the integrity of financial reporting. The ARMC maintains unrestricted access to the Company's External Auditor, Internal Auditor, and management.

The ARMC consists of four (3) members, all of whom serve as Independent Non-Executive Directors. The members of the ARMC for the FYE 2023 are as follows:

Directors	Designation
Sim Lee San *(Appointed as Chairperson of ARMC on 25 November 2022)*	Chairperson
Rekha A/P Palanysamy *(Appointed as member of ARMC on 25 November 2022)*	Member
Yap Ee Ling *(Appointed as member of ARMC on 19 April 2023)*	Member

A copy of the ARMC's Terms of Reference can be found in the Company's website at www.dchealthcareholdings.com.

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

I. BOARD RESPONSIBILITIES (CONT'D)

6. Board Committees (Cont'd)

Nomination Committee ("NC")

The NC is responsible for various aspects, including the selection of new Directors, an annual assessment of the necessary blend of skills, experience, and other essential qualities of Directors. It also conducts an annual evaluation of the overall performance of the Board, its committees, and each individual Director. Additionally, the NC identifies potential candidates to fill vacant board positions and presents them for approval by the Board.

The NC is comprised of three (3) members, all of whom serve as Independent Non-Executive Directors. The members of the NC for the FYE 2023 are as follows:

Directors	Designation
Rekha A/P Palanysamy *(Appointed as Chairperson of NC on 25 November 2022)*	Chairperson
Sim Lee San *(Appointed as member of NC on 25 November 2022)*	Member
Yap Ee Ling *(Appointed as member of NC on 19 April 2023)*	Member

The terms of Reference of the NC provides that it shall have specific responsibilities in relation to the nomination matters. With respect to nomination matters, the specific responsibilities of the NC shall include, amongst others:

a) Reviewed the composition of the Board and Board Committees with regards to the mix of skills, independence and diversity in accordance with its policy;

b) Reviewed and recommended the retirement and re-election of Directors at the forthcoming AGM in accordance with the Company's Constitution;

c) Reviewed and assessed the effectiveness and performance of the Board as a whole, Board Committees and individual Director and make appropriate recommendation to the Board.

d) Reviewed the terms of office of the NC and each member of the NC to ascertain that the NC and its member have carried out their duties in accordance with the NC's Terms of Reference; and

e) Assessed and reviewed the independence and continuing independence of the Independent Directors.

A copy of the NC's Terms of Reference can be found in the Company's website at www.dchealthcareholdings.com.

Remuneration Committee ("RC")

The RC plays a crucial role in reviewing and recommending matters to the Board relating to the Remuneration package of the Board and Senior Management which comprised of compensation, bonuses, incentives and benefits.

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

I. BOARD RESPONSIBILITIES (CONT'D)

6. Board Committees (Cont'd)

Remuneration Committee ("RC") (Cont'd)

The RC consists of three (3) members, which all of the members are Independent Non-Executive Directors. The members of the RC are as follows:

Directors	Designation
Yap Ee Ling *(Appointed as Member of RC on 25 November 2022 and Redesignated as Chairperson of RC on 19 April 2023)*	Chairperson
Sim Lee San *(Appointed as member of RC on 25 November 2022)*	Member
Rekha A/P Palanysamy *(Appointed as member of RC on 19 April 2023)*	Member

The terms of Reference of the RC provides that it shall have specific responsibilities in relation to the nomination matters. With respect to nomination matters, the specific responsibilities of the RC shall include, amongst other:

a) Evaluated and recommended remuneration package for the Executive Directors and Senior Management; and
b) Reviewed fees and other benefits for Non-Executive Directors.

A copy of the RC's Terms of Reference can be found in the Company's website at www.dchealthcareholdings.com.

7. Board Charter

The company has formulated a Board Charter with the aim of providing a reference and key guidance for both the Board and Key Senior Management. Board Charter delineates the roles, functions, composition, operation, and processes of the Board, ensuring that all Board members are thoroughly informed about their duties and responsibilities.

The Board periodically revises its Charter to stay abreast of evolving regulations and best practices, to maintain its effectiveness and alignment with the Board's objectives. The salient features of the Board Charter are accessible on the Company's website at www.dchealthcareholdings.com.

8. Code of Conducts & Ethics

The Board is committed to conduct its business fairly, impartially and in full compliance with all applicable laws and regulations in Malaysia and in countries where the Company has operations, if any. The Board has established a Code of Conduct & Ethics that outlines the expected conduct for both, the Board and employees.

The Code of Conduct & Ethics offers guidance to Directors and all employees within the Group regarding the ethical and behavioural considerations or actions in the fulfilment of their duties and obligations throughout their appointments.

The Board will review the Code of Conduct & Ethics when necessary to ensure it remains relevant and appropriate. A copy of the Code of Conduct & Ethics is accessible on the Company's website at www.dchealthcareholdings.com for reference.

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

I. BOARD RESPONSIBILITIES (CONT'D)

9. Whistleblowing Policy and Procedures

The Company has implemented a Whistleblowing Policy and procedures, reflecting the Board's belief that a robust whistleblowing system enhances effective management and underscores accountability, prudent risk management, and strong corporate governance practices. This policy aims to encourage the reporting of significant concerns associated with any misconduct within the Group.

The policy outlines the relevant procedures, specifying when, how, and to whom suspicions of wrongdoing within the Company and its subsidiaries should be appropriately raised. The whistle-blower's identity is maintained confidential, and protection is accorded to the Whistle-blower from any potential reprisals or retaliatory actions. To report such concerns, individuals are instructed to document them in writing and send them in a sealed envelope to the Chairman of the AC.

A copy of the Whistleblowing Policy and Procedures is accessible on the Company's website at www.dchealthcareholdings.com for reference and transparency.

10. Anti-Bribery and Corruption Policy

DC Healthcare is committed to conduct business in an ethical and honest manner while upholding zero-tolerance position on bribery and corruption. The company has instituted an Anti-Bribery and Corruption Policy to establish effective measures intended to deter individuals associated with the Group from participating in corrupt practices related to business activities.

This policy offers clear guidance to all employees and the Board on addressing improper solicitation, bribery, and other corrupt activities that may arise in the course of business, in full compliance with the amended Corporate Liability Provisions outlined in Section 17A of the Malaysian Anti-Corruption Commission (MACC) Act 2009 (Amendment 2018).

A copy of the Anti-Bribery and Corruption Policy is readily accessible on the Company's website at www.dchealthcareholdings.com for reference and transparency.

11. Company Secretary

In compliance with MCCG 2021, the Board is supported by the qualified and proficient Company Secretaries who play a crucial role in advising the Board concerning the Group's constitution, policies, procedures, and adherence to pertinent regulatory requirements, codes, guidelines, and legislation. The Company Secretaries of the Company are qualified to act as Company Secretary under Section 235 of the Companies Act, 2016.

All Directors have unrestricted access to the counsel and services provided by the Company Secretaries for the efficient operation of the Board and the business. The Board expresses its contentment with the performance and invaluable support provided by the Company Secretaries in fulfilling their responsibilities.

In addition, the Company Secretaries are also accountable to the Board and is responsible for the following:

- Advising the Board on its roles and responsibilities.
- Advising the Board on matters related to corporate governance and the AMLR.
- Ensuring that Board procedures and applicable rules are observed.
- Maintaining records of the Board and ensuring effective management of the Company's statutory records.
- Preparing comprehensive minutes to document Board proceedings and ensuring conclusions are accurately recorded.
- Assisting communications between the Board and Management.
- Providing full access and services to the Board and carrying out other functions deemed appropriate by the Board from time to time.
- Preparing agendas and co-coordinating the preparation of Board papers.

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

I. BOARD RESPONSIBILITIES (CONT'D)

11. Company Secretary (Cont'd)

The Company Secretaries consistently keep themselves abreast of the dynamic capital market environment, regulatory alterations, and developments in corporate governance through active participation in relevant conferences and training programs. Moreover, they conscientiously participate in ongoing professional development initiatives as required by the Companies Commission of Malaysia or the Malaysian Institute of Chartered Secretary and Administrators for practicing company secretaries.

II. BOARD COMPOSTION

1. Composition and Diversity

The Directors are of the opinion that the present size and composition of the Board are well-suited for facilitating effective decision-making, considering the extent and nature of the Group's businesses and operations. The Board maintains a balanced mix of expertise, skills, and attributes among its members, reflecting their diverse backgrounds and competencies. These competencies span various areas, including finance, accounting, legal, digital technologies, and other relevant industry knowledge, along with entrepreneurial and management experience. Additionally, the Board possess a profound understanding of regulatory requirements and risk management.

The NC held a responsibility of periodically updating the composition of the Board while evaluating the tenure, performance, and contributions of each Director through the Board Evaluation process. Additionally, retiring Directors are required to annually declare or confirm their fitness, propriety, and independence, as applicable.

As of the date of this statement, the Board comprises six (6) members, including one (1) Independent Non-Executive Chairman, three (3) Independent Non-Executive Directors, one (1) Managing Director and one (1) Executive Director. The Board adheres to Rule 15.02 of the AMLR of Bursa Securities, which requires a minimum of two (2) Independent Directors or one-third (1/3) of the board of directors of a listed issuer, whichever is higher, and one (1) director of a listed issuer is mandated to be a woman.

The current composition of the Board comes with diverse academic qualifications, backgrounds, and experiences of the Board members enable them to provide effective leadership to the Group. This diversity also fosters the exchange of ideas and experiences, allowing for independent judgment on various aspects of the Group's strategy and performance to ensures that the Group upholds the highest standards of professionalism, conduct, transparency, and integrity.

2. Independency of Independent Directors

The Independent Directors are non-executive Director of the Company and does not involve in the management and free from any significant business or other relationship with the Company. Hence, they are able to provide unfettered and unbiased independent judgment in ensuring that the strategies proposed by the Management are fully and objectively deliberated, challenged and examined, taking into account the interests of shareholders and other stakeholders of the Group. They serve as vital safeguards for the rights of minority shareholders and bring invaluable impartiality to the Board's decision-making process.

The assessment of each Independent Director's independence status is conducted on an annual basis, upon reappointment, or whenever new interests or relationships emerge. This assessment adheres to the criteria outlined in the AMLR.

As of the date of this statement, none of the Independent Directors has served for a cumulative period exceeding nine (9) years. Upon completion of nine (9) years tenure, the Independent Director may continue to serve on the Board as Non-Independent Director. However, should the Board wish to retain an Independent Director beyond the ninth (9th) year, they will be required to justify this decision and seek annual approval from shareholders through a Two-Tier Voting Process.

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

II. BOARD COMPOSTION (CONT'D)

3. New Candidates for Board and Key Senior Management Appointment

The Board consists of a diverse assembly of individuals with comprehensive and complementary knowledge, competencies, and expertise. They collect informatively, and positively contribute to the Group's management, particularly in influencing the strategic direction and development of the business. When selecting individuals for roles on the Board and in Key Senior Management, priority is given to objective criteria, merit, and considerations encompassing diversity in skills, experience, age, cultural background, and gender.

The consideration of any prospective appointment to the Board and Key Senior Management involves a thorough evaluation conducted by the entire Board. This evaluation is based on a meticulous report prepared by the NC emphasizing the need to assess the qualifications and experience of the potential director and Key Senior Management. The NC utilizes an internal policy outlining Criteria and Skill Sets for Board Members to determine the suitability of candidates for Board appointment.

The current Board of Directors were all appointed during the FYE 2023 as per management's recommendation. Despite management's recommendation, the Board also utilised independent sources when identifying suitable candidates. The NC thoroughly evaluates the suitability of potential candidates before formally recommending them for appointment to the Board or Key Senior Management roles. In making these recommendations, the NC assesses candidates based on their requisite skills, knowledge, expertise, competence, experience, characteristics, and professionalism. When appointing Independent Directors, the NC also ensures that candidates meet the independence criteria defined in the AMLR of Bursa Securities. Additionally, the NC considers the candidates' expected time commitment, including their attendance at Board meetings, Board Committee meetings, and the AGM, among other Company matters.

The Board has implemented the Directors' Fit and Proper Policy, serving as a guide for the NC and the Board of Directors in reviewing and assessing potential candidates for Directorship appointments or re-election. This policy ensures that individuals appointed or re-elected as Directors possess the requisite character, integrity, a relevant array of skills, knowledge, experience, competence, and time commitment necessary to fulfil their roles and responsibilities effectively in the best interest of the Company and its stakeholders. The Directors' Fit and Proper Policy is published on the Company's website at www.dchealthcareholdings.com.

4. Boardroom Diversity Policy

The Board recognizes the significance of boardroom diversity and endorses the MCCG 2021 recommendation for establishing a boardroom diversity policy. The Board's objective is to encompass a diverse array of approaches, backgrounds, skills, and experiences in its composition. Appointments are made based on merit and objective criteria, with due consideration given to the advantages of diversity on the Board, including factors such as gender, age, and ethnicity. The Board acknowledges diversity in the boardroom as a fundamental aspect of sound corporate governance.

The Board presently includes four (4) female directors among its six (6) members, aligning with the country's aspirational target of achieving 30% representation of women on boards. The Company is committed to enhancing female representation on the Board whenever suitable candidates are available during Board vacancies.

The existing Directors' age distribution falls within the respective age group and is as follows:

AGE GROUP	31-40	41-50	51-60	61 & ABOVE
NUMBER OF DIRECTORS	3	2	-	1

The current diversity in the race/ethnicity and nationality of the existing Board is as follows:

	MALAY	CHINESE	INDIAN	OTHERS
NUMBER OF DIRECTORS	1	4	1	-

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

II. BOARD COMPOSTION (CONT'D)

5. Annual Evaluation

The NC conducts an annual assessment of the overall performance and effectiveness of the entire Board, its committees, and individual Directors. The NC Chairman oversees this evaluation process, facilitated by the Company Secretary who administers questionnaires. Subsequently, the NC reviews the evaluation results and offers recommendations to the Board for continual improvement. Furthermore, these findings form the basis for recommending suitable Directors for re-election at the AGM.

The evaluation criteria utilised to assess both the Board and individual Directors include a combination of factors, such as skills, knowledge, Board diversity, size, and experience, core competencies, and each Director's contributions. For the Board Committees, the assessment criteria focus on their roles and responsibilities, scope and knowledge, the frequency and duration of meetings, the provision of adequate and timely information to the Board, as well as their overall effectiveness and efficiency in fulfilling their functions.

The Board evaluation encompasses multiple components, including the Performance Evaluation of the Board and its various Committees, Peer Evaluation of Directors, and an assessment of the independence of Independent Directors. These assessments are grounded in four (4) primary areas pertaining to Board Structure, Board Operations, the roles and responsibilities of the Board and Chairman, and the roles and responsibilities of Board Committees.

In the Peer Evaluation of Directors, the assessment criteria encompass skills and competencies, personal qualities, technical knowledge, objectivity, and the level of engagement in Board and Committee meetings, including contributions to Board processes.

Any appointment of a new Director to the Board or a Board Committee is recommended by the NC for consideration and approval by the Board.

In accordance with the Company's Constitution, a minimum of one-third (1/3) of the Directors must retire from office at each AGM. A retiring director is eligible for re-election at the AGM. Furthermore, the Constitution mandates that all Directors must retire at least once every three (3) years.

During the year, the Board conducted an internally facilitated Board assessment. The findings and recommendations from the evaluation of both the Board and Board Committees were presented to the Board for comprehensive review and action. The Board expressed confidence in the results, affirming that the existing Directors' skills and experience align with the requirements of the skills matrix, and the Chairman possesses the leadership qualities needed to safeguard stakeholder interests and advance the Group's development.

The NC will consider the evaluation results when evaluating the re-election of Directors and will recommend to the Board the endorsement of Directors standing for re-election at the upcoming AGM of the Company.

III. REMUNERATION

The Board has implemented a Directors' Remuneration Policy to enable the RC in evaluating, deliberating, and proposing directors' remuneration decisions to the Board. The Board is dedicated to a remuneration policy that aligns with the level of responsibilities, accountability, and fiduciary duties of directors in guiding the Group toward its long-term objectives and enhancing shareholder value.

In accordance with the Directors' Remuneration Policy, remuneration packages for Executive Directors consist of both fixed components (i.e., salary) and variable components (i.e., bonuses and benefits-in-kind etc). The variable component depends on the Group's annual financial performance, structured to align with our strategic objectives. It aims to strike a balance, motivating and challenging Key Senior Management to achieve the business priorities outlined by the Managing Director and contribute to the long-term sustainable success of the Group.

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

III. REMUNERATION (CONT'D)

During the financial year under review, the RC carried out an extensive assessment of the remuneration for Executive Directors and Key Senior Management, considering their level of responsibilities and the Group's performance. The RC also verified that these remuneration packages remained competitive within industry standards. Furthermore, the RC deliberated on the annual salary review for Executive Directors and Key Senior Management, aligning it with the budgeted salary increases for the rest of the organisation.

When approving annual bonus payments, the RC considered not only the overall performance of the business but also the performance of Executive Directors and Key Senior Management against their individual targets. Bonus payments to these individuals were designed to reflect a significant portion of collective performance measures for the year, emphasizing teamwork and simplicity in the compensation structure.

Directors' Remuneration

The remuneration of Executive Directors is determined impartially, based on the overall performance and profitability of the Group. The Board exercises discretion in setting Directors' remuneration, considering comparative market rates that align with each Director's level of contribution, experience, and involvement. The RC, in establishing remuneration packages for Executive Directors, prioritises the overarching principle of attracting and retaining Directors essential for the successful operation of the Group. The determination of Non-Executive Directors' remuneration is a decision made collectively by the entire Board. The remuneration for Non-Executive Directors reflects amounts paid by comparable organizations, adjusted for the contribution and levels of responsibilities undertaken by the respective Non-Executive Directors.

Details of the Directors' remuneration paid or payable to all Directors of the Company (both by the Company and the Group) for FYE 2023 are as follows:-

	Company		Group	
Director	Fees (RM)	Salaries and *other emoluments (RM)	Fees (RM)	Salaries and *other emoluments (RM)
Dr Chong Tze Sheng	60,000	-	60,000	1,468,440
Dr Lai Ngan Chee	60,000	-	60,000	1,139,760
Mohd Noor Bin Awang	68,000	2,000	68,000	2,000
Sim Lee San	60,000	3,500	60,000	3,500
Rekha A/P Palanysamy	60,000	3,500	60,000	3,500
Yap Ee Ling	60,000	3,500	60,000	3,500

* other emoluments include the meeting allowances and other benefits and allowances received by the Directors of the Company.

Remuneration of Senior Management

For Senior Management positions, the Board holds the view that divulging the remuneration specifics of individual members, encompassing salary, bonuses, benefits-in-kind, and other emoluments, would not be in the best interests of these individuals for the following reasons:

1. Privacy and sensitivity of personal information pertaining to Senior Management.
2. May lead to a violation of personal data protection.
3. Security concerns for the staff and their family members.
4. Potentially caused tension and friction among the employees.
5. May result in challenges related to recruitment and talent retention.

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

III. REMUNERATION (CONT'D)

Remuneration of Senior Management (Cont'd)

The Company is of the view that the interest of the shareholders will not be prejudiced because of such non-disclosure of the key senior management on named basis. Therefore, the remuneration of the top 3 Senior Management in bands of RM50,000.00, received from the Group for the financial year under review on an unnamed basis, is set out below:

Range of Remuneration	No. of Senior Management of the Group
RM500,000 – RM550,000	1
RM550,000 – RM600,000	1
RM650,000 – RM700,000	1

PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT

I. AUDIT AND RISK MANAGEMENT COMMITTEE ("ARMC")

In accordance with the best practices outlined in the MCCG 2021, the Board has established the ARMC, which is composed solely of Independent Non-Executive Directors and the Chairman of the ARMC does not hold the position of Chairman of the Board.

Every member of the ARMC possesses robust financial literacy and an extensive comprehension of matters falling under the ARMC's jurisdiction, including financial reporting policies. They conscientiously fulfil their responsibilities in line with the ARMC's terms of reference. The Board depends on the ARMC for counsel in various domains, such as financial reporting, external audit, the internal control environment, the internal audit process, assessments of related party transactions, and the resolution of conflict-of-interest situations.

For the FYE 2023, none of the Board members or members of the ARMC have previously served as the key audit partner for the Group's External Auditors. The Company will adhere to a cooling-off period of at least three (3) years in the event any potential candidate to be appointed as a member of AMRC membership was a key audit partner for the Group's external auditors.

The role of External Auditors is crucial in offering assurance to shareholders and other stakeholders concerning the reliability of the Company's financial statements. The Company upholds a formal and transparent relationship with its external auditors to ensure adherence to approved accounting standards and statutory requirements.

The ARMC conducts a comprehensive review of the appointment, performance, and remuneration of the External Auditors on a yearly basis. The AC subsequently recommends their re-appointment to shareholders at the AGM. During the Financial year under review, the ARMC has engaged with the External Auditors without the presence of Managing Director, Executive Director and the management at least once ensuring the preservation of the Independency of External Auditors are not compromised and matter of concern expressed by the AC duly minuted by the Company Secretaries.

The Company had on 1 November 2022, appointed Messrs. Moore Stephens Associates PLT ("Moore Stephens") as the First Auditors of the Company. The Company has obtained assurance from Moore Stephens and its affiliates confirming that they have remained independent throughout the conduct of the audit engagement, complying with all relevant professional and regulatory requirements.

PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)

I. AUDIT AND RISK MANAGEMENT COMMITTEE ("ARMC") (CONT'D)

For the FYE 2023, the fees paid or payable to the External Auditors by both the Company and the Group are outlined in the table below:

	Group (RM)	Company (RM)
Statutory audit fees	251,000	50,000
Non-audit fees	870,000	847,000
Total	1,121,000	897,000

The non-audit fees primarily covered advisory services, including the review of the Statement on Risk Management and Internal Control, assistance with tax return filing as well as professional fee relating to IPO and listing of the Company.

Following the ARMC's annual assessment of the External Auditors, the Board is content with their independence, the quality of their services, and the adequacy of resources they have provided during the annual audit. Consequently, the Board has accepted the ARMC's recommendation for the re-appointment of the External Auditors, subject to approval by shareholders at the upcoming AGM.

II. RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

The Board holds the responsibility of creating a robust framework for risk management and sustaining a comprehensive system of internal controls which encompasses financial controls, operational controls, and compliance controls, along with the risk management. The Board need to review its effectiveness regularly to safeguard shareholders' investment and the Company's assets as required by the MCCG 2021. The internal control system is designed to access both current and emerging risks and respond appropriately to the Group's risk landscape.

As an effort to strengthen the system of internal control, the Board, with the support from the external professional Internal Audit firm adopted on-going monitoring and reviewed to the existing risk management process in place within the various business operations, with the aim of formalising the risk management function across the Group. This function also serves as a source to aid the AC and the Board to enhance and refine the current management and operational approach, aligning with the pursuit of best practices.

The Group outsourced its internal audit function to an independent professional firm, namely SocialGreen Governance Sdn. Bhd. ("SGG") to provide an independent assessment and assurance over the system of internal control of the Group to the ARMC and the Board.

The Board has established a Risk Management Committee merged with the Audit Committee to form ARMC. Further details of the Risk Management Committee and its activities are included in the ARMC Report in this Annual Report.

PRINCIPLE C – INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

I. COMMUNICATION WITH STAKEHOLDERS

The Board recognizes the significance of transparency, accountability to shareholders, and regular communication with shareholders, stakeholders, and investors concerning the Company's performance and significant developments. The Group's financial performance, major corporate developments and other relevant information are promptly disseminated to shareholders and investors via announcements of its quarterly results, annual report, corporate announcements to Bursa Securities and press conferences. It is the Group's practice that any material information for public announcement, including annual, quarterly financial statements, press releases, and presentation to investors, analyst and media are factual and reviewed internally before issuance to ensure accuracy and is expressed in a clear and objective manner

The Group's corporate website hosts a specialised Investor Relations section that presents thorough information about the Company. This section includes Bursa Securities announcements and offers insights into the corporate and governance structure of the Group.

II. CONDUCT OF GENERAL MEETINGS

The AGM serves as the principal platform for the Company and the Board to actively interact with shareholders, discussing performance, corporate governance, and other issues affecting shareholders' interests. Additionally, when deemed suitable, the Board may organise press conferences or investor briefings, in conjunction with issuing press releases, to ensure shareholders are well-informed about the Group's affairs.

To ensure that shareholders have ample time to review the Annual Report, the Notice of AGM is distributed at least twenty-eight (28) calendar days before the AGM date. To enhance shareholder participation, the Company has conducted virtual AGMs, making it easier for shareholders to attend. Shareholders who are unable to attend the virtual AGM are encouraged to exercise their voting rights on proposed motions by appointing a proxy.

During the AGM, the Board actively encourages shareholder participation by providing opportunities for shareholders to ask questions about the Group's business activities, the meeting's agenda, and proposed resolutions. Directors, including the Chairman of Board Committees, are available during the AGM to address questions raised by shareholders. Additionally, External Auditors are present to offer their professional and independent insights on any concerns raised by shareholders.

In accordance with the Rule 8.31A of AMLR, the Company will ensure that every resolution outlined in the notice of any general meeting, or in any notice of resolution that can appropriately be proposed and is intended to be proposed at any general meeting, will be voted on by a poll. Simultaneously, the Company will designate at least one (1) scrutineer to authenticate the votes cast during the general meeting.

The minutes of the AGM are subsequently published on the Company's website upon confirmation by the Board.

COMPLIANCE STATEMENT

This Statement on the Company's corporate governance practices is made in compliance with Rules 15.25 of the AMLR. The Board considers and is satisfied that the Company has complied with the Practices of the MCCG 2021, the relevant chapters of the AMLR on CG and all applicable laws and regulations throughout the financial year under review.

This Statement was approved by the Board on 23 April 2024.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Board of Directors ("the Board") of DC Healthcare is delighted to present its Statement on Risk Management and Internal Control ("Statement") for the financial year ended 31 December 2023 ("FYE 2023"). This Statement has been prepared in adherence to Rule 15.26(b) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, and is guided by the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers ("Guideline").

RESPONSIBILITY AND ACCOUNTABILITY

The Board recognises the importance in ensuring that the Group upholds a robust system of risk management and internal controls to safeguard the investments of shareholders and the assets of the Group. The Board is dedicated to fostering an appropriate control environment and continuously reviewing the soundness and integrity of the risk management and internal control mechanisms. It is essential to recognise that despite the best efforts to establish these systems, they are meant to manage and not necessarily eradicate the risk of not meeting corporate goals. As such, these mechanisms offer reasonable assurance, though not an absolute guarantee, against significant inaccuracies or losses.

The Board assures that there exists a consistent and evolving process within the Group to identify, assess, and mitigate key risks. It also verifies that these processes are under periodic review and are in line with the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers.

Assurance have been received from the Managing Director, Executive Director, Chief Operating Officer and Chief Financial Officer of DC Healthcare, confirming that the Group's risk management and internal control mechanisms are functioning optimally and effectively in all crucial aspects, based on the established risk management and internal control framework of the Group. Based on this assurance, the Board is of the view that the risk management and internal control system are adequate to meet the needs of the Group in addressing financial, operational and compliance risks and have not resulted in any material losses, contingencies or uncertainties that would require disclosure in the Group's annual report.

RISK MANAGEMENT FRAMEWORK

The Group is committed to embedding robust risk management practices across all business facets to ensure informed decisions and accountable management actions. The company's appetite for risk will shift depending on specific business goals, such as strategic or operational targets.

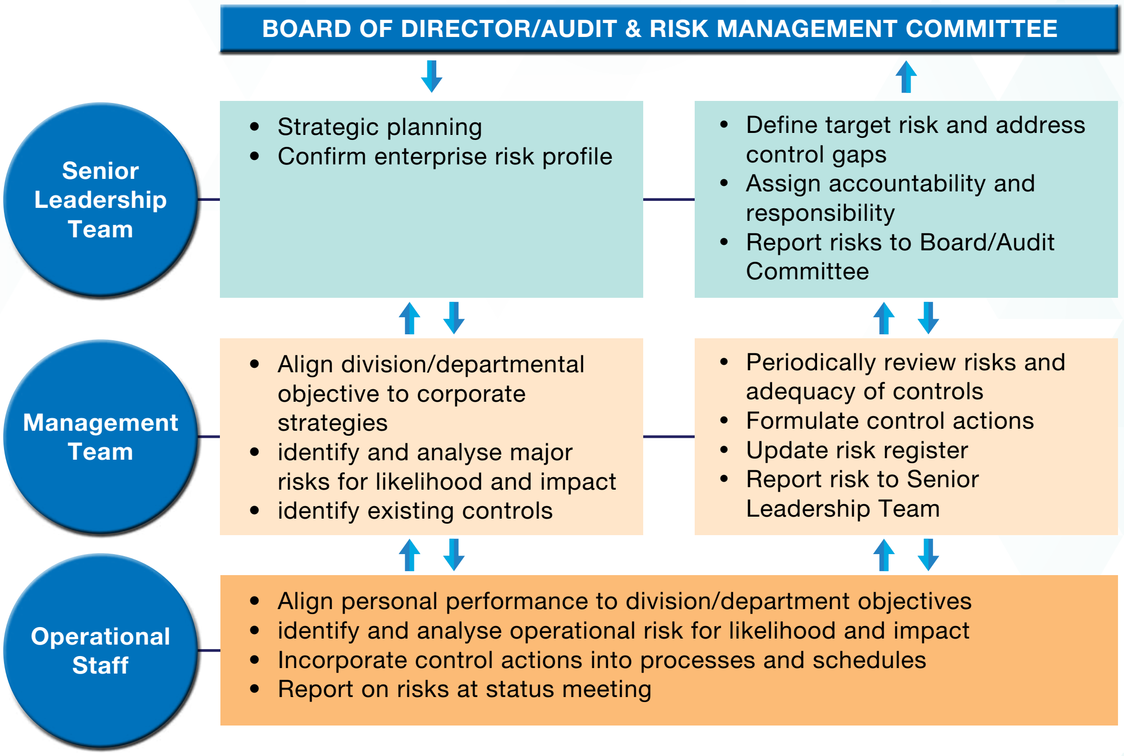
This framework aims to comprehensively identify, analyse, and address all potential risks. The chosen risk responses are shaped by the organisation's risk appetite and tolerance levels, which may fluctuate based on specific business objectives, such as strategic, operational, or asset protection goals. This framework describes the management's risk appetite, structure, responsibilities, processes and governance reporting procedures. It has been developed to provide a reasonable degree of certainty that strategic objectives are achieved by creating focus, integrating control measures into the Group's activities, ensuring compliance with applicable laws and regulations, and safeguarding the reliability of financial and non-financial reporting.

The Board will receive regular reports on the effectiveness of risk management and control measures and will take appropriate actions as needed. Moreover, periodic independent evaluations will be carried out to ensure the efficacy of these measures.

RISK MANAGEMENT FRAMEWORK (CONT'D)

Responsibilities

The Board oversees the ERM framework, while the Key Senior Management, guided by the Managing Director, is tasked with its practical implementation, ensuring that the necessary culture, processes, and structures are in place. Below is the structure of the Group that helps to streamline and align the Group's objectives, risks and controls.



In addition to a well-defined structure, the Group has also embraced the OCRA Approach to ensure uniform and consistent risk management in executing strategies, achieving business objectives, and carrying out daily operations.

OCRA stands for:

OBJECTIVES: Goals and results that aim to achieve.

CONTROL: Management's response to risks.

RISKS: Any potential event which could prevent the achievement of an objective.

ALIGNMENT: Alignment of objectives, risks and controls across the enterprise determined by its appetites and tolerances for risks.

RISK MANAGEMENT FRAMEWORK (CONT'D)

The Enterprise Risk Management ("ERM") Process

The ERM process involves a systematic application of the risk management methodology to facilitate risk identification, analysis, response, monitoring and reporting as described below:

IDENTIFY Key Risks: Begin by pinpointing the principal risks that could affect the organisation. This involves understanding the business environment, stakeholder expectations, and other factors that could pose challenges.

ANALYSE Potential Impact and Probability: Once risks are identified, evaluate their potential repercussions and the likelihood of their occurrence. This will help understand each risk's severity and prioritise them accordingly. Below is the Risk matrix impact table that the Group has adopted.

RISK MATRIX IMPACT

		(E) INSIGNIFICANT (small issue can be tackled easily)	(D) MINOR (small disruption Possible)	(C) MODERATE (some disruption)	(D) MAJOR (business severely damaged)	(C) CATASTROPHIC (company survival at risk, law suit
EXPECTED LIKELIHOOD	(A) ALMOST CERTAIN (>90% chance)	MEDIUM	HIGH	HIGH	HIGH	HIGH
	(B) LIKELY (71-90% chance)	MEDIUM	MEDIUM	HIGH	HIGH	HIGH
	(C) MODERATE (31-70% chance)	LOW	MEDIUM	MEDIUM	HIGH	HIGH
	(D) UNLIKELY (11-30% chance)	LOW	LOW	MEDIUM	MEDIUM	HIGH
	(E) RARE (below 10% chance)	LOW	LOW	LOW	MEDIUM	MEDIUM

RISK MANAGEMENT FRAMEWORK (CONT'D)

RESPOND to Risks: Assess the current controls in place and determine their effectiveness. Based on this assessment, choose, prioritise, and put into action the most suitable measures to address the identified risks.

Risks, whether perceived as opportunities, uncertainties, or threats, can be addressed through diverse strategies. The various risk response options detail all potential management reactions to such risks. Below, we outline these response options along with examples of associated actions for each option.

MITIGATE
Steps taken to reduce either the likelihood of an occurrence or impact or both such as:
- Monitoring budgets/ forecast
- Defining accountability
- Ensuring adequate skill sets
- Improving staff morale
- Implementing Business
- Continuity Programme

TRANSFER
Steps taken to shift the loss or liability to third parties, such as:
- Insuring
- Outsourcing
- Diversifying of investments
- Hedging

ACCEPT
Informed decision to accept both the impact and the likelihood of risk events

EXPLOIT
Steps taken to leverage opportunities, such as:
- Mergers and acquisitions
- Expanding business portfolios
- Influencing regulators, public perception
- Renegotiating contracts
- Reorganising and restructuring
- Creating innovative products

AVOID
Steps taken to prevent the occurrence of hazards, such as:
- Ceasing activity
- Divestment of operations
- Changing objective, scale of operations or scope of coverage

RISK MANAGEMENT FRAMEWORK (CONT'D)

MONITOR Changes and Effectiveness: Regularly scan the internal and external business environment for potential shifts that could alter the risk landscape. Also, consistently evaluate to ensure that the responses to risks remain effective and relevant.

Existing Risks	New Risks
Existing Response Plans	**New Response Plans**
• Identify existing risk response plans in place • Establish objectives of the risk response plan, i.e. which risk is being mitigated and to what level/ extent • Evaluate if the existing risk response plans meet their objectives • Assess if the response plans are sufficient and relevant, i.e. if any additional or removal of risk response plans is required	• Evaluate if is prepared to accept the type of risk and, if so, how much risk it is prepared to tolerate • Assess if the existing response plans can be leveraged to mitigate/control the new risks identified • Identify a range of risk response options • Evaluate the options • Design a plan to implement the preferred options, including the relevant KPIs and measures of success • Implement the selected risk response plans

REPORT on Risk Status: Maintain transparent communication by periodically reporting on the identified risks, their potential impact, and the effectiveness of the measures adopted to address them. This ensures that stakeholders are kept informed and can make decisions based on the most current risk assessment.

Risk Reporting & Review

The Group's risk appetite defines the type and degree of risk it is willing to take or retain in order to achieve its objectives. These risks are divided into three levels:

1. **Balanced**: DC Healthcare is willing to undertake a moderate level of risk, ensuring that it does not hinder our long-term vision in skin and aesthetic excellence.
2. **Low to None**: While we might entertain minor reputational risks, they should not compromise the trust of our patients, partners, or associated practitioners.
3. **None**: In terms of treatment quality and patient safety, DC Healthcare maintains the highest standards with an uncompromising approach. Patient well-being and safety are paramount and non-negotiable.

Risk Appetite by Category:

Aside from the level of risks, DC Healthcare's risk tolerance is also segmented by different risk categories:

1. **Strategic**: DC Healthcare is receptive to calculated risks if they align with our performance benchmarks and long-term aspirations in the skin and aesthetic industry.
2. **Operational**: We strive to limit the repercussions of unforeseen disruptions to our clinical operations.
3. **Financial**: DC Healthcare abides by a stringent and thorough set of financial policies, ensuring protection against significant financial discrepancies and ensuring accurate financial reporting.
4. **Compliance**: In regulatory and best-practice adherence, DC Healthcare upholds a strict zero-tolerance policy.

INTERNAL AUDIT FUNCTIONS

The Group has engaged SocialGreen Governance Sdn. Bhd. ("SGG"), a professional service provider specialising in outsourced Internal Audit Functions ("IAF"). The Internal Auditors hold a direct reporting line to the Audit & Risk Management Committee ("ARMC"), supporting the Board in evaluating the sufficiency and efficacy of the management's internal control systems.

This evaluation is based on the predefined scope within the annual internal audit plan that ARMC approved for the financial year ended on 31 December 2023 ("FYE 2023"). The Internal Auditors were granted complete and unfettered access to all necessary documents and personnel for conducting the audit without any limitations on their work scope.

INTERNAL AUDIT FUNCTIONS (CONT'D)

The ARMC has diligently reviewed the activities, findings, and recommendations of the IAF to assure itself of the robustness of the Group's risk management and internal control frameworks.

The remit of the IAF, under the guidance of the Group's internal audit charter, encompasses the following key functions:

- To assess the internal control systems guided by the Group's operational standards and provide improvement suggestions to the ARMC.
- To offer an overarching appraisal of the adequacy and effectiveness of the internal control environment within the Group, thereby giving reasonable assurance of meeting the objectives in operational efficiency, financial reliability, and policy adherence.
- To address specific issues and concerns raised by the ARMC.
- To evaluate the implementation and effectiveness of new internal controls instituted by the Group.
- To perform follow-up assessments on actions taken by Management in response to previous internal audit discoveries to ensure corrective measures have effectively addressed any reported issues or control weaknesses.

Several frameworks guide SGG's team to ensure a comprehensive audit.

1) **COSO Framework**: This involves a multi-dimensional assessment of the DC Group's control environment, risk assessment protocols, control activities, information and communication systems, and monitoring activities.
2) **IPPF Framework**: This framework focuses on ensuring that the DC Group's internal audit practices align with the global internal audit profession's ethical standards and guidelines.
3) **Compliance Review**: Conducts ongoing checks to ascertain compliance with relevant healthcare regulations, such as the Control of Drugs and Cosmetics Regulations 1984, LCP certification requirements, and guidelines issued by the Ministry of Health Malaysia. Additionally, the audit ensures adherence to the rules stipulated by Bursa Malaysia Securities Berhad and SC Malaysia.

During the financial year ended 31 December 2023, the internal audit function has conducted the following:-

(a) Review of the New Subsidiaires and Operational Efficiency

(b) Review of the General IT Controls

Upon the completion of the internal audit field work, internal audit reports were presented to the Audit and Risk Management Committee during its scheduled meetings. Internal audit findings and recommendations as well as management response and action plans are presented and deliberated during those meetings.

OTHER INTERNAL CONTROL PROCESSES

In addition to the risk management and internal audit functions, the Board has established an internal control framework to protect the company's assets, guarantee accurate accounting records, and ensure the provision of trustworthy financial and operational information for internal management as well as external reporting.

It is important to note that while these controls offer a significant level of assurance, they do not absolutely guarantee that there will be no errors, inaccuracies, losses, or violations of regulations.

There are three main categories of controls:

Preventive Controls: Responses to stop undesirable transactions, events, errors or incidents occurring.

Detective Controls: Responses to promptly reveal undesirable transactions, events, errors or incidents so that appropriate action can be taken.

Corrective Controls: Responses to reduce the consequences or damage arising from the crystallisation of a significant incident.

Statement on Risk Management and Internal Control (Cont'd)

OTHER INTERNAL CONTROL PROCESSES (CONT'D)

Key aspects of DC Healthcare's internal control system are outlined below:

- The ARMC and the Board conduct quarterly assessments of DC Healthcare's financial outcomes and operational matters to ensure the alignment with set objectives and address any areas requiring improvement.
- Weekly operations review meetings are convened to oversee the advancement of business functions, engage in critical discussions on prevailing issues, and establish necessary corrective actions.
- Operational guidelines and compliance benchmarks for various business units within the Group are systematically documented to provide clear operational direction and ensure adherence to established practices. These documents are regularly evaluated and updated as required to preserve their relevance and efficacy.
- Financial management and treasury activities are subject to stringent centralised control and are regularly monitored on a weekly, monthly, and quarterly rhythm, allowing for timely insights and financial stewardship.
- Authorisation thresholds are formally set for different tiers of personnel, thereby mitigating the risk of unauthorised transactions and reinforcing financial governance.
- Comprehensive monthly reports on key operational performance indicators and results for each subsidiary are compiled and reviewed by Management. These reports are instrumental for informed decision-making and strategic planning.

ADEQUACY AND EFFECTIVENESS OF RISK MANAGEMENT AND INTERNAL CONTROL

Throughout the financial year under review, and up until the date this statement was approved, the Board maintains that the risk management and internal control system in place within DC Healthcare is sufficiently robust and effective to the extent practicable. These systems serve to protect the interests and assets of the Group diligently. Going forward into the next financial year, the Board is committed to regularly evaluating the sufficiency and fortitude of DC Healthcare's internal control systems. It pledges to undertake necessary enhancements to these systems to ensure continued effectiveness and to address any emerging challenges or changes in the operational landscape.

DC Healthcare recognises the dynamic nature of risk and the need for vigilant and adaptive risk management and internal control systems. In light of this, the Board pledges to foster a culture of continuous improvement. This involves staying abreast of industry best practices, engaging with stakeholders to understand and mitigate risks proactively, and investing in staff training to heighten awareness and effectiveness in managing potential risks. The Board also understands the importance of aligning the internal control system with DC Healthcare's strategic objectives. This alignment ensures that as the healthcare landscape evolves, particularly with technological advancements and regulatory changes, the Group's risk management strategies and control mechanisms remain effective and relevant.

The Board has been reassured by the Managing Director, Executive Director, Chief Operating Officer and Chief Financial Officer that the Group's risk management and internal control systems are functioning sufficiently and efficiently in all material aspects, ensuring alignment with the Group's business goals for the financial year under review.

In conclusion, DC Healthcare's management and Board collectively take responsibility for ensuring that a solid framework of risk management and internal controls is not only established but also operates with efficacy and integrity. This statement reflects the collective assurance and the commitment of the Board and the senior management to uphold the highest standards of risk management and internal governance.

REVIEW OF STATEMENT BY EXTERNAL AUDITORS

Pursuant to Rule 15.23 of the AMLR of Bursa Securities, the External Auditors have reviewed this Statement. Their review was performed in accordance with Audit and Assurance Practice Guide 3 ("AAPG 3") issued by the Malaysian Institute of Accountants.

Based on their review, the External Auditors have reported to the Board that nothing has come to their attention that causes them to believe that this Statement is inconsistent with their understanding of the process and the review adopted by the Board on the adequacy and integrity of the risk management and internal control of the Group.

ADDITIONAL COMPLIANCE INFORMATION

UTILISATION OF PROCEEDS

The Company was listed on the Ace Market of Bursa Securities on 17 July 2023 in conjunction with its Initial Public Offering ("IPO"), where the Company undertook a public issue of 199,260,000 new ordinary shares at an issue price of RM0.25 per share, resulting in an entire enlarged issued share capital of the Company comprising of 996,300,000 ordinary shares. The proceeds raised from the IPO amounting to RM49,815,000 shall be utilised in the following manner:

Description of Utilisation	Proposed Utilisation	Actual Utilisation	Balance Utilisation	Estimated timeframe for Utilisation upon Listing
	RM'000	**RM'000**	**RM'000**	
Establishing new aesthetic medical clinics	9,440	4,249	5,191	Within 18 months
Purchase of new medical machines and equipment	13,124	4,356	8,768	Within 18 months
Repayment of borrowings	6,238	5,946	292	Within 6 months
Working capital	17,013	3,666	13,347	Within 36 months
Listing expenses	4,000	4,000	-	Within 1 month
Cash Consideration for proposed aquisition	-	-	-	
Total	49,815	22,217	27,598	

MATERIAL CONTRACTS

There was no Material Contract entered into by the Company and/or its Subsidiaries involving Directors' and Major Shareholders' Interest.

MATERIAL EVENTS

There were no other material events subsequent to the end of the current financial year that have not been reflected in this annual report.

STATEMENT OF DIRECTORS` RESPONSIBILITIES

The Directors are required by the Companies Act 2016 (“Act”) to prepare financial statements for each financial year. These are to be made out in accordance with the applicable approved accounting standards and to give a true and fair view of the state of affairs of the Group and the Company at the end of the financial year, as well as of the results and cash flows of the Group for the financial year.

In the preparation of these financial statements, the Directors have:

- Exercised diligent governance over the Group and Company’s strategic management.
- Adopted and applied appropriate accounting principles consistently.
- Made assessments and estimates that are prudent and reasonable.
- Conformed to all relevant accounting standards, subject to any material departure and explanation in the financial statements.
- Assessed the robustness and comprehensiveness of the internal control and management information systems.
- Adopted a going concern basis, substantiated by the Directors’ confident assertion post-enquiries, affirming the Group and Company’s capability to sustain operational existence in the projected future.

The Directors are responsible for maintaining accurate accounting records for the Group and the Company, ensuring these records reflect the financial status accurately and are compliant with the Act, Malaysian Financial Reporting Standards, International Financial Reporting Standards, and the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad.

Furthermore, the Directors are committed to safeguarding the assets of both entities. They actively establish systems to detect and prevent fraud and other irregularities, ensuring the ongoing integrity of all financial dealings and asset management.

The Directors are satisfied that in preparing the financial statements of the Group and the Company for the financial year ended 31 December 2023, the Group have used appropriate accounting policies and applied them consistently and are supported by reasonable and prudent judgements and estimates.

The Directors also consider that all applicable approved accounting standards have been complied with and further confirm that the financial statements have been prepared on a going concern basis.

FINANCIAL STATEMENTS

DIRECTORS` REPORT

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2023.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of its subsidiaries are disclosed in Note 11 to the financial statements. There have been no significant changes in the nature of these activities of the Group and of the Company during the financial year.

RESULTS

	Group RM	Company RM
Profit/(Loss) for the financial year, net of tax	2,504,068	(4,160,628)
Attributable to:		
Owners of the Company	2,504,068	(4,160,628)

DIVIDEND

No dividend has been paid or declared by the Company since the end of the previous financial year/period. The Directors do not recommend any dividend in respect of the current financial year.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than those disclosed in the financial statements.

ISSUANCE OF SHARES AND DEBENTURES

During the financial year, the Company has increased its issued and paid-up capital by way of:

(a) issuance of 797,039,000 new ordinary shares at an issue price of RM0.012 per ordinary share, for a total consideration of RM9,564,468 for the acquisition of subsidiaries as disclosed in Note 35 to the financial statements; and

(b) issuance of 199,260,000 new ordinary shares at an issue price of RM0.25 per ordinary share in conjunction with the Company's Initial Public Offering on the ACE market of Bursa Malaysia Securities Berhad, for a total cash consideration of RM49,815,000. The listing expenses arising from the issuance of new ordinary shares amounting to RM1,952,586 were offset against share capital.

The new ordinary shares issued during the financial year rank pari passu in all respects with the existing ordinary shares of the Company.

The entire issued and paid-up capital of the Company of 996,300,000 ordinary shares was listed and quoted on the ACE Market of Bursa Malaysia Securities Berhad on 17 July 2023.

There were no debentures issued during the financial year.

OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up unissued shares of the Company during the financial year.

DIRECTORS OF THE COMPANY

The Directors in office during the financial year and at the date of this report are:-

Datuk Dr. Mohd Noor Bin Awang
Dr. Chong Tze Sheng *
Dr. Lai Ngan Chee *
Rekha A/P Palanysamy
Sim Lee San
Yap Ee Ling

* *Directors of the Company and certain subsidiaries*

DIRECTORS' INTERESTS

According to the register of Directors' shareholdings, the interest of Directors in office at the end of financial year in shares or in debentures of the Company and its related corporations during the financial year were as follows:

	Number of ordinary shares			
	At 01.01.2023 Unit	**Acquired Unit**	**Sold Unit**	**At 31.12.2023 Unit**
Name of Directors				
Ordinary shares in the Company				
Direct interest:				
Datuk Dr. Mohd Noor Bin Awang	-	280,000	-	280,000
Dr. Chong Tze Sheng	600	106,455,300	(59,778,000)	46,677,900
Dr. Lai Ngan Chee	400	69,246,400	(39,852,000)	29,394,800
Rekha A/P Palanysamy	-	280,000	(280,000)	-
Sim Lee San	-	200,000	(200,000)	-
Yap Ee Ling	-	280,000	(210,000)	70,000
Indirect interest:				
Dr. Chong Tze Sheng ^	400	690,783,700	(39,852,000)	650,932,100
Dr. Lai Ngan Chee ^	600	727,992,600	(59,778,000)	668,215,200
Ordinary shares in the Holding Company - DC Healthcare Group Sdn. Berhad				
Direct interest:				
Dr. Chong Tze Sheng	6	-	-	6
Dr. Lai Ngan Chee	4	-	-	4

^ *Indirect interest by virtue of shares via shareholding in DC Healthcare Group Sdn. Berhad and held by his/her spouse pursuant to Section 197(2)(a) of the Companies Act 2016 in Malaysia.*

By virtue of their interest in shares in the Company, Dr. Chong Tze Sheng and Dr. Lai Ngan Chee are deemed to have interests in the shares of all the subsidiaries to the extent of the Company's and DC Healthcare Group Sdn. Berhad's interests, pursuant to Section 8 of the Companies Act 2016.

None of the other Directors in office at the end of the financial year had any interest in ordinary shares of the Company and its related corporations during the financial year.

Directors Report (Cont'd)

DIRECTORS' REMUNERATION AND BENEFITS

The amount of fees and other benefits paid to or receivable by the Directors or past Directors of the Company and the estimated money value of any other benefits received or receivable by them otherwise than in cash from the Company and its subsidiaries for their services to the Company and its subsidiaries were as follows:

	Company RM	Subsidiaries RM
Fees	368,000	-
Salaries, commissions and allowances	12,500	2,197,800
Defined contribution plan	-	408,081
Social security contributions	-	2,080
Contributions to employee insurance system	-	239
Total fees and other benefits	380,500	2,608,200

Since the end of the previous financial period, no Director of the Company has received nor become entitled to receive any benefit (other than Directors' emoluments received or due and receivable as disclosed in the financial statements or the fixed salary of a full-time employee of the company) 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, other than as disclosed in Note 30 to the financial statements.

There were no arrangements during or at the end of the financial year which had the object 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.

OTHER STATUTORY INFORMATION

(a) Before the statements of comprehensive income and statements of financial position of the Group and of the Company were made out, the Directors took reasonable steps:

(i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that all known bad debts had been written off and that provision need not be made for doubtful debts; and

(ii) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including their value as shown in the accounting records of the Group and of the Company have been written down to an amount which they might be expected so to realise.

(b) At the date of this report, the Directors are not aware of any circumstances:

(i) which would render the amount written off for bad debts inadequate to any substantial extent or necessitate the making of provision for doubtful debts;

(ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading;

(iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; or

(iv) not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements misleading.

(c) At the date of this report, there does not exist:

(i) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or

(ii) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

OTHER STATUTORY INFORMATION (Cont'd)

(d) In the opinion of the Directors:

(i) no contingent or other liability has become enforceable, or is likely to become enforceable, within the period of twelve months after the end of the financial year, which will or may affect the ability of the Group and of the Company to meet their obligations as and when they fall due;

(ii) the results of the operations of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature; and

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

(e) The total amount paid to or receivable by the auditors as remuneration for their services as auditors for the financial year from the Company and its subsidiaries are set out in Note 5 to the financial statements.

(f) There was no amount paid to or receivable by any third party in respect of the services provided to the Company or any of its subsidiaries by any Directors or past Director of the Company.

(g) The indemnity insurance coverage and insurance premium paid for the Directors and Officers of the Company and its subsidiaries were RM33,500,000 and RM31,224 respectively for a year from 1 January 2023 to 31 December 2023.

HOLDING COMPANY

The Directors regard DC Healthcare Group Sdn. Berhad, a company incorporated and domiciled in Malaysia as the holding company effective from 2 June 2023.

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

Details of significant events during the financial year are disclosed in Note 36 to the financial statements.

EVENT SUBSEQUENT TO THE END OF FINANCIAL YEAR

Details of significant event subsequent to the end of financial year are disclosed in Note 37 to the financial statements.

AUDITORS

The auditors, Messrs. Moore Stephens Associates PLT, have expressed their willingness to continue in office.

Approved and signed on behalf of the Board in accordance with a resolution of the Directors dated 23 April 2024.

DR. CHONG TZE SHENG

DR. LAI NGAN CHEE

STATEMENT BY DIRECTORS
PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016

We, the undersigned, being two of the Directors of the Company, do hereby state that, in the opinion of the Directors, the accompanying financial statements as set out on pages 86 to 137 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the Companies Act 2016 in Malaysia, so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2023 and of their financial performance and cash flows for the financial year then ended.

Approved and signed on behalf of the Board in accordance with a resolution of the Directors dated 23 April 2024.

DR. CHONG TZE SHENG

DR. LAI NGAN CHEE

STATUTORY DECLARATION
PURSUANT TO SECTION 251(1) OF THE COMPANIES ACT 2016

I, YONG YEW SUN (MIA No: 12950), being the Officer primarily responsible for the financial management of the Company, do solemnly and sincerely declare that the financial statements as set out on pages 86 to 137 are to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared
by the abovenamed at Kuala Lumpur
in the Federal Territory
on 23 April 2024.

YONG YEW SUN

Before me,

MOHAMAD ZULISWANDI BIN MOHAMED (W1006)
Commissioner of Oaths

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF DC HEALTHCARE HOLDINGS BERHAD

Registration No. : 202201014036 (1459733-P) (Incorporated in Malaysia)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of DC Healthcare Holdings Berhad, which comprise the statements of financial position as at 31 December 2023 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 86 to 137.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2023, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of Companies Act 2016 in Malaysia.

Basis for Opinion

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

Independence and Other Ethical Responsibilities

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

Key Audit Matter

Key audit matter is the matter that, in our professional judgement, were of most significant in our audit of the financial statements of the Group and of the Company for the current year. This matter was addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

<u>Impairment assessment on investment in a subsidiary</u>

As at 31 December 2023, as shown in Note 11 to the financial statements, the carrying amount of the investments in subsidiaries of the Company amounted to RM25,692,625. The carrying amount of investment in a subsidiary amounted to RM4,691,625 had noted indication of impairment and accordingly, the Company estimated the recoverable amount of the investment in the subsidiary based on the Fair Value Less Costs to Sell ("FVLCTS") method using discounted cash flows projection derived from the most recent financial projection approved by the management.

We have identified the impairment review of investment in the subsidiary as key audit matter as impairment test involves significant judgement in estimating the underlying assumptions to be applied in the discounted cash flows projection. The recoverable amount of investment in the subsidiary is highly sensitive to key assumptions applied in respect of future revenue growth rate and the discount rate used in the cash flows projection.

In addressing the matter above, we have performed the following audit procedures: -

- Evaluated and challenged the appropriateness and reasonableness of the key assumptions applied to key inputs which included comparing these inputs with externally derived data as well as our own assessment based on our knowledge of the business, taking into consideration the current, future market economic condition;
- Tested the mathematical accuracy of the discounted future cash flows calculation; and
- Assessed adequacy of disclosures in the financial statements.

Independent Auditors' Report (Cont'd)

to the Members of DC HEALTHCARE HOLDINGS BERHAD

Registration No. : 202201014036 (1459733-P) (Incorporated in Malaysia)

Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of the Company are responsible for the other information. The other information comprises the information included in the Annual Report but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

(a) Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

(b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.

(c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

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

(d) Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

(e) Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

(f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matter. We describe this matter in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

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.

MOORE STEPHENS ASSOCIATES PLT
201304000972 (LLP0000963-LCA)
Chartered Accountants (AF002096)

TAN KEI HUI
03429/04/2025 J
Chartered Accountant

Petaling Jaya, Selangor
Date: 23 April 2024

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

		Group		Company	
	Note	01.01.2023 to 31.12.2023 RM	01.01.2022 to 31.12.2022[1] RM	01.01.2023 to 31.12.2023 RM	18.04.2022 to 31.12.2022 RM
Revenue	4	67,700,529	51,964,464	-	-
Cost of sales		(29,291,698)	(22,756,856)	-	-
Gross profit		38,408,831	29,207,608	-	-
Other income		655,853	236,433	376,175	-
Staff costs		(10,229,309)	(4,135,209)	(380,500)	(89,161)
Administrative and other expenses		(22,350,729)	(11,796,240)	(4,156,303)	(21,780)
Profit/(Loss) from operations		6,484,646	13,512,592	(4,160,628)	(110,941)
Finance costs		(1,518,487)	(934,601)	-	-
Profit/(Loss) before tax	5	4,966,159	12,577,991	(4,160,628)	(110,941)
Tax expense	6	(2,462,091)	(3,019,214)	-	-
Profit/(Loss) for the financial year/period, representing total comprehensive income for the financial year/period		2,504,068	9,558,777	(4,160,628)	(110,941)
Earnings per share attributable to Owners of the Company					
Basic and diluted (sen)	7	0.28	1.20		

[1] *As explained in Note 35, the comparative figures of the Group's financial statements are presented as if the IPO reorganisation had occurred before the start of the earliest period presented.*

The annexed notes form an integral part of, and should be read in conjunction with, these financial statements.

STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023

		Group		Company	
		2023	2022[1]	2023	2022
	Note	RM	RM	RM	RM
ASSETS					
Non-current assets					
Plant and equipment	8	30,064,643	11,040,716	-	-
Right-of-use assets	9	22,937,757	21,920,473	-	-
Investment property	10	-	-	-	-
Investments in subsidiaries	11	-	-	25,692,625	-
Deferred tax assets	12	433,117	278,181	-	-
		53,435,517	33,239,370	25,692,625	-
Current assets					
Inventories	13	3,781,806	1,852,491	-	-
Trade receivables	14	607,629	410,284	-	-
Other receivables, deposits and prepayments	15	10,711,886	5,021,631	4,982,476	2,010,963
Tax recoverable		285,313	120,155	-	-
Short-term funds	16	23,971,511	-	23,971,511	-
Fixed deposits with licensed banks	17	111,242	1,570,340	-	-
Cash and bank balances		6,260,323	6,103,218	8,249	1,938
		45,729,710	15,078,119	28,962,236	2,012,901
TOTAL ASSETS		99,165,227	48,317,489	54,654,861	2,012,901
EQUITY AND LIABILITIES					
Equity					
Share capital	18	57,427,882	1,000	57,427,882	1,000
Invested equity	18	-	800,300	-	-
Capital contribution from former holding company of subsidiaries	19	-	1,030,000	-	-
Reorganisation reserve	20	(8,764,168)	-	-	-
Retained earnings/(Accumulated losses)		15,720,293	13,216,225	(4,271,569)	(110,941)
Total equity		64,384,007	15,047,525	53,156,313	(109,941)

Statements of Financial Position (Cont'd)

As At 31 December 2023

		Group		Company	
		2023	2022[1]	2023	2022
	Note	RM	RM	RM	RM
Non-current liabilities					
Lease liabilities	21	17,856,113	16,216,645	-	-
Borrowings	22	-	2,081,547	-	-
Provision	23	158,943	30,521	-	-
Deferred tax liabilities	12	455,177	64,318	-	-
		18,470,233	18,393,031	-	-
Current liabilities					
Trade payables	24	1,206,417	1,309,185	-	-
Other payables and accruals	25	5,527,486	2,892,015	413,288	221,625
Contract liabilities	26	3,709,441	2,948,131	-	-
Amounts due to related companies	27	-	-	-	1,901,217
Amount due to former holding company of subsidiaries	27	-	159,982	-	-
Amount due to a subsidiary	27	-	-	1,085,260	-
Lease liabilities	21	5,311,995	5,049,769	-	-
Borrowings	22	-	626,251	-	-
Tax payable		555,648	1,891,600	-	-
		16,310,987	14,876,933	1,498,548	2,122,842
Total liabilities		34,781,220	33,269,964	1,498,548	2,122,842
TOTAL EQUITY AND LIABILITIES		99,165,227	48,317,489	54,654,861	2,012,901

(1) *As explained in Note 35, the comparative figures of the Group's financial statements are presented as if the IPO reorganisation had occurred before the start of the earliest period presented.*

The annexed notes form an integral part of, and should be read in conjunction with, these financial statements.

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Note	Share capital RM	Invested equity RM	Capital contribution from former holding company of subsidiaries RM	Reorganisation reserve RM	Distributable retained earnings RM	Total equity RM
Group							
At 1 January 2022[(1)]		-	300,220	1,040,000	-	6,657,448	7,997,668
Profit net of tax, representing total comprehensive income for the financial year		-	-	-	-	9,558,777	9,558,777
Transactions with Owners of the Company:							
Incorporation of the Company[(2)]	18	1,000	-	-	-	-	1,000
Issuance of ordinary shares by subsidiaries		-	500,080	(410,000)	-	-	90,080
Capital contribution from former holding company of subsidiaries		-	-	400,000	-	-	400,000
Dividends paid to former shareholders of a subsidiary	28	-	-	-	-	(3,000,000)	(3,000,000)
Total transactions with Owners of the Company		1,000	500,080	(10,000)	-	(3,000,000)	(2,508,920)
At 31 December 2022		1,000	800,300	1,030,000	-	13,216,225	15,047,525
At 1 January 2023		1,000	800,300	1,030,000	-	13,216,225	15,047,525
Profit net of tax, representing total comprehensive income for the financial year		-	-	-	-	2,504,068	2,504,068
Transactions with Owners of the Company:							
Effect of IPO reorganisation[(3)]	35	9,564,468	(800,300)	-	(8,764,168)	-	-
Repayment of capital contribution from former holding company of subsidiaries		-	-	(1,030,000)	-	-	(1,030,000)
Issuance of ordinary shares	18	49,815,000	-	-	-	-	49,815,000
Shares issuance expenses	18	(1,952,586)	-	-	-	-	(1,952,586)
Total transactions with Owners of the Company		57,426,882	(800,300)	(1,030,000)	(8,764,168)	-	46,832,414
At 31 December 2023		57,427,882	-	-	(8,764,168)	15,720,293	64,384,007

(1) *As explained in Note 35, the comparative figures of the Group's financial statements are presented as if the IPO reorganisation had occurred before the start of the earliest period presented.*

(2) *The Company was incorporated with an issued and fully paid-up capital of RM1,000 consisting of 1,000 ordinary shares on 18 April 2022.*

(3) *The effect of restructuring arose from the IPO reorganisation as explained in Note 35.*

Statements of Changes in Equity (Cont'd)

For The Financial Year Ended 31 December 2023

	Note	Share capital RM	Accumulated losses RM	Total equity RM
Company				
At 18 April 2022 (date of incorporation)		1,000	-	1,000
Loss net of tax, representing total comprehensive income for the financial period		-	(110,941)	(110,941)
At 31 December 2022		1,000	(110,941)	(109,941)
At 1 January 2023		1,000	(110,941)	(109,941)
Loss net of tax, representing total comprehensive income for the financial year		-	(4,160,628)	(4,160,628)
Transactions with Owners of the Company:				
Effect of IPO reorganisation[1]	35	9,564,468	-	9,564,468
Issuance of ordinary shares	18	49,815,000	-	49,815,000
Shares issuance expenses		(1,952,586)	-	(1,952,586)
Total transactions with Owners of the Company		57,426,882	-	57,426,882
At 31 December 2023		57,427,882	(4,271,569)	53,156,313

[1] *The effect of restructuring arose from the IPO reorganisation as explained in Note 35.*

The annexed notes form an integral part of, and should be read in conjunction with, these financial statements.

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Note	Group		Company	
		01.01.2023 to 31.12.2023 RM	**01.01.2022 to 31.12.2022[(1)] RM**	**01.01.2023 to 31.12.2023 RM**	**18.04.2022 to 31.12.2022 RM**
Cash Flows from Operating Activities					
Profit/(Loss) before tax		4,966,159	12,577,991	(4,160,628)	(110,941)
Adjustments for:					
Depreciation of investment property		-	11,869	-	-
Depreciation of plant and equipment		2,030,962	948,299	-	-
Depreciation of right-of-use assets		5,347,460	3,580,522	-	-
Loss on disposal of plant and equipment		18,795	-	-	-
Gain on disposal of investment property		-	(19,348)	-	-
Gain on lease termination		(9,182)	(5,020)	-	-
Gain on lease modification		(36,537)	-	-	-
Waiver of lease liabilities		(184,308)	(62,300)	-	-
Written off of plant and equipment		20,748	33,646	-	-
Written off of deposit		37,600	13,000	-	-
Written off of other receivable		56,900	-	-	-
Interest income		(392,639)	(33,748)	(371,511)	-
Interest expense		1,518,487	934,601	-	-
Operating profit/(loss) before working capital changes		13,374,445	17,979,512	(4,532,139)	(110,941)
Changes in working capital:					
Contract liabilities		761,310	(6,832)	-	-
Inventories		(1,929,315)	(972,995)	-	-
Receivables		(5,982,100)	(3,308,663)	(2,971,513)	(2,010,963)
Payables		2,532,703	1,507,598	191,663	221,625
Cash generated from/(used in) operations		8,757,043	15,198,620	(7,311,989)	(1,900,279)
Income tax paid		(3,727,278)	(2,380,844)	-	-
Income tax refunded		-	131,285	-	-
Interest received		392,639	33,748	371,511	-
Interest paid		(1,513,309)	(933,693)	-	-
Net cash from/(used in) operating activities		3,909,095	12,049,116	(6,940,478)	(1,900,279)
Cash Flows from Investing Activities					
Purchase of plant and equipment		(16,313,109)	(7,036,637)	-	-
Proceeds from disposal of plant and equipment		112,001	1,781	-	-
Proceeds from disposal of investment property		-	750,000	-	-
Addition of right-of-use assets		-	(60,016)	-	-
Acquisition of subsidiaries	35	-	-	(2)	-
Incorporation of a subsidiary	11	-	-	(1,000)	-
Changes in fixed deposits pledged		(111,242)	-	-	-
Net advances to subsidiaries		-	-	(16,127,155)	-
Net cash used in investing activities		(16,312,350)	(6,344,872)	(16,128,157)	-

Statements of Cash Flows (Cont'd)

For The Financial Year Ended 31 December 2023

	Note	Group 01.01.2023 to 31.12.2023 RM	Group 01.01.2022 to 31.12.2022[1] RM	Company 01.01.2023 to 31.12.2023 RM	Company 18.04.2022 to 31.12.2022 RM
Cash Flows from Financing Activities					
Dividends paid		-	(3,000,000)	-	-
Proceeds from issuance of ordinary shares, net of shares issuance expenses	18	47,862,414	1,000	47,862,414	-
Proceeds from issuance of ordinary shares by subsidiaries		-	500,080	-	-
Capital contribution from former holding company of subsidiaries		-	(10,000)	-	-
Repayment of capital contribution to former holding company of subsidiaries		(1,030,000)	-	-	-
Net repayment to a Director	(iii)	-	(226,730)	-	-
Net (repayment to)/advances from former holding company of subsidiaries	(iii)	(159,982)	159,982	-	-
Net advances from a subsidiary	(iii)	-	-	1,085,260	-
Net (repayment to)/advances from related companies	(iii)	-	-	(1,901,217)	1,901,217
Net repayment of lease liabilities	(ii),(iii)	(9,003,103)	(4,266,204)	-	-
Net repayment of term loans	(iii)	(2,707,798)	(1,255,842)	-	-
Net cash from/(used in) financing activities		34,961,531	(8,097,714)	47,046,457	1,901,217
Net increase/(decrease) in cash and cash equivalents		22,558,276	(2,393,470)	23,977,822	938
Cash and cash equivalents at beginning of the financial year/date of incorporation		7,673,558	10,067,028	1,938	1,000
Cash and cash equivalents at end of the financial year/period	(i)	30,231,834	7,673,558	23,979,760	1,938

[1] *As explained in Note 35, the comparative figures of the Group's financial statements are presented as if the IPO reorganisation had occurred before the start of the earliest period presented.*

Notes:

(i) Cash and cash equivalents comprised of the following:

	Group 2023 RM	Group 2022 RM	Company 2023 RM	Company 2022 RM
Short-term funds	23,971,511	-	23,971,511	-
Fixed deposits with licensed banks	111,242	1,570,340	-	-
Cash and bank balances	6,260,323	6,103,218	8,249	1,938
	30,343,076	7,673,558	23,979,760	1,938
Less: Fixed deposits pledged as security	(111,242)	-	-	-
	30,231,834	7,673,558	23,979,760	1,938

Notes: (Cont'd)

(ii) Cash outflows for leases as a lessee are as follows:

	Group 2023 RM	Group 2022 RM	Company 2023 RM	Company 2022 RM
Included in net cash from operating activities:				
Interest paid in relation to lease liabilities	(1,214,566)	(737,170)	-	-
Payment relating to short-term leases	(19,800)	(59,385)	-	-
Variable lease payments	(23,103)	-	-	-
Included in net cash used in financing activities:				
Payment for principal portion of lease liabilities	(9,003,103)	(4,266,204)	-	-
Total cash outflows for leases	(10,181,142)	(5,062,759)	-	-

(iii) Reconciliation of movements of liabilities to cash flows arising from financing activities:

	Amounts due to former holding company of subsidiaries RM	Lease liabilities RM	Term loans RM
Group			
2023			
At 1 January 2023	159,982	21,266,414	2,707,798
Interest expense	-	1,214,566	298,743
Repayment to	(159,982)	(10,217,669)	(3,006,541)
Net changes from financing cash flows	(159,982)	(9,003,103)	(2,707,798)
New leases	-	11,414,821	-
Lease termination	-	(167,396)	-
Lease modification	-	(158,320)	-
Waiver of lease liabilities	-	(184,308)	-
At 31 December 2023	-	23,168,108	-

Statements of Cash Flows (Cont'd)

For The Financial Year Ended 31 December 2023

Notes: (Cont'd)

(iii) Reconciliation of movements of liabilities to cash flows arising from financing activities: (Cont'd)

	Amounts due to former holding company of subsidiaries RM	Amounts due to a Director RM	Lease liabilities RM	Term loans RM
Group (cont'd)				
2022				
At 1 January 2022	-	226,730	13,554,824	3,963,640
Advances from/(Repayment to)	159,982	(226,730)	(5,003,374)	(1,452,365)
Interest expense	-	-	737,170	196,523
Net changes from financing cash flows	159,982	(226,730)	(4,266,204)	(1,255,842)
New leases	-	-	12,117,782	-
Lease termination	-	-	(77,688)	-
Waiver of lease liabilities	-	-	(62,300)	-
At 31 December 2022	159,982	-	21,266,414	2,707,798

	Amounts due to related companies RM	Amount due to a subsidiary RM
Company		
2023		
At 1 January 2023	1,901,217	-
Repayment to	(1,901,217)	-
Advances to	-	(5,150,118)
Assignment of debts	-	6,235,378
Net changes from financing cash flows	(1,901,217)	1,085,260
At 31 December 2023	-	1,085,260
2022		
At 18 April 2022 (date of incorporation)	-	-
Advances from, representing net changes from financing cash flows	1,901,217	-
At 31 December 2022	1,901,217	-

The annexed notes form an integral part of, and should be read in conjunction with, these financial statements.

1. CORPORATE INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia and was listed on the ACE market of Bursa Malaysia Securities Berhad on 17 July 2023.

The registered office of the Company is located at B-21-1, Level 21, Tower B, Northpoint Mid Valley City, No. 1, Medan Syed Putra Utara, 59200 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur.

The principal place of business of the Company is located at Suite 22.01, 22.02 & 22.05, Level 22, Centrepoint South, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur.

The Company is an investment holding company. The principal activities of its subsidiaries are disclosed in Note 11. There have been no significant changes in the nature of these activities of the Group and of the Company during the financial year.

The Directors regard DC Healthcare Group Sdn. Berhad, a company incorporated and domiciled in Malaysia as the holding company effective from 2 June 2023.

The financial statements were authorised for issue in accordance with a Board of Directors' resolution dated 23 April 2024.

2. BASIS OF PREPARATION

(a) Statement of compliance

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

The Group and the Company have also considered the new accounting pronouncements in the preparation of the financial statements as below:

(i) Accounting pronouncements that are effective and adopted during the financial year

MFRS 17	Insurance Contracts
Amendments to MFRS 17	Insurance Contracts
Amendments to MFRS 17	Initial Application of MFRS 17 and MFRS 9 — Comparative Information
Amendments to MFRS 101 and MFRS Practice Statement 2	Disclosure of Accounting Policies
Amendments of MFRS 108	Definition of Accounting Estimates
Amendments to MFRS 112	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to MFRS 112	International Tax Reform – Pillar Two Model Rules

Other than those disclosed in Note 3, the adoption of the above accounting pronouncements did not have any significant effect on the financial statements of the Group and of the Company.

2. BASIS OF PREPARATION (CONT'D)

(a) Statement of compliance (Cont'd)

(ii) Accounting pronouncements that are issued but not yet effective and have not been early adopted

The Group and the Company have not adopted the following new accounting pronouncements that have been issued as at the date of authorisation of these financial statements but are not yet effective for the Group and the Company:-

Effective for financial periods beginning on or after 1 January 2024

Amendments to MFRS 16	Lease Liability in a Sale and Leaseback
Amendments to MFRS 101	Non-current Liabilities with Covenants and Classification of Liabilities as Current or Non-Current
Amendments to MFRS 107 and MFRS 7	Supplier Finance Arrangements

Effective for financial periods beginning on or after 1 January 2025

Amendments to MFRS 121	Lack of Exchangeability

Effective date to be announced

Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The Group and the Company will adopt the above accounting pronouncements when they become effective in the respective financial periods. These accounting pronouncements are not expected to have any effect to the financial statements of the Group and the Company upon their initial applications.

(b) Basis of measurement

The financial statements of the Group and of the Company have been prepared on the historical cost convention except for those as disclosed in the respective notes.

(c) Functional and presentation currency

The individual financial statements of each entity in the Group are presented in Ringgit Malaysia ("RM"), which is the Group's and the Company's functional currency.

(d) Significant accounting estimates and judgements

The preparation of the financial statements in conformity with MFRSs requires management to make judgements, estimates and assumptions that affects the application of accounting policies and the reported amounts of assets, liabilities, income and expenses.

Estimates, assumptions concerning the future and judgements are made in the preparation of the financial statements. They affect the application of the Group's and of the Company's accounting policies and reported amounts of assets, liabilities, income and expenses, and disclosures made. Estimates and underlying assumptions are assessed on an ongoing basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances. The actual results may differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results.

2. BASIS OF PREPARATION (CONT'D)

(d) Significant accounting estimates and judgements (Cont'd)

The key assumptions concerning the future and other key sources of estimation or uncertainty at the end of the reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are set out below.

(i) Income taxes (Note 6)
(ii) Depreciation of plant and equipment (Note 8)
(iii) Determination of the lease term (Note 9)
(iv) Estimation of the incremental borrowing rate (Note 9)
(v) Carrying value of investments in subsidiaries (Note 11)
(vi) Deferred tax assets and liabilities (Note 12)

3. MATERIAL ACCOUNTING POLICIES

The Group and the Company have adopted amendments to MFRS 101, *Presentation of Financial Statements* and MFRS Practice Statement 2 – *Making Materiality Judgements* from 1 January 2023. The amendments require the disclosure of 'material', rather than 'significant', accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements.

Although the amendments did not result in any changes to the Group's and the Company's accounting policies, it impacted the accounting policy information disclosed in the financial statements. The material accounting policy information is disclosed in the respective notes to the financial statements where relevant.

The accounting policies set out below have been applied consistently to the periods presented in these financial statements, and have been applied consistently by the Group and the Company, unless otherwise stated.

(a) Basis of consolidation

(i) Subsidiaries

Subsidiaries are entities controlled by the Company. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Potential voting rights are considered when assessing control only when such rights are substantive. The Group also considers it has de facto power over an investee when, despite not having the majority of voting rights, if it has the current ability to direct the activities of the investee that significantly affect the investee's return.

In the Company's separate financial statements, the investment in subsidiaries is accounted for at cost less impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in the profit or loss.

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

(a) Basis of consolidation (Cont'd)

(ii) Business Combinations

Business combinations are accounted for using the acquisition method from the acquisition date, which is the date on which control is transferred to the Group.

For new acquisitions, the Group measures the cost of goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

For each business combination, the Group elects whether it measures the non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets at the acquisition date.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

(iii) Entities under common control

For acquisition of entities under a reorganisation scheme that does not result in any change in economic substance, the consolidated financial statements of the Company is a continuation of the acquired entities and is accounted for as follows:

- The results of entities are presented as if the reorganisation occurred from the beginning of the earliest period presented in the financial statements;
- The Company will consolidate the assets and liabilities of the acquired entities at their pre-combination carrying amounts. No adjustments are made to reflect fair values, or recognise any new assets or liabilities, at the date of the reorganisation that would otherwise be done under the acquisition method; and
- No new goodwill is recognised as a result of the reorganisation. The only goodwill that is recognised is the existing goodwill relating to the combining entities. Any difference between the consideration paid/transferred and the equity acquired is reflected within equity as reorganisation reserve or deficit.

(iv) Loss of control

Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities of the former subsidiary, any non-controlling interests and the other components of equity related to the former subsidiary from the consolidated statement of financial position. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the former subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an equity-accounted investee or as a financial asset depending on the level of influence retained.

(v) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

(b) Financial instruments

(i) Initial recognition and measurement

A financial asset or a financial liability is recognised in the statements of financial position when, and only when, the Group or the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without significant financing component) or a financial liability is initially measured at fair value plus or minus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issuance. A trade receivable without a significant financing component is initially measured at the transaction price.

(ii) Financial instrument categories and subsequent measurement

The Group and the Company categorise financial instruments as follows:

Financial assets

Categories of financial assets are determined on initial recognition and are not reclassified subsequent to their initial recognition unless the Group and the Company change their business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change of the business model.

Amortised cost

Amortised cost category comprises financial assets that are held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The financial assets are not designated as fair value through profit or loss. Subsequent to initial recognition, these financial assets are measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Interest income is recognised by applying effective interest rate to the gross carrying amount except for credit impaired financial assets.

All financial assets are subject to impairment assessment (see Note 3(c)(i)).

Financial liabilities

The category of financial liabilities at initial recognition is as follows:

Amortised cost

Other financial liabilities not categorised as fair value through profit or loss are subsequently measured at amortised cost using the effective interest method.

Interest expense and foreign exchange gains and losses are recognised in the profit or loss. Any gains or losses on derecognition are also recognised in the profit or loss.

(iii) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statements of financial position when, and only when, the Group and the Company currently have a legally enforceable right to set off the amounts and they intends either to settle them on a net basis or to realise the asset and liability simultaneously.

Notes to the Financial Statements (Cont'd)

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

(b) Financial instruments (Cont'd)

(iv) Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due. Financial guarantee contracts are recognised initially at fair value plus transaction costs and thereafter, at the higher of the best estimate of the expenditure required to settle the present obligation at the end of the reporting period and the amounts initially recognised less cumulative amortisation recognised.

(v) Regular way purchase or sale of financial assets

A regular way purchase or sale is a purchase or sale of a financial asset under a contract whose terms require delivery of the asset within the time frame established generally by regulation or convention in the market place concerned.

A regular way purchase or sale of financial assets is recognised and derecognised, as applicable, using trade date accounting. Trade date accounting refers to:

(a) the recognition of an asset to be received and the liability to pay for it on the trade date, and
(b) derecognition of an asset that is sold, recognition of any gain or loss on disposal and the recognition of a receivable from the buyer for payment on the trade date.

(vi) Derecognition

A financial asset or part of it is derecognised when, and only when the contractual rights to the cash flows from the financial asset expire or control of the asset is not retained or substantially all of the risks and rewards of ownership of the financial asset are transferred to another party. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in equity is recognised in profit or loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged, cancelled or expires. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

(c) Impairment of assets

(i) Financial assets

The Group and the Company recognise loss allowances for expected credit losses ("ECLs") on financial assets measured at amortised cost, contract assets and lease receivables. Expected credit losses are a probability-weighted estimate of credit losses.

Loss allowances of the Group and the Company are measured on either of the following bases:

(i) 12-month ECLs – represents the ECLs that result from default events that are possible within the 12 months after the reporting date (or for a shorter period if the expected life of the instrument is less than 12 months); or

(ii) Lifetime ECLs – represents the ECLs that will result from all possible default events over the expected life of a financial instrument or contract asset.

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

(c) Impairment of assets (Cont'd)

(i) Financial assets (Cont'd)

The impairment methodology applied depends on whether there has been a significant increase in credit risk.

Simplified approach – trade receivables

The Group applies the simplified approach to provide ECLs for all trade receivables as permitted by MFRS 9. The simplified approach required expected lifetime losses to be recognised from initial recognition of the receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where applicable.

General approach – other financial instruments

The Group and the Company apply the general approach to provide for ECLs on all other financial instruments, which requires the loss allowance to be measured at an amount equal to 12-month ECLs at initial recognition.

At each reporting date, the Group and the Company assess whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECLs. In assessing whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group and the Company consider reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's and the Company's historical experience and informed credit assessment and including forward looking information, where available.

If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instruments improves such that there is no longer a significant increase in credit risk since initial recognition, loss allowance is measured at an amount equal to increase in 12-month ECLs.

Credit impaired financial assets

At each reporting date, the Group and the Company assess whether financial assets carried at amortised cost is credit impaired. A financial asset is credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit impaired includes the observable data about the following events:

- Significant financial difficulty of the borrower or issuer;
- A breach of contract such as a default or significant past due event;
- The lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider (eg. the restructuring of a loan or advance by the Group and the Company on terms that the Group and the Company would not consider otherwise);
- It is becoming probable that the borrower will enter bankruptcy or others financial reorganisation; or
- The disappearance of an active market for security because of financial difficulties.

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

(c) Impairment of assets (Cont'd)

(i) Financial assets (Cont'd)

Write-off policy

The gross carrying amount of a financial asset is written off (either partially or full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group and the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's and the Company's procedures for recovery of amounts due. Any recoveries made are recognised in profit or loss.

(ii) Non-financial assets

The carrying amounts of non-financial assets (excepts for inventories) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised immediately in profit or loss, unless the asset is carried at a revalued amount, in which such impairment loss is recognised directly against any revaluation surplus for the asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same asset. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups.

The recoverable amount of an asset or cash-generating units is the greater of its value in use and its fair value less costs to sell. 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.

Assets that were previously impaired are reviewed for possible reversal of the impairment at the end of each reporting period. Any subsequent increase in recoverable amount is recognised in the profit or loss unless it reverses an impairment loss on a revalued asset in which case it is taken to revaluation reserve. Reversal of impairment loss is restricted by the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years.

4. REVENUE

	Group	
	01.01.2023 to 31.12.2023 RM	**01.01.2022 to 31.12.2022 RM**
Revenue from contracts with customers		
Recognised over time		
- Aesthetic services	58,056,860	45,052,535
Recognised at point in time		
- General medical services	6,959,852	5,219,204
- Sales of goods	2,683,817	1,692,725
	67,700,529	51,964,464

4.1 Material accounting policy information

(a) Aesthetic services

The Group provides aesthetic services including facial and skin treatments, facial sculpting, body contouring and hair growth and removal. The customer generally enters into contract with the Group for aesthetic service packages in which the Group charges an upfront fixed fee with contract period between 3 months to 24 months. While the packages generally have a contract period of 24 months, the Group also offers promotional packages during festive period with shorter validity period ranging from 3 months to 6 months.

Revenue is recognised over time throughout the contract period when performance obligation in the contract has been provided to the customers. The upfront fixed fee received in advance prior to the fulfilment of performance obligation are recognised as deferred revenue and included in contract liabilities as disclosed in Note 26.

(b) General medical services

The Group provides a range of general medical consultation services which include annual health check-ups or providing an assessment to address any existing health concerns of the customers including skin disease treatment.

Revenue is recognised at a point in time as the Group primarily generates revenue through one-time payments by the customers after the provision of medical services.

(c) Sales of goods

The Group provides sale of skincare products to complement and support the aesthetic services.

Revenue on the sale of goods is recognised at point in time when the significant risks and rewards of ownership of the goods have been transferred to the customer. Revenue is not recognised to the extent that there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

Notes to the Financial Statements (Cont'd)

5. PROFIT/(LOSS) BEFORE TAX

Profit/(loss) before tax is arrived at after charging/(crediting):

	Group		Company	
	01.01.2023 to 31.12.2023 RM	01.01.2022 to 31.12.2022 RM	01.01.2023 to 31.12.2023 RM	18.04.2022 to 31.12.2022 RM
Auditors' remuneration				
- current year	251,000	185,000	50,000	4,000
- others	785,000	-	762,000	-
Depreciation of investment property	-	11,869	-	-
Depreciation of plant and equipment	2,030,962	948,299	-	-
Depreciation of right-of-use assets	5,347,460	3,580,522	-	-
Employee benefits expense [Note (a)]	31,049,853	20,838,266	380,500	89,161
Expenses relating to short-term leases	19,800	59,385	-	-
Variable lease expenses	23,103	-	-	-
Gain on disposal of investment property	-	(19,348)	-	-
Gain on lease termination	(9,182)	(5,020)	-	-
Gain on lease modification	(36,537)	-	-	-
Initial public offering ("IPO") expenses	2,047,414	-	2,047,414	-
Interest expense on: [Note (b)]				
- lease liabilities	1,135,136	737,170	-	-
- term loans	133,883	196,523	-	-
- penalty on early settlement of term loans	164,860	-	-	-
- penalty on early settlement of lease liabilities	79,430	-	-	-
Unwinding of interest on provision for restoration costs	5,178	908	-	-
Interest income on: [Note (c)]				
- bank balances	(3,343)	-	(3,343)	-
- fixed deposits with licensed banks	(21,128)	(33,748)	-	-
- short-term funds	(368,168)	-	(368,168)	-
Loss on disposal of plant and equipment	18,795	-	-	-
Realised loss/(gain) on foreign exchange	32,881	(427)	-	-
Rental income [Note (d)]	-	(23,823)	-	-
Wages subsidies [Note (e)]	-	(53,200)	-	-
Waiver of lease liabilities	(184,308)	(62,300)	-	-
Write off of deposit	37,600	13,000	-	-
Write off of other receivable	56,900	-	-	-
Write off of plant and equipment	20,748	33,646	-	-

5. PROFIT/(LOSS) BEFORE TAX (CONT'D)

(a) Employee benefits expense:

	Group		Company	
	01.01.2023 to 31.12.2023 RM	**01.01.2022 to 31.12.2022 RM**	**01.01.2023 to 31.12.2023 RM**	**18.04.2022 to 31.12.2022 RM**
Staff costs				
- Salaries, commissions and allowances	24,915,409	16,557,323	-	-
- Defined contribution plan	2,930,022	1,817,066	-	-
- Social security contributions	194,006	129,852	-	-
- Contributions to employee insurance system	21,716	14,585	-	-
	28,061,153	18,518,826	-	-
Directors' remuneration				
- Fees	368,000	85,161	368,000	85,161
- Salaries, commissions and allowances	2,210,300	1,876,500	12,500	4,000
- Defined contribution plan	408,081	355,775	-	-
- Social security contributions	2,080	1,798	-	-
- Contributions to employee insurance system	239	206	-	-
	2,988,700	2,319,440	380,500	89,161
	31,049,853	20,838,266	380,500	89,161

The employee benefits expense is included in the line items of "cost of sales" and "staff costs" in the statements of comprehensive income.

(b) Interest expense

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in the profit or loss using the effective interest method.

(c) Interest income

Interest income is recognised on a time proportional basis that reflects the effective yield on asset.

(d) Rental income

Rental income is accounted for on a straight line basis over the lease terms.

(e) Wage subsidies

This relates to wage subsidies granted by the Government of Malaysia to the Group.

6. TAX EXPENSE

	Group		Company	
	01.01.2023 to 31.12.2023 RM	**01.01.2022 to 31.12.2022 RM**	**01.01.2023 to 31.12.2023 RM**	**18.04.2022 to 31.12.2022 RM**
Income tax:				
- Current year	2,534,917	2,877,667	-	-
- Overprovision in prior year/period	(308,749)	(5,854)	-	-
	2,226,168	2,871,813	-	-
Deferred tax (Note 12):				
- Relating to origination and reversal of temporary differences	69,297	162,062	-	-
- Under/(Over)provision in prior year/period	166,626	(14,661)	-	-
	235,923	147,401	-	-
Tax expense for the financial year/period	2,462,091	3,019,214	-	-

Income tax is calculated at the Malaysian statutory tax rate of 24% (2022: 24%) of the estimated assessable results for the financial year/period.

In prior year, the Group being a resident company incorporated in Malaysia with paid-up capital up to RM2.5 million at the beginning of the basis period for a year of assessment and its gross income from business sources not exceeding RM50 million qualified for the preferential tax rate under Paragraph 2A, Schedule 1 of the Income Tax Act, 1967 ("ITA 1967") as follows:

- On the first RM600,000 chargeable income: 17%
- In excess of RM600,000 chargeable income: 24%

6. TAX EXPENSE (CONT'D)

The reconciliation from the tax amount at statutory income tax rate to the Group's and the Company's tax expense is as follows:

	Group		Company	
	01.01.2023 to 31.12.2023 RM	**01.01.2022 to 31.12.2022 RM**	**01.01.2023 to 31.12.2023 RM**	**18.04.2022 to 31.12.2022 RM**
Profit/(Loss) before tax	4,966,159	12,577,991	(4,160,628)	(110,941)
Tax at Malaysian statutory income tax rate of 24%	1,191,878	3,018,718	(998,551)	(26,626)
Effect of income subject to 17% preferential tax rate	-	(168,000)	-	-
Income not subject to tax	(90,211)	(4,644)	(57,727)	-
Tax effect on non-deductible expenses	1,226,591	193,655	1,056,278	26,626
Deferred tax assets not recognised	275,956	-	-	-
Overprovision of income tax expense in prior year/period	(308,749)	(5,854)	-	-
Under/(Over)provision of deferred tax in prior year/period	166,626	(14,661)	-	-
Tax expense for the financial year/period	2,462,091	3,019,214	-	-

The Group has the following estimated items available for set-off against future taxable profits:

	Group	
	2023 RM	**2022 RM**
Unutilised tax losses	2,573,899	547,206
Unabsorbed capital allowances	70,249	50,978
	2,644,148	598,184

The availability of the unutilised tax losses will be subject to Inland Revenue Board discretion and approval to offset against future taxable profit. The unutilised tax losses will be allowed to be carried forward for 10 consecutive years of assessment ('YA') deemed to be effective from YA2019.

6.1 Material accounting policy information

(a) Current tax

Tax expense represents the aggregate amount of current and deferred tax. Current tax is the expected amount payable in respect of taxable income for the financial year, using tax rates enacted or substantively enacted by the reporting date, and any adjustments recognised for prior years' tax.

(b) Deferred tax

Deferred tax is recognised using the liability method for all temporary differences between the carrying amount of assets and liabilities in the statement of financial position and their tax bases. Deferred tax is not recognised for the temporary differences arising from the initial recognition of goodwill, the initial recognition of assets and liabilities in a transaction which is not a business combination and that affects neither accounting nor taxable profit nor loss. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period.

6. TAX EXPENSE (CONT'D)

6.1 Material accounting policy information (Cont'd)

(b) Deferred tax

Deferred tax assets are recognised only to the extent that there are sufficient taxable temporary differences relating to the same taxable entity and the same taxation authority to offset or when it is probable that future taxable profits will be available against which the assets can be utilised.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefits will be realised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will be available for the assets to be utilised.

6.2 Significant accounting estimates and judgements

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Group and the Company recognise tax liabilities based on their understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax and deferred tax provisions in the year in which such determination is made.

7. EARNINGS PER SHARE

Basic earnings per share for the financial year is calculated by dividing the profit after tax attributable to Owners of the Company by the weighted average number of ordinary shares outstanding during the financial year.

	Group	
	01.01.2023 to 31.12.2023	**01.01.2022 to 31.12.2022**
Basic earnings per share:		
Profit after tax attributable to Owners of the Company (RM)	2,504,068	9,558,777
Weighted average number of ordinary shares:		
Number of ordinary shares at beginning of the financial year	1,000	-
Effect of IPO reorganisation[(1)]	797,039,000	797,039,000
Incorporation of the Company	-	707
Public Issue[(2)]	91,714,192	-
	888,754,192	797,039,707
Basic earnings per share (sen)	0.28	1.20

(1) *Based on the issued share capital of 797,039,000 ordinary shares after the completion of the IPO reorganisation but before the Public Issue.*

(2) *Based on weighted average number of shares pursuant to the Public Issue of 199,260,000 ordinary shares on 17 July 2023.*

The diluted earnings per share is not presented as there is no dilutive potential ordinary shares outstanding during the financial year.

8. PLANT AND EQUIPMENT

	Computer and software RM	Furniture and fittings RM	Medical equipment RM	Motor vehicles RM	Office equipment RM	Renovation RM	Signboard RM	Capital work in progress RM	Total RM
Group									
2023									
Cost									
At 1 January 2023	410,733	487,348	4,743,120	338,275	490,409	6,764,617	135,490	-	13,369,992
Additions	82,034	229,919	3,373,946	-	171,071	8,219,630	710,430	3,526,079	16,313,109
Disposal	-	-	-	(211,252)	-	(25,367)	-	-	(236,619)
Written off	-	-	-	-	-	(23,233)	-	-	(23,233)
Transfer from right-of-use assets (Note 9)	-	-	6,229,076	724,410	-	-	-	-	6,953,486
At 31 December 2023	492,767	717,267	14,346,142	851,433	661,480	14,935,647	845,920	3,526,079	36,376,735
Accumulated depreciation									
At 1 January 2023	101,338	82,498	1,029,544	173,790	103,544	831,393	7,169	-	2,329,276
Charge for the financial year	70,924	54,755	749,685	3,586	54,234	1,052,673	45,105	-	2,030,962
Disposal	-	-	-	(93,520)	-	(12,303)	-	-	(105,823)
Written off	-	-	-	-	-	(2,485)	-	-	(2,485)
Transfer from right-of-use assets (Note 9)	-	-	1,717,275	342,887	-	-	-	-	2,060,162
At 31 December 2023	172,262	137,253	3,496,504	426,743	157,778	1,869,278	52,274	-	6,312,092
Net carrying amount									
At 31 December 2023	320,505	580,014	10,849,638	424,690	503,702	13,066,369	793,646	3,526,079	30,064,643

8. PLANT AND EQUIPMENT (CONT'D)

	Computer and software RM	Furniture and fittings RM	Medical equipment RM	Motor vehicles RM	Office equipment RM	Renovation RM	Signboard RM	Total RM
Group (cont'd)								
2022								
Cost								
At 1 January 2022	171,391	195,373	1,359,613	-	271,358	2,503,226	2,300	4,503,261
Additions	239,342	293,786	2,069,649	-	219,294	4,297,951	133,190	7,253,212
Disposal	-	(1,811)	-	-	-	-	-	(1,811)
Written off	-	-	(262)	-	(243)	(36,560)	-	(37,065)
Transfer from right-of-use assets (Note 9)	-	-	1,314,120	338,275	-	-	-	1,652,395
At 31 December 2022	410,733	487,348	4,743,120	338,275	490,409	6,764,617	135,490	13,369,992
Accumulated depreciation								
At 1 January 2022	54,314	51,602	138,650	-	61,639	371,535	460	678,200
Charge for the financial year	47,024	30,926	358,486	-	41,945	463,209	6,709	948,299
Disposal	-	(30)	-	-	-	-	-	(30)
Written off	-	-	(28)	-	(40)	(3,351)	-	(3,419)
Transfer from right-of-use assets (Note 9)	-	-	532,436	173,790	-	-	-	706,226
At 31 December 2022	101,338	82,498	1,029,544	173,790	103,544	831,393	7,169	2,329,276
Net carrying amount								
At 31 December 2022	309,395	404,850	3,713,576	164,485	386,865	5,933,224	128,321	11,040,716

8. PLANT AND EQUIPMENT (CONT'D)

8.1 Material accounting policy information

(a) Recognition and measurement

Plant and equipment are measured at cost less any accumulated depreciation and any accumulated impairment losses. Plant and equipment are derecognised upon disposal or when no future economic benefits are expected from it use or disposal. Gains or losses arising on the disposal of plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in the profit loss.

(b) Depreciation

Depreciation is recognised in the profit or loss on straight line basis over its estimated useful lives of each component of an item of plant and equipment at the following annual rates:

Computer and software	20%
Furniture and fittings	10%
Medical equipment	10%
Motor vehicles	20%
Office equipment	10%
Renovation	10%
Signboard	10%

(c) Capital work-in-progress

Capital work-in-progress represents capitalised renovation costs for new service outlets. Capital work-in-progress is stated as cost less any accumulated impairment losses and includes borrowing costs incurred during the period of construction.

No depreciation is provided on capital work-in-progress and upon completion of construction, the cost will be transferred to plant and equipment.

8.2 Significant accounting estimates and judgements

Depreciation of plant and equipment

The cost of plant and equipment is depreciated on a straight line method over the assets' useful lives. The Directors of the Company estimate the useful lives of these plant and equipment to be within 5 to 10 years.

Residual values are estimated based on the amount that the Group would currently obtain from the disposal of the motor vehicles, if the assets were already at the age and in the condition expected at the end of its useful life. The residual values of medical equipment are not readily available as they are specialised equipment and subject to technology changes. The Group anticipates that the residual values of its other plant and equipment will be insignificant and thus not being taken into consideration for the computation of the depreciable amount.

Changes in the expected level of usage could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

Notes to the Financial Statements (Cont'd)

9. RIGHT-OF-USE ASSETS

	Leases of office and service outlets RM	Medical equipment RM	Motor vehicles RM	Total RM
Group				
2023				
At cost				
At 1 January 2023	20,224,952	6,939,981	1,405,536	28,570,469
Additions by way of:				
- New leases	10,343,382	1,071,439	-	11,414,821
- Provision for restoration costs (Note 23)	123,244	-	-	123,244
Derecognition *	(576,973)	-	-	(576,973)
Lease termination	(523,133)	-	-	(523,133)
Remeasurement on lease modification	(121,783)	-	-	(121,783)
Transfer to plant and equipment (Note 8) ^	-	(6,229,076)	(724,410)	(6,953,486)
At 31 December 2023	29,469,689	1,782,344	681,126	31,933,159
Accumulated depreciation				
At 1 January 2023	5,080,912	1,317,644	251,440	6,649,996
Charge for the financial year	4,624,721	541,642	181,097	5,347,460
Derecognition *	(576,973)	-	-	(576,973)
Lease termination	(364,919)	-	-	(364,919)
Transfer to plant and equipment (Note 8) ^	-	(1,717,275)	(342,887)	(2,060,162)
At 31 December 2023	8,763,741	142,011	89,650	8,995,402
Net carrying amount				
At 31 December 2023	20,705,948	1,640,333	591,476	22,937,757
2022				
At cost				
At 1 January 2022	12,334,518	5,715,920	954,795	19,005,233
Additions by way of:				
- New leases	8,850,601	2,538,181	789,016	12,177,798
- Provision for restoration costs (Note 23)	29,613	-	-	29,613
Derecognition *	(749,758)	-	-	(749,758)
Remeasurement on lease termination	(240,022)	-	-	(240,022)
Transfer to plant and equipment (Note 8) ^	-	(1,314,120)	(338,275)	(1,652,395)
At 31 December 2022	20,224,952	6,939,981	1,405,536	28,570,469
Accumulated depreciation				
At 1 January 2022	3,006,845	1,322,309	363,658	4,692,812
Charge for the financial year	2,991,179	527,771	61,572	3,580,522
Derecognition *	(749,758)	-	-	(749,758)
Remeasurement on lease termination	(167,354)	-	-	(167,354)
Transfer to plant and equipment (Note 8) ^	-	(532,436)	(173,790)	(706,226)
At 31 December 2022	5,080,912	1,317,644	251,440	6,649,996
Net carrying amount				
At 31 December 2022	15,144,040	5,622,337	1,154,096	21,920,473

9. RIGHT-OF-USE ASSETS (CONT'D)

^ *Transfer to plant and equipment due to early settlement of lease liabilities and end of lease terms.*

* *Derecognition due to end of lease terms.*

9.1 Expenses charged to profit or loss during the financial year

	Group	
	2023	**2022**
	RM	**RM**
Depreciation of right-of-use assets		
- included in cost of sales	541,642	479,760
- included in administrative and other expenses	4,805,818	3,100,762
Expenses relating to short-term lease		
- included in administrative and other expenses	19,800	59,385
Variable lease expenses		
- included in administrative and other expenses	23,103	-
Gain on lease termination		
- included in other income	(9,182)	(5,020)
Gain on lease modification		
- included in other income	(36,537)	-
Interest expense on lease liabilities and penalty on early settlement of lease liabilities		
- included in finance costs	1,214,566	737,170
Waiver of lease liabilities		
- included in other income	(184,308)	(62,300)

9.2 Extension options

The Group has leases of office and service outlets that run from 1 to 3 years. Certain leases of office and service outlets contain extension option exercisable by the Group ranging from 1 to 6 years.

9.3 Variable lease payments based on sales

A lease of service outlet contains variable lease payments that are based on sales that the Group generates at the outlet. Fixed and variable rental payment were as follows:

	Group	
	2023	**2022**
	RM	**RM**
Leases with lease payments based on sales		
Fixed payments	363,417	-
Variable payments	23,103	-
Total payments	386,520	-

The estimated annual impact on rent of a 1% increase in sales would not have material impact on the profit or loss of the Group.

9. RIGHT-OF-USE ASSETS (CONT'D)

9.4 Remeasurement of lease modification

During the financial year, the Group reassesses whether it is reasonably certain to exercise the options if there is a significant change in circumstances within its control. The financial effect of revising the lease terms was a decrease in recognised lease liabilities and right-of-use assets of RM158,320 and RM121,783 respectively. Accordingly, a gain on lease modification amounting to RM36,537 was recognised in the line item of "other income" in the statements of comprehensive income.

9.5 Material accounting policy information

(a) Recognition and measurement

The Group recognises right-of-use assets at the lease commencement date. The right-of-use assets are initially measured at cost, which comprises the initial amount of the lease liabilities adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The lease liability is initially measured at the present value of future lease payments at the commencement date, discounted using the Group's incremental borrowing rates. Lease payments included in the measurement of the lease liabilities include fixed payments, any variable lease payments, amount expected to be payable under a residual value guarantee, and exercise price under an extension option that the Group is reasonably certain to exercise.

The right-of-use assets are subsequently depreciated using the straight line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined as follows:

Leases of office and service outlets	Over the lease term of 2 to 9 years
Medical equipment	10 years
Motor vehicles	5 years

In addition, the right-of-use assets are periodically reduced by impairment losses, if any, and adjusted for certain remeasurement of the lease liabilities. The Group applies MFRS 136 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in Note 3(c)(ii).

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under MFRS 137. To the extent that the costs relate to right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, or if the Group changes their assessment of whether they will exercise an extension or termination option.

Lease payments associated with short term leases and leases of low value assets are recognised on straight line basis as an expense in profit or loss. Short term leases are leases with a lease of 12 months or less.

9. RIGHT-OF-USE ASSETS (CONT'D)

9.6 Significant accounting estimates and judgements

(a) Determination of the lease term

The Group assesses whether it is reasonably certain to exercise the extension options at lease commencement by applying significant judgement. The Group considers all facts and circumstances including their past practice and any cost that will be incurred to change the asset if an option to extend is not taken, to help them determine the lease term.

(b) Estimation of the incremental borrowing rate ("IBR")

The Group applies judgement and assumptions in determining the incremental borrowing rates of the respective leases. The Group first determines the closest available borrowing rates before using judgement to determine the adjustments required to reflect the term, security, value or economic environment of the respective leases.

10. INVESTMENT PROPERTY

	Group	
	2023	**2022**
	RM	**RM**
Freehold building		
At cost		
At 1 January	-	791,301
Disposals	-	(791,301)
At 31 December	-	-
Accumulated depreciation		
At 1 January	-	48,780
Charge for the financial year	-	11,869
Disposals	-	(60,649)
At 31 December	-	-
Net carrying amount		
At 31 December	-	-

On 10 May 2022, the Group entered into a Sale and Purchase Agreement ("SPA") to sell a shop lot to a Director of the Company, which is located at Bandar Puteri, Selangor at a consideration of RM750,000.

The transaction has been completed and the strata title has been transferred on 19 September 2022.

Notes to the Financial Statements (Cont'd)

10. INVESTMENT PROPERTY (CONT'D)

10.1 Income and expenses derived from the above investment property as below:

	Group 2023 RM	Group 2022 RM
Rental income	-	23,823
Expenses:		
- Quit rent	-	262
- Assessment	-	792
- Maintenance charges and sinking funds	-	3,506
- Term loan interest	-	10,392

10.2 Material accounting policy information

(a) Recognition and measurement

Investment property is measured initially at its cost. Cost includes expenditure that is directly attributable to the acquisition of the investment property.

Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

Investment property is derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in profit or loss in the financial year in which they arise.

(b) Depreciation

The depreciation rate for the building is 2%.

11. INVESTMENTS IN SUBSIDIARIES

	Note	Company 2023 RM	Company 2022 RM
Unquoted shares, at cost			
At beginning of the financial year/date of incorporation		-	-
Effect of IPO reorganisation	35	9,564,470	-
Additions by way incorporation of a subsidiary	11.2	1,000	-
At end of the financial year/period		9,565,470	-
Capital contribution to subsidiaries			
At beginning of the financial year/date of incorporation		-	-
Additions	11.3	16,127,155	-
At end of the financial year/period		16,127,155	-
Total carrying amount		25,692,625	-

11. INVESTMENTS IN SUBSIDIARIES (CONT'D)

11.1 Details of the subsidiaries are as follows:

Name of	Country of Incorporation	Principal activities	Effective equity interest 2023 %	2022 %
Klinik Dr Chong Sdn. Bhd. ("Klinik Dr Chong")	Malaysia	Aesthetic services, general medical services and sale of skincare products	100	-
Ten Doctors Sdn. Bhd. ("Ten Doctors")	Malaysia	Sale of skincare products	100	-
DC Lasers Sdn. Bhd. ("DC Lasers")	Malaysia	Aesthetic services, general medical services and sale of skincare products	100	-
DC Lasers (Mid Valley) Sdn. Bhd. ("DCL Mid Valley")	Malaysia	Aesthetic services, general medical services and sale of skincare products	100	-
DC Lasers (Puchong) Sdn. Bhd. ("DCL Puchong")	Malaysia	Aesthetic services, general medical services and sale of skincare products	100	-
DC Wellness Sdn. Bhd. ("DC Wellness")	Malaysia	Slimming services and sale of slimming products	100	-

11.2 Incorporation of a subsidiary

On 16 August 2023, the Company incorporated a wholly-owned subsidiary, DC Wellness comprised of 1,000 ordinary shares, representing the entire issued and paid-up capital of DC Wellness at subscriber's consideration of RM1,000.

11.3 Capital contribution

Capital contribution to subsidiaries represents amounts due from subsidiaries which are non-trade in nature, unsecured and interest-free and the settlement of the amount is neither planned for nor likely to occur in the foreseeable future. As this amount is in substance, a part of the Company's net investments in the subsidiaries, it is stated at cost less accumulated impairment losses.

11.4 Impairment review

As at the reporting date, the Company carried out a review of the recoverable amount of its investment in a subsidiary, i.e. Ten Doctors as there are indications of impairment. The Company determined the recoverable amount of the investment in the subsidiary based on higher of fair value less cost to sell ("FVLCTS") and value-in-use ("VIU") method.

Ten Doctors, in its initial stages, incurred losses due to substantive startup expenditures, including the recruitment of operation staffs and investment in marketing efforts for the introduction of new skincare products. These costs were essential for penetrating the market, as Ten Doctor sought to establish partnerships with strategic business entities and expand its reach through e-commerce platforms.

11. INVESTMENTS IN SUBSIDIARIES (CONT'D)

11.4 Impairment review (Cont'd)

The recoverable amount is determined using the FVLCTS method and is derived from the discounted 5-year cash flows projections of Ten Doctors from financial budgets approved by management. Accordingly, the management assessed the recoverable amount to be higher than the carrying amount of its cost of investment and concluded no impairment loss was required to be recognised in the financial statements of the Company for the financial year ended 31 December 2023.

The key assumptions used in determining the discounted cash flows projections of Ten Doctors are as follows:-

(a) Revenue growth rate

Revenue is projected based on anticipated sales to be generated in the financial year ending 31 December 2024 with an annual growth rate of 3% based on industry growth rate taken into consideration of the future demand outlook.

(b) Discount rate

A post-tax discount rate of 10.1% applied.

11.5 Significant accounting estimates and judgements

Carrying value of investments in subsidiaries

Management reviews the investments in subsidiaries for impairment when there is an indication for impairment.

The recoverable amounts of the investments in subsidiaries are assessed by reference to the higher of the FVLCTS of the underlying assets or the VIU of the respective subsidiaries.

Significant judgement is required in the estimation of the present value of future cash flows generated by the subsidiaries, which involves uncertainties and are significantly affected by assumptions and judgements made regarding estimates of future cash flows and discount rates. Changes in assumptions could significantly affect the carrying value of investments in subsidiaries.

12. DEFERRED TAX ASSETS/(LIABILITIES)

	Group	
	2023 RM	2022 RM
At 1 January	213,863	361,264
Recognised in profit or loss (Note 6)	(235,923)	(147,401)
At 31 December	(22,060)	213,863
Represented by:		
Deferred tax assets	433,117	278,181
Deferred tax liabilities	(455,177)	(64,318)
	(22,060)	213,863

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same tax authority.

12. DEFERRED TAX ASSETS/(LIABILITIES) (CONT'D)

The components of deferred tax assets/(liabilities) during the financial year prior to offsetting are as follows:

	Plant and equipment, right-of-use assets and lease liabilities RM	Provision for restoration costs RM	Contract costs RM	Contract liabilities RM	Unabsorbed capital allowance RM	Unutilised tax losses RM	Total RM
Group							
Deferred tax (liabilities)/assets							
At 1 January 2022	(389,681)	-	(52,613)	709,191	72,289	22,078	361,264
Recognised in profit or loss (Note 6)	(203,499)	7,325	(5,105)	(1,639)	(66,254)	121,771	(147,401)
At 31 December 2022/1 January 2023	(593,180)	7,325	(57,718)	707,552	6,035	143,849	213,863
Recognised in profit or loss (Note 6)	(647,516)	30,821	(12,455)	182,714	9,902	200,611	(235,923)
At 31 December 2023	(1,240,696)	38,146	(70,173)	890,266	15,937	344,460	(22,060)

The Group has recognised the deferred tax assets to the extent it is probable that its subsidiaries would generate sufficient taxable profits in future against which the deferred tax assets can be utilised.

12. DEFERRED TAX ASSETS/(LIABILITIES) (CONT'D)

The estimated temporary differences for which no deferred tax assets have been recognised in the financial statements are as follows:

	Group	
	2023 RM	**2022 RM**
Unutilised tax losses	1,138,649	-
Unabsorbed capital allowances	3,846	-
Other temporary timing differences	7,321	-
	1,149,816	-

12.1 Significant accounting estimates and judgements

Deferred tax implications arising from the changes in corporate income tax rates are measured with reference to the estimated realisation and settlement of temporary differences in the future periods in which the tax rates are expected to apply, based on the tax rates enacted or substantively enacted at the reporting date. While management's estimates on the realisation and settlement of temporary differences are based on the available information at the reporting date, changes in business strategy, future operating performance and other factors could potentially impact on the actual timing and amount of temporary differences realised and settled. Any difference between the actual amount and the estimated amount would be recognised in the profit or loss in the period in which actual realisation and settlement occurs.

13. INVENTORIES

	Group	
	2023 RM	**2022 RM**
At cost:		
Consumables - aesthetic services	1,870,079	1,284,682
General medicines	336,233	315,977
Products for sale	1,560,083	228,798
Packaging materials	15,411	23,034
	3,781,806	1,852,491

The Group has recognised inventories as cost of sales amounted to RM6,809,229 (2022: RM4,876,640).

13.1 Material accounting policy information

Inventories are measured at the lower of cost and net realisable value.

The cost of inventories is measured based on first-in, first-out ("FIFO") cost formula, and includes expenditure incurred in acquiring the inventories and other costs incurred in bringing them to their existing location and condition.

Net realisable value is the estimated selling price in the ordinary course of business less estimated costs of completion and the estimated costs necessary to make the sale.

14. TRADE RECEIVABLES

	Note	Group 2023 RM	Group 2022 RM
Third parties	(i)	17,420	367
Collection in transit	(ii)	590,209	409,917
		607,629	410,284

(i) The normal trade credit terms granted by the Group are cash on delivery to 60 days (2022: cash on delivery).

(ii) Collection in transit represents credit card sales in transit from financial institutions.

The Group's credit risk management processes are disclosed in Note 31(a).

15. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

		Group		Company	
	Note	2023 RM	2022 RM	2023 RM	2022 RM
Other receivables		66,867	10,600	-	-
Deposits	(i)	5,729,932	1,563,576	3,501,000	-
Prepayments	(ii)	4,622,699	3,206,960	1,481,476	2,010,963
Contract costs	(iii)	292,388	240,495	-	-
		10,711,886	5,021,631	4,982,476	2,010,963

(i) A total balance of the Group amounting to RM1,805,470 (2022: RM1,331,729) relates to rental deposits paid for the leases of office and service outlets. A total balance of the Group and of the Company amounting to RM3,500,000 (2022: RM Nil) refers to the deposits paid for a Proposed Acquisition under the Proposed Corporate Exercise as disclosed in Note 36.

(ii) A total balance of RM1,338,230 of the Group and the Company relates to the prepayment made for the Proposed Corporate Exercise as disclosed in Note 36.

(iii) Represent costs to obtain contracts comprise incremental commission fees paid as a result of obtaining sales contracts which are expected to be recovered through revenue recognition by reference to progress towards complete satisfaction of performance obligation with contract customers. These costs are subsequently expensed off as "cost of sales" by reference to the performance to date, consistent with revenue recognition pattern. During the financial year, the capitalised commission fees being recognised as cost of sales to profit or loss was RM5,203,326 (2022: RM4,141,783).

The Group's and Company's credit risk management processes are disclosed in Note 31(a).

Notes to the Financial Statements (Cont'd)

16. SHORT-TERM FUNDS

This refers to investments in a short to medium-term fixed income fund of which the fund will be invested in money market investments and short to medium-term fixed income investments. The distribution income from these funds is tax exempted and is being treated as interest income by the Group and the Company. The short-term funds bore interest rates ranging from 2.56% to 3.99% (2022: Nil %) per annum.

The Group's and the Company's credit risk and interest rate risk management processes are disclosed in Notes 31(a) and 31(c) respectively.

17. FIXED DEPOSITS WITH LICENSED BANKS

The fixed deposits with licensed banks bore interest rates ranging from 2.35% to 2.50% (2022: 2.10% to 3.25%) per annum and have maturity periods of 1 month (2022: 3 months).

An amount of RM111,242 (2022: RM Nil) is pledged as security for bank guarantee granted to a lessor in respect of a leasing arrangement with the Group.

The Group's credit risk and interest rate risk management processes are disclosed in Notes 31(a) and 31(c) respectively.

18. SHARE CAPITAL AND INVESTED EQUITY

(a) Share capital

	Group and Company			
	Number of ordinary shares		Amount	
	2023 unit	2022 unit	2023 RM	2022 RM
Issued and fully paid ordinary shares:				
At the beginning of the financial year/date of incorporation	1,000	1,000	1,000	1,000
Effect of IPO reorganisation (Note 35)	797,039,000	-	9,564,468	-
Shares issued by the Company for the Public Issue (Note 36)	199,260,000	-	49,815,000	-
Shares issuance expenses for the Public Issue	-	-	(1,952,586)	-
	199,260,000	-	47,862,414	-
At the end of the financial year/period	996,300,000	1,000	57,427,882	1,000

The Company was incorporated with issued and fully paid-up capital consisting of 1,000 ordinary shares of RM1.00 per share as subscribers' share.

18. SHARE CAPITAL AND INVESTED EQUITY (CONT'D)

(a) Share capital (Cont'd)

During the financial year, the Company increased its issued and paid-up share capital from RM1,000 to RM57,427,882 by way of:-

(i) Issuance of 797,039,000 new ordinary shares at an issue price of RM0.012 each for acquisition of subsidiaries as disclosed in Note 35; and

(ii) Issuance of 199,260,000 new ordinary shares at an issue price of RM0.25 per ordinary shares pursuant to the listing of the Company on the ACE Market of Bursa Malaysia Securities Berhad for a total cash consideration of RM49,815,000. The listing expenses arising from the issuance of new ordinary shares amounting to RM1,952,586 were offset against share capital and the remaining listing expenses of RM2,047,414 was expensed off to profit or loss.

The new ordinary shares issued during the financial year rank pari passu in all respects with the existing ordinary shares of the Company.

The holders of the ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restriction and rank equally with regard to the Company's residual assets.

(b) Invested equity

(i) Invested equity for the financial year ended 31 December 2022 comprised the aggregate number of issued and paid-up ordinary shares of Klinik Dr Chong, Ten Doctors and DC Lasers. During the financial year, the amount has been reversed pursuant to the completion of the acquisition of subsidiaries under IPO reorganisation as disclosed in Note 35(a).

(ii) The holders of ordinary shares of Klinik Dr Chong, Ten Doctors and DC Lasers were entitled to receive dividend as and when declared by Klinik Dr Chong, Ten Doctors and DC Lasers and are entitled to one vote per ordinary shares at their meetings, respectively. The ordinary shares have no par value.

(c) Material accounting policy information

(i) Ordinary shares

Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Ordinary shares are equity instruments. Dividend on ordinary shares are recognised in equity in the period in which they are declared.

(ii) Issuance expenses

Cost directly attributable to the issuance of instruments classified as equity are recognised as a deduction from equity.

19. CAPITAL CONTRIBUTION FROM FORMER HOLDING COMPANY OF SUBSIDIARIES

The amount classified under equity represents amount that is not expected to be repaid in the foreseeable future and effectively represents additional investment into the subsidiaries by the former holding company. The amount has been fully repaid by the subsidiaries during the financial year prior to the IPO reorganisation as disclosed in Note 35.

Notes to the Financial Statements (Cont'd)

20. REORGANISATION RESERVE

The reorganisationn reserve comprises the difference between cost of investment recorded in the Company and the share capital of Klinik Dr Chong, Ten Doctors and DC Lasers arising from the IPO reoganisation as disclosed in Note 35.

21. LEASE LIABILITIES

	Group	
	2023 **RM**	**2022** **RM**
Minimum lease payments:		
- not later than 1 year	6,325,005	5,986,590
- later than 1 year but not later than 2 years	6,091,754	5,404,200
- later than 2 years but not later than 5 years	13,053,508	11,555,752
- more than 5 years	923,460	833,879
	26,393,727	23,780,421
Less: Unexpired finance charges	(3,225,619)	(2,514,007)
	23,168,108	21,266,414
Present value of lease liabilities:		
- not later than 1 year	5,311,995	5,049,769
- later than 1 year but not later than 2 years	5,337,911	4,715,340
- later than 2 years but not later than 5 years	11,597,466	10,737,771
- more than 5 years	920,736	763,534
	23,168,108	21,266,414
Represented by:		
Current liabilities	5,311,995	5,049,769
Non-current liabilities	17,856,113	16,216,645
	23,168,108	21,266,414

The lease liabilities bear effective interest rates ranging from 4.12% to 7.55% (2021: 4.12% to 7.12%) per annum.

The Group's liquidity risk management processes are disclosed in Note 31(b).

22. BORROWINGS

	Group 2023 RM	Group 2022 RM
Term loans (secured)		
Current liabilities	-	626,251
Non-current liabilities	-	2,081,547
	-	2,707,798
Maturity profile of borrowings		
- not later than 1 year	-	626,251
- later than 1 year but not later than 2 years	-	664,162
- later than 2 years but not later than 5 years	-	1,417,385
	-	2,707,798

The interest rates per annum were ranging from 3.50% to 10.15% (2022: 3.12% to 9.90%).

The term loans of the Group were secured by the following:

(i) Legal charge over the Group's investment property as disclosed in Note 10. The said legal charge was discharged on 12 September 2022 upon the disposal of the investment property;

(ii) Letter of Guarantee from Credit Guarantee Corporation Malaysia Berhad under Portfolio Guarantee for RM910,000;

(iii) The Syarikat Jaminan Pembiayaan Perniagaan Berhad's guarantee under the Working Capital Guarantee Scheme of up to RM1,260,000 or 70% of the facilities under the guarantee scheme, whichever is lower;

(iv) Corporate guarantee by the former holding company of a subsidiary. i.e. DC Healthcare Group Sdn. Berhad; and

(v) Joint and Several Guarantee by Directors of the Company.

All other securities, except for the security disclosed in Note (i) above, have been discharged upon the settlement of the term loans during the financial year.

The Group's liquidity risk and interest rate risk management processes are disclosed in Notes 31(b) and 31(c) respectively.

23. PROVISION

	Group 2023 RM	Group 2022 RM
At the beginning of the financial year	30,521	-
Recognised in right-of-use assets (Note 9)	123,244	29,613
Unwinding of interest	5,178	908
At the end of the financial year	158,943	30,521

Provision represents the estimated costs of dismantlement, removal or restoration of leased premises arising from the use of such assets, which are capitalised and included in the right-of-use assets.

24. TRADE PAYABLES

The normal trade credit terms granted to the Group ranging from 30 to 90 days (2022: 30 to 90 days).

The Group's liquidity risk management processes are disclosed in Note 31(b).

25. OTHER PAYABLES AND ACCRUALS

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Other payables	3,693,229	1,555,623	354,788	217,576
Accruals	1,834,257	1,336,392	58,500	4,049
	5,527,486	2,892,015	413,288	221,625

The Group's and Company's liquidity risk management processes are disclosed in Note 31(b).

26. CONTRACT LIABILITIES

	Group	
	2023 RM	2022 RM
Aesthetic services	3,709,441	2,948,131

Contract liabilities mainly relate to advance consideration received from customers at inception of contracts, for services which have not been rendered as at the reporting date.

Movement of contract liabilities is as follows:

	Group	
	2023 RM	2022 RM
At beginning of the financial year	2,948,131	2,954,963
Collection during the financial year	58,818,170	45,045,703
Revenue recognised from: (Note 4)		
- contract liabilities at beginning of the financial year	(2,948,131)	(2,954,963)
- collection during the financial year	(55,108,729)	(42,097,572)
	(58,056,860)	(45,052,535)
At end of the financial year	3,709,441	2,948,131

The remaining unsatisfied performance obligation are expected to be recognised as revenue within the next 1 year.

27. AMOUNTS DUE TO RELATED COMPANIES/FORMER HOLDING COMPANY OF SUBSIDIARIES/A SUBSIDIARY

These amounts are non-trade in nature, unsecured, interest-free advances which are repayable on demand.

The Group's and Company's related party transactions and liquidity risk management processes are disclosed in Notes 30 and 31(b) respectively.

28. DIVIDEND

		Group	
	Paid on	2023 RM	2022 RM
Recognised during the financial year:			
First interim single tier dividend for the financial year ended 31 December 2022 of approximately RM15.00 per ordinary share declared by Klinik Dr Chong	31 May 2022	-	3,000,000

29. OPERATING SEGMENT

The Group operates predominantly in one business segment in Malaysia. Accordingly, the information by business and geographical segments is not presented.

There is no single customer that contributed 10% or more to the Group's revenue.

30. RELATED PARTY DISCLOSURES

Identity of related parties

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

The Group and the Company have related party relationships with its holding company, former holding company of the subsidiaries, subsidiaries, related companies and key management personnel. At the reporting date, DC Healthcare Group Sdn. Berhad refers to the holding company of the Company and is regarded as "former holding company of the subsidiaries" prior to IPO reorganisation as disclosed in Note 35. Related companies refer to the combined entities i.e. Klinik Dr Chong, Ten Doctors, DC Lasers, DCL Mid Valley and DCL Puchong as disclosed in Note 35.

The related party balances are shown in Note 27.

30. RELATED PARTY DISCLOSURES (CONT'D)

Related party transactions

Other than disclosed elsewhere in the financial statements, the significant related party transactions between the Group and the Company and their related parties during the financial year/period are as follows:

	Group		Company	
	01.01.2023 to 31.12.2023 RM	01.01.2022 to 31.12.2022 RM	01.01.2023 to 31.12.2023 RM	18.04.2022 to 31.12.2022 RM
Transactions with former holding company of subsidiaries				
Capital contribution	-	400,000	-	-
Capitalisation of capital contribution in the share capital	-	(410,000)	-	-
Repayment of capital contribution	(1,030,000)	-	-	-
(Repayment to)/Advances from	(159,982)	159,982	-	-
Transaction with related companies				
Repayment to/(Advances from)	-	-	(1,901,217)	1,901,217
Transactions with subsidiaries				
Advances to	-	-	(5,150,118)	-
Assignment of debts from	-	-	6,235,378	-
Transaction with a Director				
Repayment to	-	(226,730)	-	-

Compensation of key management personnel

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group and of the Company either directly or indirectly. The key management personnel refer to all the Directors of the Company and certain members of senior management of the Group.

The remuneration of the Directors of the Company during the financial year/period are disclosed in Note 5(a).

The remuneration of other members of key management personnel of the Group during the financial year are as follows:

	Group	
	01.01.2023 to 31.12.2023 RM	01.01.2022 to 31.12.2022 RM
Key management personnel		
- Salaries, commissions and allowances	1,551,246	880,757
- Defined contribution plan	183,169	91,602
- Social security contributions	3,119	1,798
- Contributions to employee insurance system	238	206
	1,737,772	974,363

31. FINANCIAL INSTRUMENTS

Categories of financial instruments

The Group's and the Company's financial assets (excluding prepayments and contract costs) and financial liabilities (excluding contract liabilities and provision for restoration costs) are all categorised as amortised costs respectively.

Financial risk management objectives and policies

The Group's and Company's financial risk management policy is to ensure that adequate financial resources are available for the development of the Group's operations whilst managing its financial risks, including credit risk, liquidity risk and interest rate risk. The Group and the Company operate within clearly defined guidelines that are approved by the Board and the Group's and Company's policy are not to engage in speculative transactions.

The following sections provide details regarding the Group's and Company's exposure to the abovementioned financial risks and the objectives, policies and processes for the management of these risks.

(a) Credit risk

Credit risk is the risk of financial loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's and the Company's exposure to credit risk arises principally from its receivables and financial guarantees provided by the Company to subsidiaries of the Company. There are no significant changes as compared to prior years.

Trade receivables

<u>Risk management objectives, policies and processes for managing the risk</u>

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit risk is minimised and monitored via strictly limiting the Group's association to business partners with good credit ratings. Credit evaluations are performed on all customers requiring credit over a certain amount.

At each reporting date, the Group assesses whether any of the trade receivables are credit impaired.

<u>Exposure to credit risk, credit quality and collateral</u>

As at the end of the reporting year, the maximum exposure to credit risk arising from receivables and financial assets is represented by the carrying amount in the statements of financial position.

Cash in transit from banks and financial institutions have low credit risks. Hence, a loss allowance is not necessary.

None of the trade receivables are secured by any collateral or supported by any other credit enhancement.

<u>Credit risk concentration profile</u>

There is no concentration of credit risk arising from any of the customers of the Group.

31. FINANCIAL INSTRUMENTS (CONT'D)

Financial risk management objectives and policies (Cont'd)

(a) Credit risk (Cont'd)

Trade receivables (Cont'd)

Recognition and measurement of impairment loss

In managing credit risk of trade receivables, the Group manages its debtors and takes appropriate actions (including but not limited to legal actions) to recover long overdue balances and to ensure that receivables that are neither past due nor impaired are stated at their realisable values. Any receivables having significant balances past due more than 180 days, which are deemed to have higher credit risk, are monitored individually.

The Group assesses impairment of trade receivable on an individual basis and the Group has reasonable and supportable information available to assess the impairment individually.

Loss rates are based on actual credit loss experienced over the prior years. The Group also considers differences between (a) economic conditions during the period over which the historic data has been collected, (b) current conditions and (c) the Group's view of economic conditions over the expected lives of the receivables. Nevertheless, the Group believes that these factors are immaterial for the purpose of impairment calculation for the year.

Impairment losses

The following table provides information about the exposure to credit risk for trade receivables as at reporting date which are grouped together as they are expected to have similar risk nature.

	Group	
	2023 RM	**2022 RM**
Neither past due nor impaired	607,629	410,284

Other receivables and deposits

Expected credit loss of other receivables is determined individually after considering the financial strength of the other receivables. As at the end of the reporting year, the maximum exposure to credit risks is represented by their carrying amounts in the statements of financial position.

Credit risk on deposits is mainly arising from deposits paid to its landlord as security and utilities deposit for rental of premises which will be received upon termination of such services and thus have low credit risks.

As at the end of the reporting year, no allowance for doubtful debts is necessary in respect of other receivables and deposits that are neither past due nor impaired as these are mainly arising from debtors that have good records of payment in the past and rental of premises which are still in use.

Cash and cash equivalents

The cash and cash equivalents, including short-term funds, fixed deposits with licensed banks and bank balances, are held with banks and financial institutions. As at the reporting year, the maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position. These banks and financial institutions have low credit risks. Hence, a loss allowance is not necessary.

31. FINANCIAL INSTRUMENTS (CONT'D)

Financial risk management objectives and policies (Cont'd)

(a) Credit risk (Cont'd)

Financial guarantees

Corporate guarantees are given by the Company for the below credit facilities extended to certain subsidiaries. The maximum credit risk exposure of the financial guarantees issued are as follows:

	Company	
	2023 **RM**	**2022** **RM**
Corporate guarantees given to creditors for supply of goods on credit terms to the subsidiaries	328,838	-
Corporate guarantees given to lessors for leasing arrangements on lease of premises	4,543,396	-
	4,872,234	-

A financial guarantee contract is a contract that requires the issuer to make specific payments to reimburse the holder for a loss incurred because a specific debtor fails to make payment when due.

Financial guarantee contracts are recognised as financial liabilities at the time the guarantee crystalises. The liability is initially measured at fair value and subsequently at the higher of the amount determined in accordance with the expected loss model under MFRS 9 and the amount initially recognised less amortisation, where appropriate.

Financial guarantees have low credit risk at the end of the year as the financial guarantees are unlikely to be called upon by the creditors and lessors. The fair values of the financial guarantees are negligible as the probably of the subsidiaries defaulting payment and the creditors and lessors calling upon the financial guarantees are remote.

(b) Liquidity risk

Liquidity risk is the risk that the Group and the Company will encounter difficulties in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatch of financial assets and liabilities.

The Group's and the Company's liquidity risk management policy is to manage their debt maturity profile, operating cash flows and the availability of funding so as to ensure that refinancing, repayment and funding needs are met. In addition, the Group and the Company maintain sufficient levels of cash and available banking facilities at a reasonable level to its overall debt position to meet their working capital requirement.

The Group and the Company practice prudent risk management by maintaining sufficient cash balances.

31. FINANCIAL INSTRUMENTS (CONT'D)

Financial risk management objectives and policies (Cont'd)

(b) Liquidity risk (Cont'd)

Analysis of financial instruments by remaining contractual maturities

All of the Company's liabilities at the reporting date mature within one year or repayable on demand. In respect of the corporate guarantees provided by the Company to its subsidiaries as disclosed in Note 31(a), there was no indication as at 31 December 2023 that any subsidiary would default. In the event of the default by subsidiaries, the financial guarantees could be called on demand.

The table below summarises the maturity profile of the Group's financial liabilities at the reporting date based on contractual undiscounted repayment obligations.

			Contractual Cash Flows			
	Carrying amount RM	Contractual cash flows RM	On demand or within 1 year RM	1 to 2 years RM	3 to 5 years RM	More than 5 years RM
Group						
31 December 2023						
Trade payables	1,206,417	1,206,417	1,206,417	-	-	-
Other payables	5,527,486	5,527,486	5,527,486	-	-	-
Lease liabilities	23,168,108	26,393,727	6,325,005	6,091,754	13,053,508	923,460
	29,902,011	33,127,630	13,058,908	6,091,754	13,053,508	923,460
31 December 2022						
Trade payables	1,309,185	1,309,185	1,309,185	-	-	-
Other payables	2,892,015	2,892,015	2,892,015	-	-	-
Amount due to former holding company of subsidiaries	159,982	159,982	159,982	-	-	-
Lease liabilities	21,266,414	23,780,421	5,986,590	5,404,200	11,555,752	833,879
Borrowings	2,707,798	3,065,659	774,888	774,888	1,515,883	-
	28,335,394	31,207,262	11,122,660	6,179,088	13,071,635	833,879

31. FINANCIAL INSTRUMENTS (CONT'D)

Financial risk management objectives and policies (Cont'd)

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's and the Company's exposure to interest rate risk arises mainly from interest-bearing financial assets and financial liabilities.

The interest rate profile of the Group's and the Company's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting year was:

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Floating rate instruments:				
Financial assets				
- Short-term funds	23,971,511	-	23,971,511	-
- Fixed deposits with licensed banks	111,242	1,570,340	-	-
Financial liability				
- Term loans	-	(2,707,798)	-	-
	24,082,753	(1,137,458)	23,971,511	-

The Group and the Company are exposed to interest rate risk through the impact of rate changes in short-term funds, fixed deposits with licensed banks and floating rate term loans. The interest rates of fixed deposits with licensed banks and term loans are disclosed in Notes 16, 17 and 22 respectively. The changes of 10 basis points in interest rates would not have material impact on the profit or loss of the Group and the Company.

32. FAIR VALUE INFORMATION

Financial instrument other than those carried at fair value

Financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair values

The carrying amounts of receivables, payables and cash and cash equivalents approximate their fair values due to relatively short term nature of these financial instruments and the insignificant impact of discounting. As permitted by MFRS 7, the fair value for lease liabilities is not disclosed.

33. CAPITAL MANAGEMENT

The Group and the Company manage their capital to ensure that the Group and the Company will be able to maintain an optimal capital structure so as to support their business and maximise shareholder value. To achieve this objective, the Group and the Company may make adjustments to the capital structure in view of changes in economic conditions, such as adjusting the amount of dividend payment, returning of capital to shareholders or issuing new shares.

The Group and the Company monitor capital using debt-to-equity ratio which is the total debts divided by total equity. Debt includes borrowings and lease liabilities, whilst total capital is equity attributable to Owners of the Company. The debt-to-equity ratio is not governed by the MFRS and its definition and calculation may vary from others.

The debt-to-equity ratios at end of the reporting year/period are as follows:

	Group		Company	
	2023 RM	**2022 RM**	**2023 RM**	**2022 RM**
Borrowings (Note 22)	-	2,707,798	-	-
Lease liabilities (Note 21)	23,168,108	21,266,414	-	-
Total debts	23,168,108	23,974,212	-	-
Total equity	64,384,007	15,047,525	53,156,313	(109,941)
Debt-to-equity ratio (times)	0.36	1.59	*	*

* *Not meaningful*

There were no changes in the Group's and the Company's approach to capital management during the reporting year.

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

34. CAPITAL COMMITMENTS

Capital expenditure in respect of acquisition of plant and equipment is as follows:

	Group	
	2023 RM	**2022 RM**
Authorised and contracted for:		
Renovation for service outlets	1,816,652	-

35. IPO REORGANISATION

In conjunction with, and as integral part of the listing of the Company's shares on ACE Market of Bursa Malaysia Securities Berhad, the Company has undertaken the following IPO reorganisation:

(a) On 11 November 2022, the Company entered into 3 conditional share sale agreements ("SSA") to acquire the entire issued share capital of Klinik Dr Chong, DC Lasers and Ten Doctors for a consideration of RM9,564,468 by way of issuance of 644,750,000, 104,575,000 and 47,714,000 new ordinary shares respectively at an issue price of RM0.012 each share. The acquisition was completed on 2 June 2023. Consequent thereon, Klinik Dr Chong, DC Lasers and Ten Doctors become the wholly-owned subsidiaries of the Company.

(b) On 30 May 2023, Klinik Dr Chong has completed the transfer of 800,010 and 700,010 ordinary shares, representing 100% entire equity interest in DCL Mid Valley and DCL Puchong respectively, to the Company for a consideration of RM1 each. Consequent thereon, DCL Mid Valley and DCL Puchong become the wholly-owned subsidiaries of the Company.

The Group is regarded as a continuing entity resulting from the IPO reorganisation exercise as set out above because the Directors of all the entities within the Group, which took part in the IPO reorganisation exercise, was under the common control before and immediately after the IPO reorganisation exercise. The combined entities refer to Klinik Dr Chong, DC Lasers, Ten Doctors, DCL Mid Valley and DCL Puchong.

For the purpose of accounting for the IPO reorganisation, the Group has applied merger method of accounting on the basis that the IPO reorganisation does not constitute a business combination to which acquisition accounting can be applied. Under merger method of accounting, the difference between cost of investment recorded by the Company and the share capitals of Klinik Dr Chong, DC Lasers and Ten Doctors is accounted for as reorganisation reserve (Note 20) as follow:

	Number of new shares Unit	RM
New shares issued by the Company as consideration for the acquisition of subsidiaries:		
- Klinik Dr Chong	644,750,000	7,737,000
- DC Lasers	104,575,000	1,254,900
- Ten Doctors	47,714,000	572,568
	797,039,000	9,564,468
Reversal of issued and paid-up share capital (Invested equity):		
- Klinik Dr Chong		(200,100)
- DC Lasers		(300,100)
- Ten Doctors		(300,100)
		(800,300)
Reorganisation reserve		8,764,168

The additions in investments in subsidiaries of the Company (Note 11) from IPO reorganisation is satisfied by way of:

	RM
Issuance of new shares	9,564,468
Cash	2
	9,564,470

Notes to the Financial Statements (Cont`d)

36. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

Initial Public Offering

Bursa Malaysia Securities Berhad ("Bursa Securities") had vide its letter dated 19 May 2023, approved the admission of the Company to the Official List of Bursa Securities and the listing of and quotation for the entire issued share capital of the Company on the ACE Market of Bursa Securities.

On 27 June 2023, the Company issued a prospectus in connection with the Initial Public Offering ("IPO") and the listing of shares ("Listing") of the Company on the ACE Market of Bursa Securities. The IPO and Listing involved the following events:-

(a) IPO reorganisation exercise as disclosed in Note 35 as follow:

(i) On 11 November 2022, the Company entered into 3 conditional share sale agreements ("SSA") to acquire the entire issued share capital of Klinik Dr Chong, DC Lasers and Ten Doctors for a consideration of RM9,564,468 by way of issuance of 644,750,000, 104,575,000 and 47,714,000 new ordinary shares respectively at an issue price of RM0.012 each share. The acquisition was completed on 2 June 2023. Consequent thereon, Klinik Dr Chong, DC Lasers and Ten Doctors become the wholly-owned subsidiaries of the Company.

(ii) On 30 May 2023, Klinik Dr Chong has completed the transfer of 800,010 and 700,010 ordinary shares, representing 100% entire equity interest in DCL Mid Valley and DCL Puchong respectively, to the Company for a consideration of RM1 each. Consequent thereon, DCL Mid Valley and DCL Puchong become the wholly-owned subsidiaries of the Company.

(b) Public issue of 199,260,000 new ordinary shares ("Issued Shares") at an issue price of RM0.25 per share ("IPO Price"), representing approximately 20.00% of the entire enlarged shares in the following manner:

(i) 49,815,000 Issued Shares made available for application by the Malaysian Public;

(ii) 29,889,000 Issued Shares made available for application by the Eligible Directors and employees;

(iii) 119,556,000 Issued Shares made available by way of private placement to selected investors.

(c) Offer for sale of 99,630,000 Offer Shares, representing 10.00% of the entire enlarged shares, made available at IPO Price by way of private placement to selected investors.

On 17 July 2023, the Company was successfully admitted to the Official List of Bursa Securities with the listing of and quotation for its entire enlarged issued share capital of RM57,427,882 comprising 996,300,000 ordinary shares on the ACE Market of Bursa Securities.

Proposed Corporate Exercise

On 21 November 2023, the Company announced for its intention to undertake the following proposals:

(a) proposed bonus issue of 249,075,000 free warrants ("Warrant(s)") on the basis of 1 Warrant for every 4 existing ordinary shares held by the entitled shareholders of the Company on an entitlement date to be determined and announced later ("Proposed Bonus Issue of Warrants");

(b) proposed acquisition by the Company of 200,000 ordinary shares in I Bella Sdn. Bhd. ("I Bella") ("Sale Shares") from Then Yen Tsing ("TYT") and Arrow Peak Sdn. Bhd. ("Arrow Peak") (collectively referred to as the ("Vendors" or "Guarantors"), representing 100% equity interest in I Bella for a total purchase consideration of RM70,000,000 ("Purchase Consideration") to be satisfied via a combination of cash payment of RM35,000,000 ("Cash Consideration") and the balance of RM35,000,000 by issuance of 60,344,828 new ordinary shares in the Company ("Consideration Shares") at an issue price of approximately RM0.58 per ordinary share ("Proposed Acquisition");

36. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR (CONT'D)

Proposed Corporate Exercise ***(Cont'd)***

(c) proposed variation to the utilisation of proceeds raised from the IPO of the Company on 17 July 2023 ("Proposed Variation"); and

(d) proposed establishment of an employees' share option scheme ("ESOS") of up to 15% of the total number of issued shares of the Company (excluding treasury shares, if any) at any point of time during the duration of the ESOS for the eligible employees and Directors of the Company and its subsidiaries (excluding dormant subsidiaries, if any) ("Proposed ESOS");

(Collectively, the "Proposals")

On 22 December 2023, the application for the Proposals and the draft circular to shareholders in relation to the Proposals have been submitted to Bursa Securities.

In respect of the Proposed Acquisition, the conditions precedent of the Share Sales Agreement ("SSA") are to be fulfilled within the Conditional Period (i.e. 3 months from the date of the SSA) or such other further extension period as the parties may mutually agree. Subsequent to year end on 20 February 2024, the Company announced that the parties to the SSA have mutually agreed to extend the Conditional Period for 90 days until 20 May 2024 to fulfil the conditions precedent.

On 6 March 2024, the Company announced that the Company has submitted an application to Bursa Securities for the withdrawal of the application. The decision of the Board of Directors was made in order to review the structure of the Proposed Acquisition (and consequently the Proposed Variation). The Board of Directors shall make the necessary announcement on the revised proposal in due course.

37. EVENT SUBSEQUENT TO THE FINANCIAL YEAR

On 22 January 2024, the Company subscribed for additional 799,900 ordinary shares of Klinik Dr Chong, representing 100% of the additional issued and paid-up share capital of Klinik Dr Chong for a consideration of RM799,900 through capitalisation of amount due from Klinik Dr Chong. Consequent thereon, Klinik Dr Chong remains as a wholly-owned subsidiary of the Company.

38. COMPARATIVE FIGURES

(a) The Group

The acquisition of the entire issued share capital of DCL Mid Valley, DCL Puchong, Klinik Dr Chong, DC Lasers and Ten Doctors is a business combination involving entities under common control and did not result in any change in economic substance. Accordingly, the Group is a continuation of the acquired entities and is accounted for as follows:

(i) The assets and liabilities of the acquired entities are recognised and measured in the consolidated financial statements at the pre-combination carrying amounts, without restatement to fair value;

(ii) The retained earnings and other equity balances of acquired entities immediately before the business combination are those of the Group; and

(iii) The equity structure of the Group reflects the share capital of the Company and the invested equity of the acquired subsidiaries.

The comparative figures of the Group are based on the combined financial statements as at 31 December 2022, as disclosed in Prospectus dated 27 June 2023. The Group was not in legal existence in the previous financial year as the acquisition of the subsidiaries was completed during current financial year as disclosed in Note 35.

(b) The Company

The comparative figures of the Company covered for the financial period from 18 April 2022 (date of incorporation) to 31 December 2022. Consequently, the comparative figures for the statement of comprehensive income, statement of changes in equity, statement of cash flows and related notes are not comparable to that for the current 12-month period ended 31 December 2023.

ANALYSIS OF SHAREHOLDINGS
AS AT 29 MARCH 2024

SHARE CAPITAL

TOTAL NUMBER OF ISSUED SHARES	:	996,300,000 Ordinary Shares
CLASS OF SHARES	:	Ordinary Share
VOTING RIGHTS	:	One vote per Ordinary Share
NUMBER OF SHAREHOLDERS	:	2,864

DISTRIBUTION OF SHAREHOLDINGS BASED ON THE RECORD OF DEPOSITORS AS AT 29 MARCH 2024

SIZE OF HOLDINGS	NO. OF HOLDERS	%	NO. OF SHARES	%
1 - 99	-	-	-	-
100 - 1,000	207	7.23	103,800	0.01
1,001 - 10,000	941	32.86	6,121,300	0.61
10,001 - 100,000	1,344	46.93	54,359,800	5.46
100,001 - LESS THAN 5% OF ISSUED SHARES	371	12.95	314,177,800	31.53
5% AND ABOVE OF ISSUED SHARES	1	0.03	621,537,300	62.38
TOTAL :	**2,864**	**100.00**	**996,300,000**	**100.00**

DIRECTORS' SHAREHOLDINGS BASED ON THE RECORD OF DEPOSITORS AS AT 29 MARCH 2024

The Directors' Shareholdings based on the Register of Directors' Shareholdings of the Company are as follow:-

NO.	NAME	NO. OF SHARES HELD DIRECT	%	NO. OF SHARES HELD INDIRECT	%
1	DATUK DR MOHD NOOR BIN AWANG	280,000	0.03	-	-
2	DR. CHONG TZE SHENG	47,795,000	4.80	650,932,100	65.34
3	DR. LAI NGAN CHEE	29,394,800	2.95	669,332,300	67.18
4	REKHA A/P PALANYSAMY	-	-	-	-
5	SIM LEE SAN	-	-	-	-
6	YAP EE LING	70,000	0.01	-	-

SUBSTANTIAL SHAREHOLDERS BASED ON THE RECORD OF DEPOSITORS AS AT 29 MARCH 2024

The substantial shareholders (holding 5% or more of the issued capital) based on the Register of Substantial Shareholders of the Company and their shareholdings are as follows:-

NO.	NAME	NO. OF SHARES HELD DIRECT	%	NO. OF SHARES HELD INDIRECT	%
1	DC HEALTHCARE GROUP SDN BERHAD	621,537,300	62.39	-	-
2	DR CHONG TZE SHENG	47,795,000	4.80	650,932,100	65.34
3	DR LAI NGAN CHEE	29,394,800	2.95	669,332,300	67.18

Analysis of Shareholdings (Cont`d)

As At 29 March 2024

30 LARGEST SECURITIES ACCOUNTS HOLDERS BASED ON THE RECORD OF DEPOSITORS AS AT 29 MARCH 2024

NO.	SHAREHOLDERS	NO. OF SHARES	%
1	DC HEALTHCARE GROUP SDN BERHAD	621,537,300	62.39
2	DR. CHONG TZE SHENG	46,477,900	4.67
3	DR. LAI NGAN CHEE	29,394,800	2.95
4	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD (ABERDEEN)	25,153,600	2.53
5	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR BEH KIM LING	22,700,000	2.28
6	CHONG CHING YEE	15,100,000	1.52
7	MAYBANK NOMINEES (TEMPATAN) SDN BHD MTRUSTEE BERHAD FOR ETHEREAL-OMEGA EQ FUND (445330)	6,929,900	0.70
8	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LAU HAN WEI (MF00141)	6,460,600	0.65
9	UNIVERSAL TRUSTEE (MALAYSIA) BERHAD KAF CORE INCOME FUND	5,000,000	0.50
10	MAYBANK SECURITIES NOMINEES (TEMPATAN) SDN BHD CMY INCUBATOR SDN BHD	4,619,700	0.46
11	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LAU HAN WEI	3,050,000	0.31
12	M & A NOMINEE (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHOW DAI YING (M&A)	3,000,000	0.30
13	MAYBANK SECURITIES NOMINEES (TEMPATAN) SDN BHD CHUA RAY MEN	2,700,000	0.27
14	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR KAN YOON KEONG	2,686,200	0.27
15	CARTABAN NOMINEES (TEMPATAN) SDN BHD RHB TRUSTEES BERHAD FOR KAF VISION FUND	2,640,000	0.27
16	UOBM NOMINEES (TEMPATAN) SDN BHD UOB ASSET MANAGEMENT (MALAYSIA) BERHAD FOR MALAYSIAN TIMBER COUNCIL (OF-EQ)	2,540,400	0.26
17	MUTHUKUMAR A/L AYARPADDE	2,150,000	0.22
18	TAN LIP HAN	2,010,100	0.20
19	MAYBANK NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR MTRUSTEE BERHAD (ETHEREAL CAPITAL SDN BHD)	1,695,000	0.17

Analysis of Shareholdings (Cont'd)
As At 29 March 2024

30 LARGEST SECURITIES ACCOUNTS HOLDERS BASED ON THE RECORD OF DEPOSITORS AS AT 29 MARCH 2024 (CONT'D)

NO.	SHAREHOLDERS	NO. OF SHARES	%
20	CARTABAN NOMINEES (ASING) SDN BHD EXEMPT AN FOR BARCLAYS CAPITAL SECURITIES LTD (SBL/PB)	1,660,900	0.17
21	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR NG WEI CHIAN (MY3311)	1,568,800	0.16
22	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR NG KEAN TAT	1,500,000	0.15
23	UNIVERSAL TRUSTEE (MALAYSIA) BERHAD KAF TACTICAL FUND	1,500,000	0.15
24	PHILLIP NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR PHILLIP CAPITAL MANAGEMENT SDN BHD	1,366,900	0.14
25	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR DR. CHONG TZE SHENG	1,317,100	0.13
26	WONG CHUNG HUA	1,300,000	0.13
27	CHENG FARN FONG	1,272,400	0.13
28	TAN WEN HANS	1,266,000	0.13
29	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR YONG YUET KUM (7005371)	1,233,000	0.12
30	KHAW SHENG WEI	1,100,000	0.11
	TOTAL	**820,930,600**	**82.40**

NOTICE OF SECOND ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Second Annual General Meeting ("2nd AGM") of DC Healthcare Holdings Berhad ("DC Healthcare" or the "Company") will be conducted on a virtual basis via Remote Participation and Voting facilities provided by Tricor Investor & Issuing House Services Sdn Bhd ("TIIH") via TIIH Online website at https://tiih.online on Tuesday, 11 June 2024 at 11.00 a.m. or at any adjournment for the transaction of the following businesses:

AGENDA

As Ordinary Business

1. To receive the Audited Financial Statements for the financial year ended 31 December 2023 together with the Reports of the Directors and Auditors thereon. *(Please refer to Explanatory Note 1 on Ordinary Business)*

2. To re-elect the following Directors who shall retire by rotation pursuant to Clause 106(1) of the Company's Constitution and being eligible, have offered themselves for re-election.

   a) Datuk Dr. Mohd Noor Bin Awang *Ordinary Resolution 1*
   b) Dr. Chong Tze Sheng *Ordinary Resolution 2*

3. To approve the ratification of additional payment of Directors' fees and benefits payable to the Directors up to RM154,500.00 which was in excess of the earlier approved of RM396,500.00 for the period commencing from 1 January 2023 until the conclusion of the 2nd AGM of the Company. *Ordinary Resolution 3*

4. To approve the Directors' fees and other benefits payable up to RM500,000.00 to be divided amongst Non-Executive Directors of the Company for the period commencing from the conclusion of the 2nd AGM of the Company until the conclusion of the next AGM of the Company in the year 2025. *Ordinary Resolution 4*

5. To re-appoint Messrs. Moore Stephens Associates PLT as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration. *Ordinary Resolution 5*

As Special Business

To consider and if thought fit, to pass the following resolutions, with or without modifications:

6. **AUTHORITY TO ALLOT AND ISSUE SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT, 2016** *Ordinary Resolution 6*

   "THAT approval be and is hereby given to waive the statutory pre-emptive rights to be offered new shares ranking equally to the existing issued shares of the Company pursuant to Section 85 of the Companies Act, 2016 ("CA 2016") read together with Clause 61 of the Company's Constitution.

   THAT pursuant to Sections 75 and 76 of CA 2016 and subject to the approvals of the relevant governmental/regulatory authorities, the Directors be and are hereby empowered to issue shares in the capital of the Company from time to time and upon such terms and conditions and for such purposes as the Directors, may in their absolute discretion deem fit, provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the total number of issued shares of the Company or such higher percentage as Bursa Malaysia Securities Berhad ("Bursa Securities") allowed for the time being and that the Directors be and are hereby also empowered to obtain approval from Bursa Securities for the listing and quotation of the additional shares so issued and that such authority shall continue to be in force until the conclusion of the next AGM of the Company."

6. To transact any other business of the Company of which due notice shall have been given in accordance with the Company's Constitution and the CA 2016.

Notice of Second Annual General Meeting (Cont'd)

By Order of the Board
DC HEALTHCARE HOLDINGS BERHAD

TAN TONG LANG (MAICSA 7045482/ SSM PC No. 202208000250)
THIEN LEE MEE (LS0010621/ SSM PC No. 201908002254)
NURUL SYAHIDAH BINTI MAT TAHIL (LS0010742/ SSM PC No. 202308000535)
Company Secretaries
Kuala Lumpur
30 April 2024

Notes:-

1. A member of the Company who is entitled to attend, speak, and vote at this 2nd AGM may appoint a proxy to attend, speak and vote on his(her) behalf. A proxy may but need not be a member of the Company. A proxy appointed to attend and vote at a meeting of the Company shall have the same rights as the member to speak at the meeting.

2. A member (other than an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 entitled to attend and vote at the meeting is entitled to appoint a maximum of 2 proxies to attend, participate, speak and vote on his/her behalf.

3. Where a member of the Company is an exempt authorised nominee which holds shares in the Company for multiple beneficial owners in one securities account (**"omnibus account"**) as defined under the Securities Industry (Central Depositories) Act 1991, one (1) or more proxies may be appoint to attend on the same occasion. Where a member appoints two (2) or more proxies, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies. The appointment of two (2) or more proxies shall not be valid unless he/she specifies the proportions of his/her holdings to be represented by each proxy.

4. The Proxy Form shall be signed by the appointer or his/her attorney duly authorised in writing or, if the member is a corporation, must be executed under its common seal or by its duly authorised attorney or officer.

5. The instrument appointing a proxy and power of attorney or other authority (if any) under which it is signed, or a certified copy of such power of attorney by a notary public, shall be deposited at Share Registrar of the Company at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or by electronic appointment via TIIH Online at https://tiih.online not less than forty-eight (48) hours before the time appointed for holdings the 2nd AGM or adjourned general meeting at which the person named in the instrument, proposes to vote. Please refer to the Administrative Guide for the 2nd AGM for further information on electronic submission.

6. For the purpose of determining who shall be entitled to attend this meeting, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to make available a Record of Depositors as at 4 June 2024 and only Members whose names appear on such Record of Depositors shall be entitled to attend, speak and vote at this meeting and entitled to appoint proxy or proxies.

7. Pursuant to Rule 8.31A(1) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, all the resolutions set out in the Notice of the 2nd AGM will be put to vote by way of poll.

Personal data privacy:

*By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the 2nd AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the 2nd AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the 2nd AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.*

Explanatory Notes:-

1. **Item 1 of the Agenda**

   Agenda item no. 1 is meant for discussion only as the provisions of Section 340 of the CA 2016, it does not require a formal approval of shareholders for the Audited Financial Statements. Hence, this item on the agenda is not put forward for voting.

2. **Items 2 of the Agenda**

   The Board of Directors have considered the eligibility and contribution of each of the retiring Directors and have also assessed the independence of the Independent Non-Executive Directors seeking for re-election.

   Based on the evaluation conducted on each of the retiring Directors, it was found to be satisfactory. In addition, each of the retiring Directors had provided their annual declaration/confirmation on their fitness and propriety as well as independence, where applicable.

   The Board recommended that the Directors who retire in accordance with Clause 106(1) of the Constitution namely Datuk Dr. Mohd Noor Bin Awang and Dr. Chong Tze Sheng are eligible to stand for re-election.

3. **Item 3 of the Agenda**

   At the First AGM of the Company held on 9 June 2023, the shareholders of the Company approved RM396,500.00 as a total Directors' Fee payable to the Directors of the Company for the period commencing from 1 January 2023 until the conclusion of the next AGM of the Company in the year 2024.

   The total Directors' Fees and benefit payable incurred amounting to RM551,000.00. The request for the additional amount of RM154,500.00 in excess of RM396,500.00 is required due to the Company incurred additional Directors' Fees and benefits payable resulting from the additional meeting allowance incurred during the financial year ended 2023 ("FYE 2023").

4. **Item 4 of the Agenda**

   Section 230(1) of the CA 2016 provides amongst others, that "the fees" of the directors and "any benefits" payable to the directors of a listed company and its subsidiaries shall be approved at a general meeting. In this respect, the Board agreed that the shareholders' approval shall be sought at the 2nd AGM on the Directors' remuneration.

   In determining the estimated total amount of Directors' Meeting Allowance, the Board has considered various factors, among others, the estimated claimable Directors' Meeting Allowance and estimated number of meetings for the Board and Board Committees held for the period commencing from the conclusion of the 2nd AGM until the next AGM of the Company.

Notice of Second Annual General Meeting (Cont'd)

The exact amounts which are receivable by each individual Non-Executive Directors are provided in Note of the Audited Financial Statements for the FYE 2023.

In the event the proposed amount is insufficient (e.g., due to more meetings or enlarged Board size), approval will be sought at the next AGM for additional fees to meet the shortfall.

Any Non-Executive Directors who are shareholders of the Company will abstain from voting on Resolutions 4 concerning remuneration to the Directors at the 2nd AGM.

5. Item 5 of the Agenda

The Board, through the Audit and Risk Management Committee had reviewed and was satisfied with the performance and independence of Messrs. Moore Stephens Associates PLT ("Moore Stephens") during the financial year under review. The Board has therefore recommended the re-appointment of Moore Stephens as external auditors of the Company for the financial year ending 31 December 2024.

6. Item 6 of the Agenda

The Ordinary Resolution 6, if passed, will give flexibility to the Directors of the Company to issue shares and allot up to a maximum of 10% of the total number of issued DC Healthcare's Shares at the time of such allotment and issuance of DC Healthcare's Shares and for such purposes as they consider would be in the best interest of the Company without having to convene separate general meetings. This authority, unless revoked or varied at a general meeting, will expire at the conclusion of the next Annual General Meeting of the Company.

The rationale for this resolution is to eliminate the need to convene general meeting(s) from time to time to seek shareholders' approval as and when the Company issues new DC Healthcare's Shares for future business opportunities for the purpose of funding investment project(s), working capital and/or acquisitions and thereby reducing administrative time and cost with the convening of such meeting(s).

Pursuant to Section 85 of the CA 2016 read together with Clause 61 of the Company's Constitution, shareholders have pre-emptive rights to be offered any new shares in the Company which rank equally to the existing issued shares in the Company or other convertible shares.

Section 85(1) of the CA 2016 provides as follows:

"85. Pre-emptive rights to new shares

1. Subject to the Constitution, where a company issue shares which rank equally to existing shares as to voting or distribution rights, those shares shall first be offered to the holders of existing shares in a manner which would, if the offer were accepted, maintain the relative voting and distribution rights of those shareholders.

Clause 61 of the Company's Constitution provides as follows:

"61. Subject to any direction to the contrary that may be given by the Company in a general meeting, all new shares or other convertible securities shall, before they are issued, be offered to such persons as at the date of the offer are entitled to receive notices from the Company of general meetings in proportion, as nearly as the circumstances admit, to the amount of the existing shares or Securities to which they are entitled. The offer shall be made by notice specifying the number of shares or Securities offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined, and, after the expiration of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares or Securities offered, the Directors may dispose of those shares or Securities in such manner as they think most beneficial to the Company. The Directors may likewise also dispose of any new shares or Securities which (by reason of the ratio which the new shares or Securities bear to the shares or Securities held by persons entitled to an offer of new shares or Securities) cannot, in the opinion of the Directors, be conveniently offered under this Clause.

The proposed Ordinary Resolution, if passed, will exclude your pre-emptive right to be offered new shares and/or convertible securities to be issued by the Company pursuant to the said Ordinary Resolution.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

(Pursuant to Rule 8.29(2) of ACE Market Listing Requirements of Bursa Securities)

1. The Directors who are seeking for re-election as Directors of the Company at the 2nd AGM of the Company are:-

   a) Datuk Dr. Mohd Noor Bin Awang (Clause 106(1))
   b) Dr. Chong Tze Sheng (Clause 106(1))

   The profile of the retiring Directors is set out in the Directors' Profile of the Annual Report 2023.

2. The detailed information relating to general mandate for issue of securities pursuant to Rule 6.04(3) of the Listing Requirements of Bursa Securities are set out under Explanatory Notes for Ordinary Resolution 6 of the Notice of 2nd AGM of the Company.

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DC HEALTHCARE HOLDINGS

DC HEALTHCARE HOLDINGS BERHAD

DC HEALTHCARE HOLDINGS BERHAD
[Registration No. 202201014036 (1459733-P)]
(Incorporated in Malaysia)

FORM OF PROXY

No. of shares held	
CDS Account No.	

I/We ______________________________ [Full Name in Block Letters] NRIC No.______________ of ______________________________ [Full Address], ______________ [Email Address], ______________ [Contact No.] being a member(s) of DC HEALTHCARE HOLDINGS BERHAD, hereby appoint:

Full Name in Block Letters		Proportion of shareholdings to be presented %
Email Address		
NRIC No.		
Full Address		
Contact No.		
Full Name in Block Letters		Proportion of shareholdings to be presented %
Email Address		
NRIC No.		
Full Address		
Contact No.		
		100%

or failing him/her *, the Chairman of the Meeting as my/our proxy to vote for me/us and on my/our behalf at the Second ("2nd") Annual General Meeting of the Company will be conducted on a virtual basis via Remote Participation and Voting facilities provided by Tricor Investor & Issuing House Services Sdn Bhd ("TIIH") via TIIH Online website at https://tiih.online on Tuesday, 11 June 2024 at 11.00 a.m. or any adjournment thereof to vote as indicated below:

The proxy is to vote on the Resolutions set out in the Notice of the Meeting as indicated with an "X" in the appropriate spaces. If no specific direction as to the voting is given, the Proxy will vote or abstain from voting at his/her discretion.

		FOR	AGAINST
Ordinary Resolution 1	To re-elect Datuk Dr. Mohd Noor Bin Awang who retires in accordance with Article 106(1) of the Constitution of the Company.		
Ordinary Resolution 2	To re-elect Dr. Chong Tze Sheng who retires in accordance with Article 106(1) of the Constitution of the Company.		
Ordinary Resolution 3	To approve the ratification of additional payment of Directors' fees and benefits payable to the Directors up to RM154,500.00 which was in excess of the earlier approved of RM396,500.00 for the period commencing from 1 January 2023 until the conclusion of the 2nd AGM of the Company.		
Ordinary Resolution 4	To approve the Directors' fees and other benefits payable up to RM500,000.00 to be divided amongst Non-Executive Directors of the Company for the period commencing from the conclusion of the 2nd AGM of the Company until the conclusion of the next AGM of the Company in the year 2025		
Ordinary Resolution 5	To re-appoint Messrs. Moore Stephens Associates PLT as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration.		
Ordinary Resolution 6	Authority to Allot and Issue Shares Pursuant to Sections 75 And 76 of the Companies Act, 2016		

Signed this............. day of 2024

....
Signature of Shareholder(s)

Notes:-

1. A member of the Company who is entitled to attend, speak, and vote at this 2nd AGM may appoint a proxy to attend, speak and vote on his(her) behalf. A proxy may but need not be a member of the Company. A proxy appointed to attend and vote at a meeting of the Company shall have the same rights as the member to speak at the meeting.
2. A member (other than an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 entitled to attend and vote at the meeting is entitled to appoint a maximum of 2 proxies to attend, participate, speak and vote on his/her behalf.
3. Where a member of the Company is an exempt authorised nominee which holds shares in the Company for multiple beneficial owners in one securities account ("**omnibus account**") as defined under the Securities Industry (Central Depositories) Act 1991, one (1) or more proxies may be appoint to attend on the same occasion. Where a member appoints two (2) or more proxies, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies. The appointment of two (2) or more proxies shall not be valid unless he/she specifies the proportions of his/her holdings to be represented by each proxy.
4. The Proxy Form shall be signed by the appointer or his/her attorney duly authorised in writing or, if the member is a corporation, must be executed under its common seal or by its duly authorised attorney or officer.
5. The instrument appointing a proxy and power of attorney or other authority (if any) under which it is signed, or a certified copy of such power of attorney by a notary public, shall be deposited at Share Registrar of the Company at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or by electronic appointment via TIIH Online at https://tiih.online not less than forty-eight (48) hours before the time appointed for holdings the 2nd AGM or adjourned general meeting at which the person named in the instrument, proposes to vote. Please refer to the Administrative Guide for the 2nd AGM for further information on electronic submission.
6. For the purpose of determining who shall be entitled to attend this meeting, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to make available a Record of Depositors as at 4 June 2024 and only Members whose names appear on such Record of Depositors shall be entitled to attend, speak and vote at this meeting and entitled to appoint proxy or proxies.
7. Pursuant to Rule 8.31A(1) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, all the resolutions set out in the Notice of the 2nd AGM will be put to vote by way of poll.

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AFFIX STAMP

The Share Registrar

TRICOR INVESTOR &
ISSUING HOUSE SERVICES SDN BHD
(197101000970 (11324-H))
Unit 32-01, Level 32, Tower A
Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur

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Fold This Flap For Sealing