www.dchealthcareholdings.com

DC HEALTHCARE HOLDINGS BERHAD
(Registration No. 202201014036 (1459733-P))

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

DC HEALTHCARE HOLDINGS BERHAD (Registration No. 202201014036 (1459733-P))

ANNUAL REPORT 2024

ANNUAL REPORT 2024

DC HEALTHCARE HOLDINGS
DC HEALTHCARE HOLDINGS BERHAD

DR CHONG Clinic
DR CHONG Slimming
newB
DC ACADEMY

WWW.DCHEALTHCAREHOLDINGS.COM

WHAT'S INSIDE THIS REPORT

01
CORPORATE OVERVIEW

02
PERFORMANCE REVIEW

03
SUSTAINABILITY

04
GOVERNANCE

05
FINANCIAL STATEMENT

06
ADDITIONAL INFORMATION

3RD
Annual General Meeting ("AGM")
of **DC Healthcare Holding Berhad**

Tuesday,
17 June 2025
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 personalized medical aesthetic, wellness health services and to develop high quality skincare products for the people and the community we serve

Our Core Values

Detailed

Provide holistic services with passion and unwavering integrity, ensuring every detail is thoughtfully considered.

Caring

Provide compassionate patient-centred 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)

DATIN 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
(Members / Independent Non-Executive Director)

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

REMUNERATION COMMITTEE

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

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

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

NOMINATION COMMITTEE

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

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

Sim Lee San
(Members / 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 BERHAD

DR CHONG Clinic — MEDICAL AESTHETIC

- 100% Klinik Dr Chong Sdn Bhd
- 100% DC Lasers Sdn Bhd
- 100% DC Lasers (Mid Valley) Sdn Bhd
- 100% DC Lasers (Puchong) Sdn Bhd
- 100% DC Lasers (Eastern) Sdn Bhd

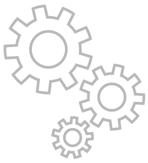
10 DRS — TRADING

- 100% Ten Doctors Sdn Bhd

DR CHONG Slimming — SLIMMING

- 100% DC Wellness Sdn Bhd

KEY CORPORATE MILESTONES



2016

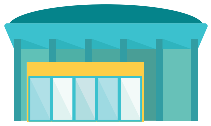
- Founded Dr Chong Clinic in Kepong, Kuala Lumpur.

2017

- Opened the 2nd outlet in Shah Alam, Selangor.

2018

- Opened the 3rd outlet in Johor Bahru.



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.

2020

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

2021

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

2022

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

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). Incorporation of DC Wellness, under brand name of DrChong Slimming , (rebranding from DC Body), an innovative wellness and weight management centre
- Launched its own range of skincare products, branded under “NewB Premium Ageless” and “NewB Premium Hydration”.

2024

- Opened 5 outlets of Dr. Chong Clinic in Penang George Town, Ipoh, Johor Taman Molek, Penang Autocity, and Publika
- Opened 5 outlets of Dr. Chong Slimming and Wellness in Publika, Bukit Indah, Taipan, Autocity and Muar
- Awarded Two Malaysia Book of Records

AWARDS AND ACCOLADES

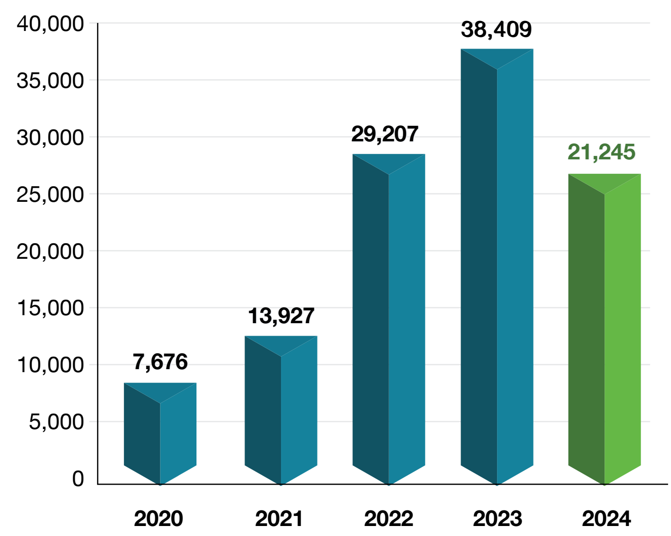
FINANCIAL HIGHLIGHTS

FINANCIAL YEAR ENDED ("FYE") 31 DECEMBER		2020	2021	2022	2023	2024
Operating Results						
Revenue	RM'000	14,449	25,479	51,964	67,701	55,791
Gross Profit ("GP")	RM'000	7,676	13,927	29,207	38,409	21,245
Earnings/(Loss) before Interest, Tax, Depreciation & Amortization [EBITDA/(LBITDA)]	RM'000	4,742	8,937	18,018	13,863	(7,178)
Profit/(Loss) Before Tax [PBT/(LBT)]	RM'000	2,699	6,203	12,578	4,966	(20,419)
Profit/(Loss) After Tax [PAT/(LAT)]	RM'000	1,901	4,602	9,559	2,504	(19,648)
Key Financial Position Data						
Total Assets	RM'000	16,868	32,541	48,317	99,165	107,677
Total Equity	RM'000	4,755	7,997	15,047	64,384	44,736
Total Liabilities	RM'000	12,113	24,544	33,270	34,781	62,941
Financial Ratio						
GP Margin	%	53.12	54.66	56.21	56.73	38.08
PBT/(LBT) Margin	%	18.68	24.35	24.21	7.34	(36.60)
PAT/(LAT) Margin	%	13.16	18.06	18.40	3.70	(35.22)
*Basic/Diluted Earnings/(Loss) Per Share [EPS/(LPS)]	sen	0.19	0.46	0.96	0.25	(1.97)
Effective tax rate	%	29.57	25.81	24.00	49.58	(3.77)

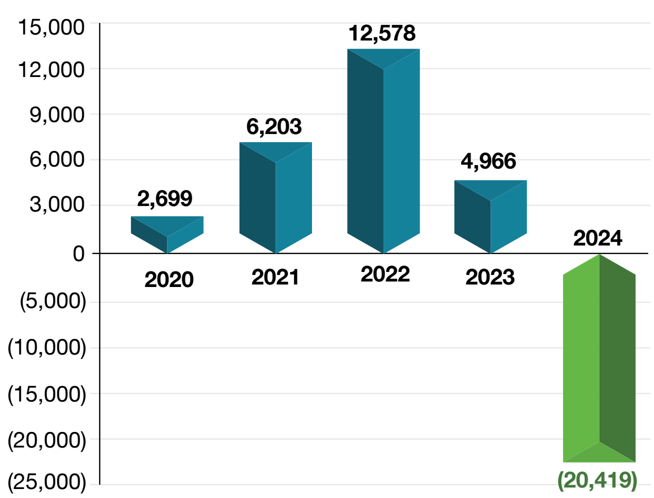
* EPS is based on PAT divided by 996,300,000 enlarged number of Shares in issue on 17 July 2024

Financial Highlights (Cont'd)

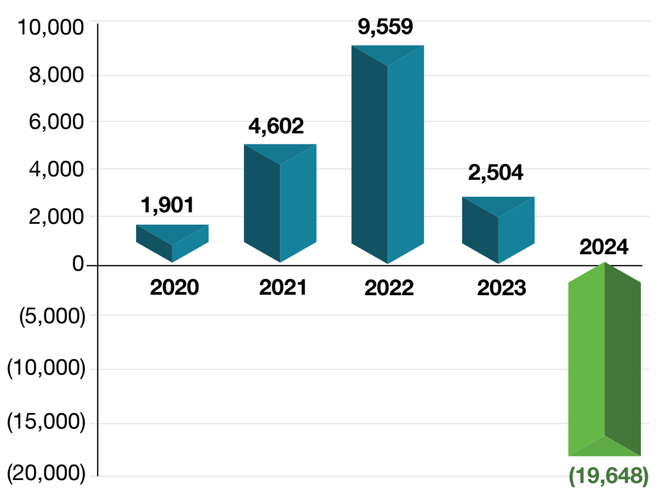
GROSS PROFIT (RM'000)



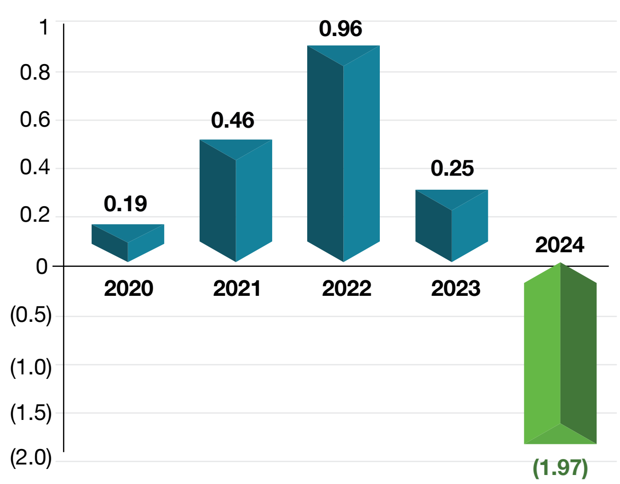
PROFIT/(LOSS) BEFORE TAX (RM'000)



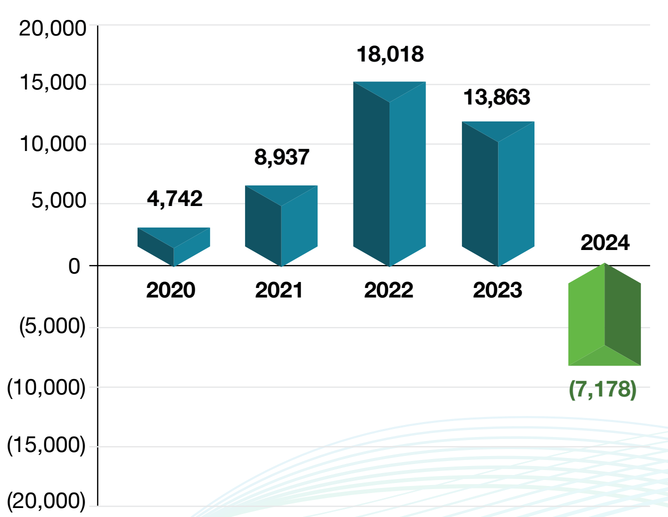
PROFIT/(LOSS) AFTER TAX (RM'000)



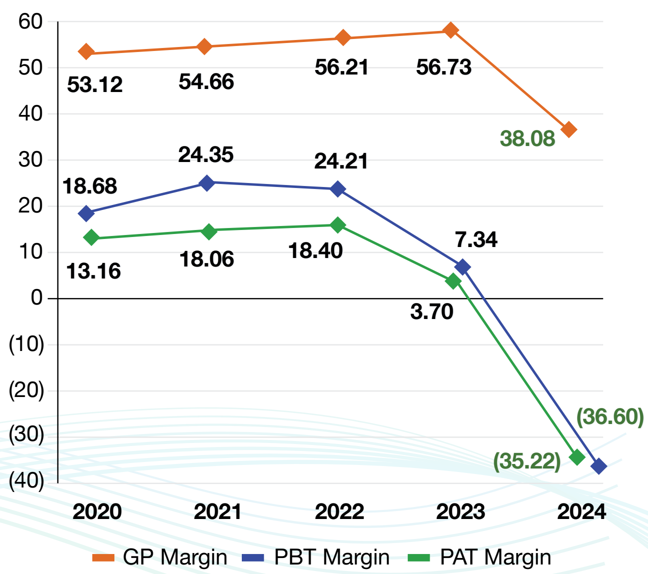
EARNINGS/(LOSS) PER SHARE (sen)



EBITDA MARGIN (RM'000)



GP, PBT, PAT MARGIN (%)



DR CHONG Clinic





YOUR TRUSTED SAFE SPACE FOR AESTHETIC EXCELLENCE

Where Safety, Reliability, and Results Come Together

At Dr. Chong Clinic, we understand that enhancing your appearance is deeply personal. That's why we have cultivated a safe, supportive, and professional environment where clients can confidently pursue their aesthetic goals with peace of mind.

This year, we remained steadfast in our commitment to providing safe, reliable, and proven treatments that prioritize your well-being. Every procedure and consultation is backed by:

- **Medical Expertise:** Delivered by qualified professionals with years of experience.
- **Advanced Technology:** Incorporating state-of-the-art tools and treatments for optimal outcomes.
- **Personalized Care:** Tailored solutions that respect your individuality, comfort, and expectations.

BUILDING TRUST THROUGH RESULTS

Throughout the year, we celebrated countless success stories from our valued clients. Achievements that not only enhance appearances but also boost confidence and self-esteem are at the heart of what we do. We have maintained a reputation for safety-first practices, ensuring every procedure meets the highest standards. Strengthening relationships through transparency, trust, and proven results has been our priority as we continue to grow.

This year, we are proud to highlight two significant milestones:

- A testament to the quality and care that define our services.
- **Expanding our reach to 23 branches nationwide**, making premium aesthetic care, slimming and wellness services accessible to more communities.

OUR PROMISE MOVING FORWARD

At Dr. Chong Clinic, your safety and satisfaction are our top priorities. As we grow, we remain dedicated to:

- Providing a judgment-free safe space where you feel heard and respected.
- Expanding access to reliable treatments that are effective and safe.
- Leading the way in ethical aesthetic practices built on trust and care.

"Your journey is our responsibility. At Dr. Chong Clinic, you are always in safe hands."

PROFILE OF DIRECTORS

DATUK DR. MOHD NOOR BIN AWANG
Independent Non-Executive Chairman

Board Committee Membership: NIL

Malaysian

Male

Aged 71

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. He attended all five (5) Board meetings in the financial year.

Profile of Directors (Cont'd)

DR. CHONG TZE SHENG

Managing Director

Board Committee Membership: NIL

Malaysian

Male

Aged 41

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 Letter 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 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. He attended all five (5) Board meetings in the financial year.

Profile of Directors (Cont'd)

DR. LAI NGAN CHEE

Executive Director

Board Committee Membership: NIL

Malaysian

Female

Aged 41

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. Dr Lai has obtained License in Credentialing and Privileging ("LCP") for Aesthetic Medical Practice from the Malaysian Ministry of Health in 2024.

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. She attended all five (5) Board meetings in the financial year.

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*

Malaysian

Female

Aged 49

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.

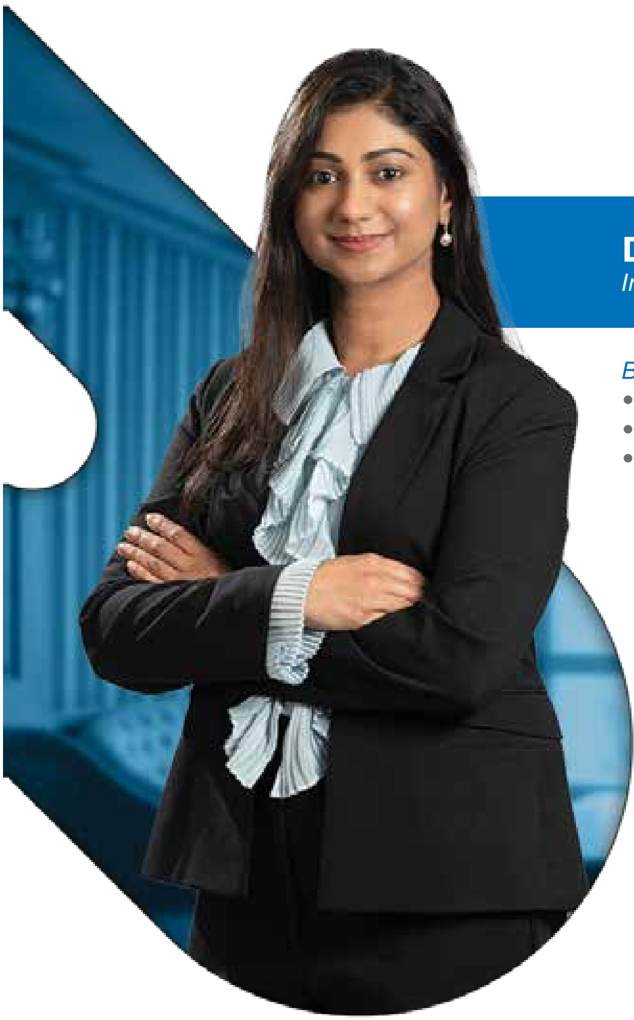
She commenced her legal career at Lee Hishammuddin in 2001, specialising in corporate, conveyancing, and banking, before transitioning to Mazlan & Associates in 2004, where she honed her expertise in various facets of corporate and commercial laws, including IPOs, mergers, and acquisitions until 2014. 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. She attended all five (5) Board meetings in the financial year.

Profile of Directors (Cont'd)



DATIN 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*

Malaysian

Female

Aged 42

Ms. Rekha A/P Palanysamy ("Datin Rekha") 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.

Datin 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. Datin 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, Datin 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. She attended all five (5) Board meetings in the financial year.

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*

Malaysian

Female

Aged 48

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 Certified 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. In 2024 she joined K.H.Khor Realty Sdn Bhd, a property company as Manager to in-charge of operations of the company. Currently, she is not affiliated with any 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. She attended all five (5) Board meetings in the financial year.

PROFILE OF KEY SENIOR MANAGEMENT

MADAM MAH LAI HENG
Chief Operating Officer

Malaysian

Female

Aged 66

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 28 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.

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 (Cont'd)

YONG YEW SUN
Chief Financial Officer

Malaysian

Male

Aged 55

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

Malaysian

Male

Aged 39

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 subdepartments and supervising medical teams, mainly within the obstetrics and gynaecology specialisation. Transitioning into medical aesthetic in 2013, he provided aesthetic consultation and procedures under licensed practitioner. In 2015, his career then evolved into pivotal managerial roles as a founding Medical Director in a private medical aesthetic clinic & another private general practitioner clinic.

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

94% Skin Radiance
肌の輝き

80% Pore Tightening
毛穴引き締め

70% Anti-Wrinkle
抗しわ

A NEW BEGINNING IN SKINCARE BREAKTHROUGHS

2024 has been an outstanding year for newB Premium Skincare. Our commitment to natural beauty, innovation, and sustainability has driven significant progress across our operations. We are proud of our accomplishments and energized for the future. In the year 2024, we launched groundbreaking products, expanded our market reach, and continued to build trust with our customers by staying true to our core values: innovation, natural active ingredient and science.

Thank you for your continued support and belief in newB.

MISSION AND VISION

At newB, we envision a world where beauty is accessible, natural, and sustainable. Our mission is to elevate the quality of our selections continuously through the synergy of a group of experienced aesthetic expertise and modern technology breakthroughs.

"We're Dedicated to Providing High Quality Skincare Solutions"

HIGHLIGHTS OF 2024

Product Innovation

Won 4 awards from reputable beauty magazines – Beauty Insider & Harper Bazaar's competing over 500+ beauty products in Malaysia.

- **Best Anti-Ageing 2024:** newB Premium Ageless Concentrate
- **Best Eye-Treatment 2024:** newB Premium Ageless Eye Concentrate
- **Best All-Day Moisturisation 2024:** newB Premium Hydration Concentrate
- **Best Lotion 2024:** newB Premium Hydration Nano-Bubble Exfoliating Lotion

Digital Marketing Success

- **Follower Growth:** From 0 to 28K+ followers across all social platforms within a year.
- **Viral Campaigns:** Reached over 10+ million views across platforms, increasing brand awareness in Malaysia.
- **Influencer Collaborations:** Partnered with 100+ influencers (including aesthetic doctors from Dr Chong Clinic) to drive authentic engagement and product reviews.
- **SEO and Content Strategy:** Improved website traffic through optimized content and targeted keywords.
- **Live Selling:** Engaged with dedicated and experienced live sellers to promote newB locally and Hong Kong market.

LOOKING AHEAD: GOALS FOR 2025

1. Product Innovation: Continue to innovate beauty products within Health & Beauty to meet consumers' expectations and desires.
2. AI Technology Incorporation: Enhance our customer satisfaction, personalized customer journey, and product innovation.
3. Increase Offline Accessibility: Partner with more retail pharmacies, making newB more accessible to skincare lovers in Malaysia.

ACKNOWLEDGMENTS

We extend heartfelt thanks to our employees, customers, partners, and shareholders for their unwavering support. Your dedication fuels our growth and inspires us to continue innovating.

Together, we look forward to another year of beauty, sustainability, and success.

DR CHONG
Slimming

Empowering Confidence Through Transformation

Your Journey to a Healthier, Slimmer You

We are proud to announce the rebranding of **DCBODY** to **Dr. Chong Slimming**, marking an exciting evolution in our commitment to empowering confidence through transformation. This change reflects our continued dedication to providing personalized slimming solutions and innovative treatments that help individuals achieve their ideal selves.

At **Dr. Chong Slimming**, we believe true confidence begins with feeling your best—inside and out. By blending state-of-the-art technology, expert consultations, and bespoke treatments, we ensure every step of your journey is tailored to your unique needs.

Celebrating Milestones Together

This year, we take pride in celebrating:

- Thousands of success stories from clients achieving their ideal body goals.
- The introduction of cutting-edge treatments that are safe, effective, and backed by science.
- Continued investment in the latest technologies and techniques to maximize results.

Our Vision for the Future

As **Dr. Chong Slimming**, we remain steadfast in our mission to support every transformation. Our vision includes:

- Refining our programs to meet evolving client needs.
- Enhancing accessibility to promote inclusivity.
- Inspiring sustainable habits for long-term well-being.

Why the Rebrand?

The transition from **DCBODY** to **Dr. Chong Slimming** reflects a renewed focus on our core mission: delivering unparalleled slimming solutions with a personalized, holistic approach. This rebrand aligns our identity with the trust, expertise, and care that have always been the foundation of our services.

Because slimming is more than just a physical transformation—it's about empowering confidence, revitalizing well-being, and embracing the best version of yourself.

Join us on this journey, and let's celebrate your transformation together under our new name, Dr. Chong Slimming.

CHAIRMAN STATEMENT

Dear Valued Shareholders,

On behalf of the Board of Directors ("Board"), I am pleased to present the Annual Report and Audited Financial Statements of DC Healthcare Holdings Berhad ("DC Healthcare") and its subsidiaries (the "Group") for the financial year ended 31 December 2024 ("FYE2024").

Our journey in 2024 has been marked by remarkable growth and strategic expansion. As a Group, we have achieved a significant milestone, securing 23 outlets nationwide. This expansion not only strengthens our presence in the aesthetic medical services sector but also underscores our commitment to making high-quality aesthetic care more accessible across Malaysia.

In line with our mission to redefine beauty with safety at the core, we have introduced a new tagline: **"Beauty Refined, Safety Aligned."** This encapsulates our unwavering dedication to quality care and services, ensuring that patient safety and satisfaction remain at the heart of everything we do.

FINANCIAL PERFORMANCE

I am pleased to report that despite the challenges faced, DC Healthcare has demonstrated resilience and adaptability in FYE2024. Our revenue for the year generated RM55.79 million, reflecting our commitment to sustainable growth. Our cash and cash equivalents stood at RM21.22 million, with a strong current ratio of 1 time as of 31 December 2024. In addition, the total assets increased to RM107.68 miilion in FYE2024 from RM99.17million in FYE2023. These financial indicators underscore our prudent financial management and strategic investments in expansion and innovation.

Chairman Statement (Cont'd)

STRATEGIC GROWTH AND DIVERSIFICATION

FYE2024 has been a transformative year for DC Healthcare. In addition to expanding our network of outlets, we have taken a bold step forward by diversifying into education and professional training with the establishment of our very own DC Academy in January 2025 . This strategic initiative aims to cultivate a new generation of skilled aesthetic practitioners, ensuring the continued advancement of the industry while reinforcing our position as a leader in aesthetic medical services.

Our investments in advanced technologies, continuous professional development, and patient-centered care have further strengthened our reputation for excellence. The integration of innovative treatments and the enhancement of our service portfolio reflect our commitment to staying at the forefront of the industry.

INDUSTRY RECOGNITION AND ACHIEVEMENTS

DC Healthcare has been honoured with multiple prestigious awards in recognition of our leadership and impact in the aesthetic healthcare industry:

1. **Malaysia Book of Records** – The First Aesthetic Clinic Chain Listed on Bursa Malaysia's ACE Market
2. **Malaysia Book of Records** – The Largest Market Capitalisation by an Aesthetic Clinic Chain at RM214 million
3. **GlobalHealth Awards 2024** – Innovative Healthcare Entity Group of the Year in Asia-Pacific

These accolades reaffirm our commitment to excellence, innovation, and leadership in the industry, further solidifying our position as a trusted name in aesthetic medical services.

COMMITMENT TO GOVERNANCE AND ETHICAL LEADERSHIP

As we continue to grow, we remain firmly committed to upholding the highest standards of corporate governance. Strong governance is the foundation of our long-term sustainability, ensuring that our business is conducted with integrity, transparency, and accountability. We have implemented robust policies and frameworks to strengthen risk management, enhance operational efficiency, and safeguard stakeholder interests.

Our Board continues to play an active role in overseeing governance structures, ensuring compliance with regulatory requirements, and promoting ethical decision-making at all levels of the organisation. By prioritising good governance, we reinforce trust among our shareholders, clients, and business partners while positioning DC Healthcare for sustainable success.

FUTURE OUTLOOK

Looking ahead, we remain optimistic about the future of the aesthetic medical services industry. With an expanding network, a strong commitment to innovation, and the establishment of DC Academy, we are well-positioned to drive sustainable growth. Our focus will continue to be on enhancing service quality, broadening our market reach, and setting new benchmarks for excellence in the industry.

ACKNOWLEDGEMENTS

Our success is made possible by the dedication and hard work of our team. I extend my deepest appreciation to our employees, whose passion and commitment continue to propel us forward.

I also wish to express my sincere gratitude to our shareholders, clients, and business partners for their trust and support. With our collective efforts, I am confident that DC Healthcare will continue to thrive and create lasting value for all our stakeholders.

Thank you for your confidence in DC Healthcare.

Datuk Dr. Mohd Noor Bin Awang
Independent Non-Executive Chairman
DC Healthcare Holdings Berhad

MANAGEMENT DISCUSSION & ANALYSIS

BUSINESS OVERVIEW

The 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 such as lymphatic massage.

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, Ten Doctors Sdn Bhd, marks a significant step in diversifying its product portfolio.

Management Discussion & Analysis (Cont'd)

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 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.

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 revolutionized 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 personalized.

Our personalized 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.

Management Discussion & Analysis (Cont'd)

GROUP FINANCIAL PERFORMANCE ANALYSIS

For the financial year ended 31 December 2024 (“FYE2024”), the Group saw its revenue decrease by 18% to RM55.79 million, from RM67.70 million in the previous financial year, which ended 31 December 2023 (“FYE2023”). The reduction was due to lower redemption rate in aesthetic services. The sales 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.

The Group recorded loss after tax of RM19.65 million for FYE2024 compared to profit after tax of RM2.50 million recorded in FYE2023. The decrease primarily attributed to a significant reduction in gross profit by RM17.17 million, higher marketing costs by RM4.51 million, increased operation costs by RM2.86 million and higher depreciation cost by RM4.35 million in FYE2024. The rise in administrative expenses were aligned with the Group's strategic growth initiatives, including the expansion of 5 aesthetic outlets, 4 sliming outlets, and with the addition of a new skin and wellness centre in FYE2024

An overview of the business segment’s overall performance is as below:

Revenue	Financial Year			
	31.12.2024 RM’000		31.12.2023 RM’000	
Aesthetic services	46,391	83%	58,057	87%
General medical services	6,840	12%	6,960	10%
Sale of skincare products	2,560	5%	2,684	3%
	55,791	100%	67,701	100%
GP	21,245		38,409	

Our revenue was mainly generated from the aesthetic services segment, which contributed 83% and 87% of our total revenue for FYE2024 and FYE2023 respectively. The aesthetic services segment’s revenue decreased by 20% to RM46.39 million in FYE2024 as compared to FYE2023. The decrease was mainly due to lower redemption rate in aesthetic services. General medical services and sale of skincare products services segment recorded lower revenues of RM6.84 million and RM2.56 million in FYE2024 respectively as compared to FYE2023.

Aesthetic Services: Despite the lower of redemption rate, this segment remained a key revenue driver, supported by innovative service offerings and strategic clinic expansion.

General Medical Services: This segment showed resilience, benefiting from growing healthcare awareness and the Group’s strong reputation in medical care.

Skincare Products: The introduction of the NewB skincare line contributed positively to revenue, strengthening the Group’s presence in the competitive skincare market.

Gross Profit

Our Group’s GP and GP margin by business segment for FYE 2024 and FYE 2023 are as follows:

Revenue	Financial Year	
	FYE 2024	FYE 2023
Gross Profit (RM mil)	21.25	38.41
Gross Profit Margin (%)	38%	57%

In FYE2024, our Group recorded GP margin of 38% in FYE2024 as compared to GP margin of 57% in FYE 2023. Our GP for the current financial year dropped by 45% to RM21.25 million from RM38.41 million in the previous year. This decrease was primarily due to lower sales in aesthetic services, which remain the Group's largest revenue contributor. Additionally, the increase in depreciation costs of medical equipment following the expansion of new outlets in FYE2024 further impacted the overall GP margin.

Statement of Financial Position

In FYE2024, the Group's Statement of Financial Position reflected an increase in fixed assets, primarily driven by the expansion of new outlets. The Group's property and equipment increased by RM7.87 million, reflecting investments in medical equipment, clinic renovations, and facility enhancements to support business growth. This increase underscores the Group's commitment to strengthening its operational capacity and service offerings across its expanding clinic network.

Our Group's cash and cash equivalents decreased to RM21.22 million in FYE2024 from RM30.34 million in FYE 2023, mainly due to the utilization of IPO proceeds for new outlet expansion, medical equipment, and facility upgrades, supporting the Group's growth objectives.

On the liabilities side, contract liabilities increased by RM14.80 million in FYE2024. This rise was primarily due to unredeemed prepaid packages, which are classified as contract liabilities until customers utilize the services. The increase reflects the higher sales of prepaid packages during the financial year, which will be progressively recognized as revenue upon redemption. This trend aligns with the Group's long-term revenue recognition strategy, as efforts to improve the redemption rate of prepaid packages are expected to contribute positively to financial performance in the coming periods.

Going forward, DC Healthcare will remain prudent in managing its financial position to achieve strategic objectives of generating higher revenue in the coming years. As at 31 December 2024, the Group's total equity attributable to shareholders stood at RM44.74 million while net assets per share attributable to shareholders is 4.49 sen per share.

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 2024, DC Healthcare had setup a total number of 19 aesthetic outlets, including a new skin and wellness centre , and opening 4 additional slimming service outlets. 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.

FUTURE OUTLOOK

Market Growth Potential

DC Healthcare is strategically positioned to harness market opportunities of growing demand in aesthetic .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.

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.

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.

Management Discussion & Analysis (Cont'd)

DC Healthcare has outlined strategic pillars to drive financial performance and sustainable growth. The Group is synergizing its core brands by strengthening Dr. Chong Clinic, Dr. Chong Slimming, and NewB Premium Skincare, while expanding skincare product offerings to enhance market reach and meet increasing consumer demand.

To enhance customer experience, the Group is adopting a customer-first approach, improving patient engagement and service personalization. Initiatives such as AI-powered patient tracking and personalized treatment plans are being explored to optimize treatment outcomes, service quality, and customer retention.

For market expansion, the Group is opening new aesthetic centers in high-demand locations and expanding Dr. Chong Slimming outlets, focusing on weight management services to tap into the growing wellness market, improve accessibility, and attract new customers.

To optimize operations and reduce wastage, the Group is implementing a Group-Wide Efficiency Program to streamline processes, minimize material waste, and improve cost control. An Enterprise Resource Planning (ERP) system is being introduced to enhance decision-making and resource management, while inventory management and resource allocation are being optimized for cost efficiency and sustainability.

These strategic initiatives will drive long-term growth, operational excellence, and financial stability, reinforcing the Group’s leadership in the medical aesthetic and wellness industry.

Acknowledgements

The Group extends its deepest appreciation to our dedicated team, whose hard work and commitment have been instrumental in driving our success. Their unwavering efforts have enabled us to navigate challenges, expand our market presence, and continuously enhance our services.

We are also grateful to our shareholders and clients, whose trust and support have been pivotal in our journey. Their confidence in our vision has fueled our ambition to grow, innovate, and solidify our position as a leader in the medical aesthetic and wellness industry.

Reflecting on FYE2024, we have seen significant progress in expanding our clinic network, enhancing service offerings, and strengthening our operational efficiency. The addition of new clinics, investment in cutting-edge medical technology, and launch of NewB Premium Skincare are milestones that set the stage for future growth.

As we move forward, our commitment to excellence, innovation, and customer-centric care remains steadfast. The Group will continue to evolve, adapt, and lead in delivering high-quality medical aesthetic solutions, ensuring sustainable growth and value creation for all stakeholders

DC ACADEMY

Master The Art, Safety At Heart

Nurturing the Future of Aesthetic Excellence

As part of DC Healthcare Holdings, Malaysia's premier listed aesthetic clinic chain, DC Academy stands as a pioneering educational initiative dedicated to empowering individuals to pursue rewarding careers within the aesthetic industry. This unique academy in Malaysia concentrates on providing non-medical professionals with the essential skills and knowledge required for success in the expanding field of aesthetics.

Unlike conventional beauty training institutions, DC Academy strives to set new industry standards. Our academy does not provide medical training to become doctors; rather, it specializes in developing highly proficient aesthetic therapists and consultants who prioritize a SAFETY-FIRST approach.

Central to DC Academy's mission is the goal to shape the future of aesthetics through the cultivation of a highly professional workforce. We offer a comprehensive suite of industry-relevant courses, including the esteemed Aesthetic Therapy Level 4 program, certified under the National Dual Training System (SLDN) by the Department of Skills Development, thus pioneering diploma-level training within a clinic-based setting.

A Vision Rooted in Excellence and Innovation

DC Academy is committed to nurturing a new generation of professionals who are not only skilled but are also devoted to ethics, client safety, and best practices in the industry. By fostering these values, the academy seeks to establish new standards of professionalism across the aesthetic sector, promoting its ongoing growth and excellence.

Empowering Career Pathways

With hands-on training using FDA-approved equipment, personalized instruction from licensed, credentialed practitioners, and strong career placement opportunities with partner clinics, DC Academy prepares graduates to be career-ready. Our programs emphasize crucial competencies such as aesthetic consultations, skin rejuvenation treatments, and adherence to industry standards, equipping students to excel in diverse roles within aesthetic clinics and wellness centers.

DC Academy represents more than an educational institution; it is a bridge to meaningful career opportunities in aesthetics. By closing the skills gap and nurturing talent, DC Academy plays a critical role in advancing the future of Malaysia's aesthetic clinic industry.

Welcome to DC Academy, where aspirations meet expertise, and dreams of success in aesthetics become reality.

SUSTAINABILITY STATEMENT

The Group is proud to present our Sustainability Statement for the FYE2024. This milestone reflects our ongoing commitment to integrating Environmental, Social, and Governance ("ESG") principles into the heart of our operations, particularly within the medical aesthetics industry.

As we continue to evolve as a responsible corporate entity, we recognize that sustainable practices are essential not only for driving long-term value for our stakeholders but also for contributing meaningfully to society and the environment. Sustainability is central to our business strategy and operational framework, and in FYE2024, we have advanced our efforts to create lasting positive impacts in the communities we serve. This Statement highlights the key milestones, progress, and commitments that underscore DC Healthcare's dedication to enhancing its sustainability performance. It also reflects our resolve to refine our ESG strategies, ensuring that our growth is inclusive, responsible, and forward-looking.

A Year of Commitment to Sustainable Growth

For DC Healthcare, FYE2024 has been a year of growth, both in our footprint's expansion and in our sustainability journey. We have continued to strengthen the integration of ESG into our corporate DNA by aligning our goals with global sustainability frameworks and adhering to best practices in corporate governance. We are focused on building sustainable relationships with all stakeholders, fostering a corporate culture that emphasizes sustainability at every level of the organization. From instilling awareness among our employees to embedding sustainable practices into our decision-making processes, we aim to create an environment where sustainability is not just a concept but a core part of our operational ethos.

Our ESG Focus: Advancing Economic, Environmental, and Social Responsibility

In FYE2024, DC Healthcare made notable strides in advancing sustainability across three key pillars—economic, environmental, and social responsibility. These focus areas are fundamental to driving the transformation of our business into a model that balances growth with responsibility.

1. Environmental Stewardship

As part of our commitment to reducing our environmental footprint, we have implemented energy-efficient measures in key operational areas, focusing on reducing carbon emissions and minimizing waste. These efforts are aligned with our long-term goal of achieving carbon neutrality by 2030.

2. Social Responsibility

At DC Healthcare, we believe that the power of aesthetic healthcare extends beyond just enhancing personal appearance; it is about fostering well-being and inclusivity. In FYE2024, we strengthened our community outreach initiatives, providing access to healthcare services and education supplies to underserved populations. We also prioritized diversity and inclusion within our workforce, offering training programs that equip our employees with the skills and knowledge to engage in meaningful ESG-driven activities.

Our commitment to social responsibility also includes advancing the well-being of our employees through monthly gatherings and sharing, ensuring that DC Healthcare remains a supportive and inclusive employer.

3. Governance Excellence

Good governance is the cornerstone of our sustainability strategy. We have strengthened our governance practices to ensure accountability, transparency, and compliance with global standards. In FYE2024, DC Healthcare reinforced its commitment to ethical business practices by enhancing our internal controls and risk management systems though providing risk management trainings to the heads of department and managers.

Continuous Improvement: Looking Ahead to 2025 and Beyond

Sustainability is a journey, not a destination, and at DC Healthcare, we are committed to continually refining our ESG strategies. We are focused on setting ambitious goals for the coming years, with a clear vision for how we will achieve meaningful progress. In FYE2025, we will further integrate ESG principles into our operations, enhance our reporting practices, and continue to benchmark our progress against industry leaders.

We also remain open to learning from our stakeholders, adapting to the evolving regulatory landscape, and embracing emerging technologies that will allow us to operate more sustainably. By aligning our operations with global best practices, we aim to remain at the forefront of the medical aesthetic industry in terms of both innovation and sustainability.

REPORTING STANDARDS

This Statement has been compiled in accordance with the following standards and guidelines:

- Bursa Malaysia's Sustainability Reporting Guide, as issued by Bursa Malaysia.
- The United Nations Sustainable Development Goals (“UN SDGs”).
- DC Healthcare's own Sustainability Policy.

Our sustainability framework is grounded in strong governance mechanisms, ensuring rigorous oversight of policies and processes. This framework, together with our governance structure, provides a detailed roadmap for achieving our sustainability objectives and outlines the strategies we employ to meet these goals.

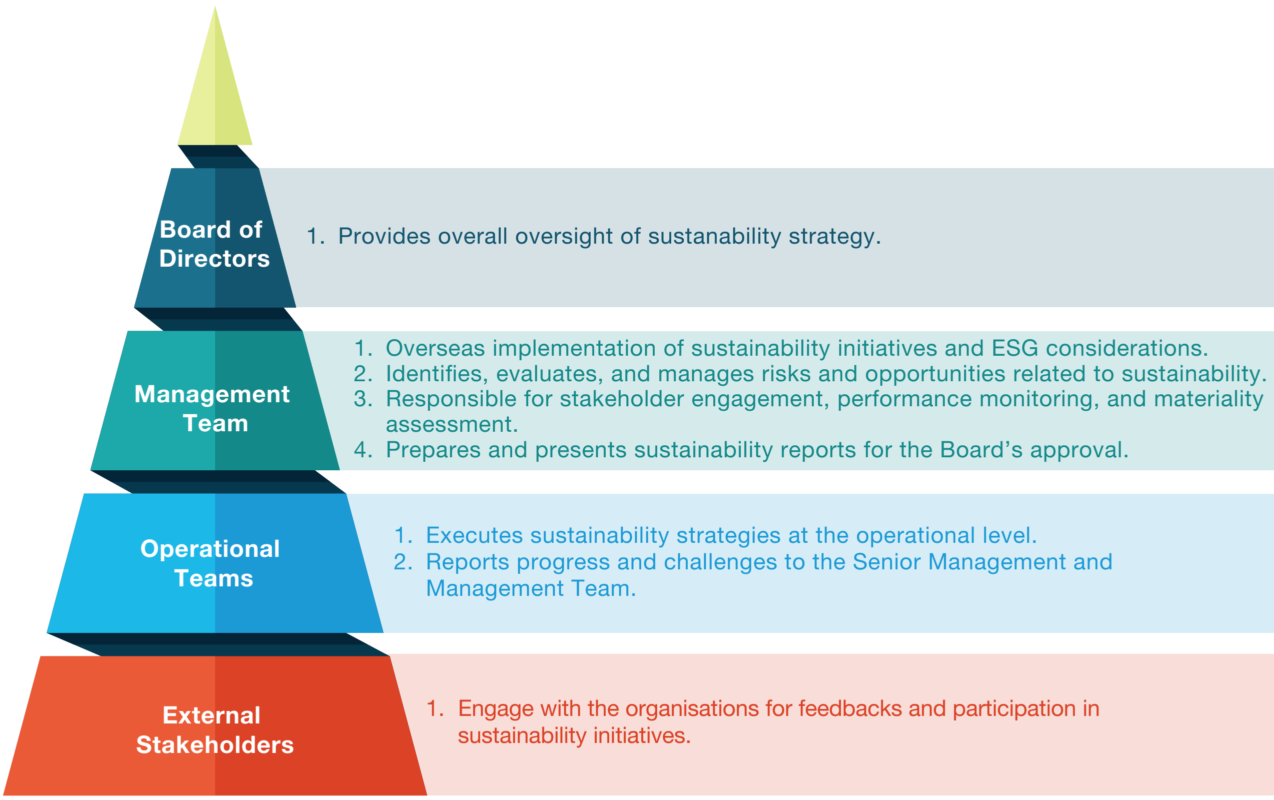
REPORT SCOPE AND BOUNDARY

The Sustainability Statement for DC Healthcare covers FYE2024. This report focuses on the economic, environmental, and social aspects of our business operations, highlighting key initiatives and critical areas of impact.

This Statement primarily addresses the business activities undertaken by DC Healthcare during FYE2024. The information and data presented have been collected through our internal reporting systems, procedures, and records to ensure accuracy, reliability, and transparency in our disclosures.

OUR APPROACH TO SUSTAINABILITY

Sustainability Governance



DC Healthcare is committed to embedding sustainability into its core operations through a well-defined governance structure that ensures alignment with strategic objectives and accountability across all levels of the organisation. This structure facilitates the effective integration of ESG considerations into decision-making processes, enabling the Group to create long-term value for stakeholders while addressing critical sustainability challenges.

The Board of Directors assumes ultimate responsibility for overseeing the Group's sustainability strategy, providing guidance and direction to ensure its alignment with the organisation's mission and values. By exercising rigorous oversight, the Board ensures that sustainability remains a key pillar of corporate governance and an integral component of long-term business resilience. Regular reviews of sustainability performance enable the Board to assess the effectiveness of initiatives and ensure adherence to regulatory standards and industry best practices.

The Management Team is tasked with operationalising the Group's sustainability objectives, translating strategic goals into actionable plans. This includes integrating ESG considerations into business operations, identifying and managing sustainability-related risks and opportunities, and ensuring that these efforts align with both corporate priorities and stakeholder expectations. The Management Team plays a pivotal role in engaging with internal and external stakeholders, monitoring performance, conducting materiality assessments, and preparing detailed sustainability reports for the Board's review and approval. Their work is critical to maintaining the Group's commitment to transparency, accountability, and continuous improvement in sustainability practices.

Sustainability Statement (Cont'd)

OUR APPROACH TO SUSTAINABILITY (CONT'D)

Sustainability Governance (Cont'd)

At the operational level, dedicated teams are responsible for implementing and executing sustainability initiatives in accordance with the Group's strategic framework. These teams ensure that sustainability principles are embedded in day-to-day activities, while systematically reporting progress, challenges, and key outcomes to the Management Team. Their role is essential in driving measurable progress and ensuring alignment with the organisation's overarching sustainability goals.

DC Healthcare also acknowledges the significance of engaging with external stakeholders in shaping its sustainability agenda. Through structured and meaningful dialogue with regulators, customers, suppliers, and community partners, the Group ensures that its initiatives are responsive to stakeholder expectations. Feedback and collaboration with external stakeholders provide valuable insights that enhance the relevance and effectiveness of sustainability efforts, while partnerships foster shared value creation and broader societal impact.

This governance framework reflects DC Healthcare's steadfast commitment to sustainability and underscores its dedication to balancing economic performance with environmental stewardship and social responsibility. By fostering accountability and leveraging collaboration, the Group ensures its sustainability practices contribute to both business success and positive societal outcomes.

STAKEHOLDER ENGAGEMENT

DC Healthcare recognises that meaningful engagement with stakeholders is fundamental to achieving sustainable growth and operational excellence. In the dynamic and highly specialised field of aesthetic medical services, effective stakeholder engagement enables us to identify, prioritise, and address key sustainability issues while aligning with evolving industry standards and expectations. The Board is committed to fostering strong relationships with stakeholders as part of the Group's long-term sustainability strategy.

Throughout FYE2024, we strengthened our efforts to engage stakeholders through structured and consistent dialogue. These engagements were conducted via formal and informal channels, ensuring a comprehensive understanding of the diverse perspectives, concerns, and expectations of our internal and external stakeholders. This approach allows us to incorporate stakeholder insights into our decision-making processes, ensuring our strategies remain responsive to both business needs and societal expectations.

Our stakeholder engagement framework reflects DC Healthcare's commitment to transparency, collaboration, and accountability. Regular interactions with stakeholders are integral to our ability to address emerging challenges, adapt to changing demands, and create shared value. Patient care, service quality, and innovation remain central to these discussions, aligning with our mission to deliver exceptional aesthetic medical services.

The table below outlines the stakeholder engagement activities undertaken during FYE2024, highlighting the key areas of focus identified and the measures implemented in response. This structured approach enables us to integrate stakeholder feedback into our sustainability initiatives, driving continuous improvement and ensuring alignment with our corporate objectives. By embedding stakeholder engagement into our governance framework, DC Healthcare reinforces its commitment to excellence, sustainability, and value creation.

Stakeholder Group	Focus Areas	Engagement Channels	Frequency
Patients and Clients	Service quality, treatment satisfaction, privacy, safety	Feedback surveys, patient forums, service feedback channels	After every treatment/service, and quarterly surveys
Employees	Professional development, workplace environment, health, and safety	Training programs, wellness initiatives, internal meetings	Monthly meetings, annual training

STAKEHOLDER ENGAGEMENT (CONT'D)

Stakeholder Group	Focus Areas	Engagement Channels	Frequency
Suppliers and Partners	Ethical sourcing, partnership synergies, quality of medical products and services	Supplier audits, partnership meetings, collaborative projects	Biannual audits, quarterly meetings
Regulatory Bodies	Compliance with healthcare regulations, industry standards	Compliance reporting, regulatory updates, consultations	As required by regulations, at least annually
Community and Society	Community health and well-being, corporate social responsibility	Community health programs, CSR initiatives, public events	Annual CSR initiatives, ongoing community programs
Investors and Shareholders	Financial performance, corporate governance, strategic direction	AGMs, investor briefings, financial reports	Annual general meeting, quarterly reports
Analysts/Media	Company performance, market positioning, future outlook	Press releases, media briefings, interviews	As needed, at least semi-annually

MATERIALITY MATTERS IDENTIFIED THROUGH STAKEHOLDER ENGAGEMENT FOR DC HEALTHCARE

In FYE2024, DC Healthcare reaffirmed its commitment to identifying and addressing materiality matters that align with its strategic goals and operational priorities. As we continue to expand our market presence, strengthen our footprint, and introduce innovative yet safety-prioritised medical aesthetic treatments, stakeholder engagement has played a pivotal role in shaping our sustainability agenda. This process reflects the diverse concerns and priorities of our stakeholders, including patients, employees, suppliers, regulatory authorities, communities, investors, and the media.

Through comprehensive and consistent engagement, the following key materiality matters have been identified as central to our long-term success:

1. **Patient Satisfaction and Safety**

   Ensuring patient satisfaction and prioritising safety remain at the forefront of our operations. Stakeholders, particularly patients, have reinforced the importance of high standards in treatment quality and safety, driving our continuous improvements in these areas.

2. **Regulatory Compliance and Ethical Practices**

   Strict adherence to healthcare regulations and ethical standards is critical to sustaining trust and integrity. Regulatory bodies and stakeholders alike have highlighted this as a core area requiring rigorous focus to maintain operational excellence.

3. **Quality of Services and Innovations**

   The growing demand for high-quality aesthetic healthcare services has underscored the need for continuous innovation. Patients and industry partners have emphasised the importance of introducing advanced treatments that meet global standards while maintaining the highest safety protocols.

4. **Employee Development and Well-Being**

   A skilled and motivated workforce is integral to our success. Employees have stressed the importance of professional development and a supportive environment, aligning with our goal of fostering talent and ensuring well-being across our teams.

Sustainability Statement (Cont'd)

MATERIALITY MATTERS IDENTIFIED THROUGH STAKEHOLDER ENGAGEMENT FOR DC HEALTHCARE (CONT'D)

Through comprehensive and consistent engagement, the following key materiality matters have been identified as central to our long-term success: (Cont'd)

5. **Sustainable Supply Chain Management**

   In line with global sustainability trends, suppliers and partners have advocated for ethical and sustainable supply chain practices. This aligns with our commitment to minimising environmental impact while upholding operational efficiency.

6. **Community Engagement and CSR**

   Our engagement with local communities and NGOs has underscored the need for active participation in programs that promote health and well-being. This guides the development of our Corporate Social Responsibility (CSR) initiatives, ensuring positive societal impact.

7. **Financial Performance and Transparency**

   Investors and shareholders continue to prioritise robust financial performance and transparency. This remains a cornerstone of maintaining trust, securing investments, and supporting sustainable growth.

8. **Stakeholder Communication and Engagement**

   Effective and regular communication has been identified as critical to fostering strong, collaborative relationships with stakeholders. This ensures transparency and mutual understanding across all interactions.

9. **Environmental Impact of Operations**

   While not the highest priority, minimising the environmental impact of operations remains an area of interest for regulatory authorities and community stakeholders. This reinforces our commitment to integrating sustainable practices wherever possible.

10. **Market Presence and Expansion**

    As DC Healthcare embarks on its next phase of growth, stakeholders, particularly investors and market analysts, have highlighted the importance of expanding our footprint and introducing innovative services to strengthen our market presence.

OUR FOUR PILLARS OF MATERIALITY

To effectively address these materiality matters, we have categorised them into four key pillars—Economic, Environmental, Social ("EES"), and Governance. This structured framework ensures that we holistically address the critical concerns and opportunities that impact our stakeholders and align with our long-term objectives:

- **Economic:** Strengthening service quality, and expanding market presence to solidify our leadership in aesthetic medical services.
- **Environmental:** Embedding sustainable practices into our supply chain and reducing the environmental footprint of our operations.
- **Social:** Prioritising patient safety, enhancing employee development, and fostering meaningful community engagement.
- **Governance:** Maintaining strict adherence to regulatory compliance, upholding ethical practices, and ensuring transparent communication with stakeholders.

OUR FOUR PILLARS OF MATERIALITY (CONT'D)

These pillars not only guide our sustainability strategies but also align with global best practices, reinforcing our commitment to delivering exceptional value while upholding our responsibilities to society and the environment.

As we progress through FYE2024, these materiality matters will continue to shape DC Healthcare's operational focus and sustainability initiatives, ensuring that we remain agile, innovative, and responsive to the needs of our stakeholders. By embedding these priorities into every facet of our business, we reaffirm our dedication to sustainable growth, operational excellence, and responsible innovation 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
Market Presence and Expansion	Environmental Impact of Operations	Employee Development and Well-being	Stakeholder Communication and Engagement
-	-	Community Engagement and CSR	-

Economic

1. Market Presence and Expansion

In FYE2024, DC Healthcare had setup a total number of 19 aesthetic outlets, including a new skin and wellness centre , and opening 4 additional slimming service outlets. This expansion reinforces the Group's commitment to broadening its reach, enhancing accessibility, and strengthening its position as a leader in the aesthetic medical industry across Malaysia.

The new outlets, strategically located in key urban and suburban areas, represent a key step in DC Healthcare's strategy to cater to an increasingly diverse client base. The opening of DC Body, focused on specialised body contouring and wellness treatments, exemplifies the Group's proactive approach in responding to evolving market demands. This expansion diversifies its service offerings while reinforcing the Dr Chong Clinic brand as a trusted name for comprehensive aesthetic and wellness solutions.

Despite the challenges faced with the mutual termination of the proposed acquisition of I Bella Sdn Bhd and the decision to suspend the one-for-four bonus issue of warrants due to market conditions, DC Healthcare successfully pivoted to organic growth. This shift in strategy allowed the Group to focus on enhancing its current operations and expanding its market presence, further solidifying its long-term growth prospects and resilience in a competitive landscape.

2. Enhancing Quality of Services and Innovations

In FYE2024, DC Healthcare continued to prioritise the enhancement of its service quality and innovation in the aesthetic medical field. The Group remained dedicated to offering cutting-edge solutions that align with the latest industry trends and meet the evolving needs of its patients. Investment in advanced medical technologies and ongoing research and development ("R&D") ensured that DC Healthcare stayed ahead of the curve, providing patients with the highest standards of care.

The Company's commitment to innovation extended to staff training and development, with a focus on equipping medical professionals with the latest techniques and ensuring they are well-versed in the most advanced treatment methodologies. By continuously upgrading the skills of its doctors and practitioners, DC Healthcare reaffirmed its position as an industry leader, ensuring that patients received safe, effective, and state-of-the-art treatments.

As part of this ongoing commitment to excellence, DC Healthcare remained focused on integrating patient safety, service quality, and innovation into every aspect of its operations. This approach not only ensured that the Group remained at the forefront of the aesthetic medical industry but also strengthened its reputation as a trusted provider of aesthetic solutions in Malaysia.

Sustainability Statement (Cont'd)

OUR FOUR PILLARS OF MATERIALITY (CONT'D)

Environmental

1. Sustainable Supply Chain Management

In FYE2024, DC Healthcare has made continued progress in integrating sustainability into its supply chain practices. While still in the early stages, the Group is committed to building a resilient and environmentally responsible supply chain that supports both operational efficiency and long-term sustainability goals.

A key area of focus this year has been the exploration of Just-in-Time ("JIT") delivery methods. By adopting JIT, DC Healthcare aims to optimise inventory management, reduce excess stock, and minimise waste throughout its supply chain. This approach aligns with the Group's objective of enhancing operational efficiency while reducing its environmental footprint. However, given the complexity of this transition, the full implementation of JIT will be gradual, with the Group continuing to assess its feasibility and effectiveness across different areas of its operations.

In line with its sustainability strategy, DC Healthcare has prioritised sourcing from local suppliers, thereby reducing transportation emissions and supporting the local economy. As of FYE2024, Klinik Dr Chong Sdn Bhd and DC Wellness Sdn Bhd exclusively source from local suppliers, while Ten Doctors Sdn Bhd has achieved 77% local supplier engagement. This strategy not only helps reduce the carbon footprint of the Group's supply chain but also aligns with its commitment to fostering sustainable local businesses.

Looking ahead, DC Healthcare plans to introduce sustainability audits to ensure that suppliers meet environmental standards. While the implementation of these audits is not an immediate priority, the Group will be explored in the future to ensure continuous improvement and compliance with the Group's sustainability objectives.

2. Environmental Impact of Operations

DC Healthcare is dedicated to reducing its environmental impact by focusing on energy efficiency, waste reduction, and resource optimisation. The Group's environmental strategy is built around the principles of Reduce, Reuse, and Recycle (3Rs), with an emphasis on reducing waste and conserving resources.

In FYE2024, the Group has made significant strides in enhancing water conservation, reducing paper usage, and improving electricity efficiency:

- **Water Conservation:** To minimise water consumption, DC Healthcare encourages employees to adopt best practices, such as turning off taps when not in use and using the half-flush option in toilets. These initiatives, while simple, have the potential to significantly reduce water waste across the Group's facilities.

- **Paper Usage Optimization:** In its efforts to reduce paper consumption, DC Healthcare has introduced policies promoting mindful printing and the use of both sides of paper. Furthermore, the Group is embracing digital transformation, moving towards a paperless environment by implementing e-signatures and digital document formats. These initiatives aim to streamline operations while contributing to the reduction of paper waste.

- **Electricity Efficiency:** DC Healthcare continues to prioritise energy efficiency by making better use of natural light in its facilities and implementing practices to reduce electricity consumption. Employees are encouraged to turn off lights when not in use, and air conditioning thermostats will be set to no lower than 24°C to minimise energy consumption while ensuring comfort within the work environment.

  While these initiatives are still in the early stages, it reflects DC Healthcare's commitment to minimising its environmental footprint and aligning its operations with sustainable practices.

OUR FOUR PILLARS OF MATERIALITY (CONT'D)

Social

1. Patient Satisfaction and Safety

At DC Healthcare, patient satisfaction and safety remain at the core of our service delivery in the aesthetic medical sector. We recognize that patient well-being and confidence are not only measures of service quality but also key drivers of our reputation and growth. These principles are deeply embedded in our operations and continuous improvement efforts.

To enhance patient satisfaction, we take a holistic approach that spans the entire patient journey—from the initial consultation to post-treatment care. By prioritizing personalized attention and tailored treatments, we strive to meet and exceed patient expectations. Our commitment to delivering high-quality outcomes is reinforced by regular feedback mechanisms that allow us to refine our services and maintain a patient-centric approach.

Safety is equally paramount in every aspect of our practice. Our medical professionals and support teams undergo continuous training in the latest treatment techniques, safety protocols, and patient care standards. We also invest in advanced medical technology and equipment to ensure the highest levels of safety and efficacy in our treatments. By integrating skilled expertise with state-of-the-art technology, we provide trusted, high-quality aesthetic solutions that prioritize both patient safety and satisfaction.

2. Employee Development and Well-being

At DC Healthcare, employee development and well-being are integral to our organisational strategy, reflecting our dedication to create a supportive and growth-oriented workplace. As our employees are the foundation of our success, we prioritise initiatives that enhance their professional advancement and overall well-being.

A core aspect of this commitment is the implementation of comprehensive training programs. These initiatives are designed not only to strengthen professional skills and expertise but also to keep our team at the forefront of advancements in the aesthetic medical field. By fostering continuous learning and development, we empower our employees to excel in their roles and contribute meaningfully to the Company's long-term success.

Beyond professional development, DC Healthcare places strong emphasis on employee well-being, particularly mental health support. Acknowledging the demanding nature of the healthcare industry, we provide resources and support systems to help employees manage stress, maintain work-life balance, and address mental health concerns. These include access to counselling services, mental health days, and initiatives that cultivate a supportive and open workplace culture.

We are also committed to promoting gender diversity within our workforce, recognizing that a diverse team brings valuable perspectives and drives innovation. Our gender diversity initiatives focus on ensuring equal opportunities for all employees and fostering an inclusive environment where everyone feels valued and respected. Notably, women make up 81.49% of our workforce, and we are proud to reflect this commitment in our leadership, with 66.7% of directorial roles held by women. By prioritising gender diversity and the advancement of women across all levels, DC Healthcare strengthens its organisational culture while enhancing its ability to meet the diverse needs of our clients.

3. Community engagement and CSR

At DC Healthcare, our commitment to Corporate Social Responsibility ("CSR") remains steadfast as we continue to uplift communities through impactful initiatives. In 2024, we expanded our efforts across Malaysia, focusing on providing essential aid, healthcare support, and educational assistance to those in need.

Our CSR journey began in January with the *CNY CSR Rice Donation* in Bukit Mertajam, Penang, where we distributed groceries, rice, and essential items to disadvantaged households and a Disabled Children Welfare Home, benefiting over 400 lives with a total donation of RM7,000. This was followed by another *CNY CSR Groceries Donation* in February, where we collaborated with *Persatuan Penganut Chip Lee Tau Bo Kong* in Sungai Petani, Kedah, to provide groceries and necessities worth RM5,000 to 50 underprivileged families.

Sustainability Statement (Cont'd)

OUR FOUR PILLARS OF MATERIALITY (CONT'D)

Social (Cont'd)

3. Community engagement and CSR (Cont'd)

In March, our Ramadan *CSR Rumah Amal Al-Firdaus x Mydin* initiative saw us partnering with *Mydin* to donate Raya clothes, home necessities, and food worth RM7,040 to 47 orphans from *Rumah Amal Al-Firdaus*, ensuring they had a joyful and meaningful Raya celebration.

June marked a significant milestone with the *Grand Opening of Dr Chong Clinic Autocity Penang & CSR Donation*. In collaboration with *Yayasan Amal TYT and Jabatan Pendidikan Negeri Pulau Pinang*, we contributed RM10,000 towards a Qurban donation of five cows and 15 goats while also distributing 600 school bags and stationery to B40 schoolchildren in Penang, benefiting over 600 students.

Further extending our support, in September, we participated in the *UOB 2024 Heartbeat Charity Run*, where we sponsored 200 vouchers worth RM148,000 and donated a portion of our product and service sales to charitable causes.

Closing the year, our *CSR Orang Asli Kampung Pertak, Kuala Kubu Bharu, Selangor* initiative in November provided essential aid and healthcare services to the Orang Asli community. We conducted basic health screenings for 66 children, distributed rice to 78 families, and repaired the DB Box at the community center, contributing RM3,976 towards improving their living conditions.

Date	Program Name	Details	Type of Donation	Activities	Value/ Amount
18 & 19 Jan 24	CNY CSR Rice Donation, Bukit Mertajam, Penang	Donated and distibuted groceries, rice and essential to disadvataged households and a Disabled Children Welfare Home in Bukit Mertajam, Penang impacting over 400 lives through this CSR initiative.	Groceries, rice and essential items	Donation drive	RM7,000
4 Feb 24	CNY CSR Groceries Donation, Sg Petani, Kedah	Donated groceries and necessity items to 50 families through a collaboration with Persatuan Penganut Chip Lee Tau Bo Kong, Sg Petani Kedah.	Groceries and necessity items	Donation drive	RM5,000
29 Mar 24	Ramadan CSR Rumah Amal Al-Firdaus x Mydin	Collaborated with Mydin to donate Raya clothes, orphanage home necessities and food to 47 orphans from Rumah Amal Al-Firdaus	Raya clothes, orphanage home necessities, food	Donation drive and Raya preparation for oprhans	RM7,040
12 Jun 24	Grand Opening Dr Chong Clinic Autocity Penang & CSR Donation	Performed Qurban donation of 5 cows and 15 goats together with 600 units of school bag and stationaries to B40 school children in Penang, impacting over 600 students.	Qurban donation (5 cows & 15 goats), 600 units of school bags and stationeries to B40 school kids in Penang.	Grand opening of Dr Chong Clinic Autocity officiated by Yang Terutama Yang DiPertua Tun Dato Seri Utama Ahmad Fuzi Bin Hai Razak in collaboration with Yayasan Amal TYT and Jabatan Pendidikan Negeri Pulau Pinang	RM68,000

OUR FOUR PILLARS OF MATERIALITY (CONT'D)

Social (Cont'd)

3. Community engagement and CSR (Cont'd)

Date	Program Name	Details	Type of Donation	Activities	Value/ Amount
5 & 6 Sept 24	UOB 2024 Heartbeat Charity Run	Distributed 200 units of voucher worth RM148,000 each and donated part proceeds from products and services sales	Voucher sponsorship	Charity run and booths	RM148,000
16 Nov 24	CSR Orang Asli Kampung Pertak, Kuala Kubu Bharu, Selangor	Provided basic health screening to 66 children and donated rice to 78 orang asli families. Repaired the DB Box at the community centre hall.	Rice, children goodie bags, breakfast and 1 unit DB box.	Basic health screening and donation drive	RM3,976

A Community Outreach Program

Sustainability Statement (Cont'd)

OUR FOUR PILLARS OF MATERIALITY (CONT'D)

Social (Cont'd)

3. Community engagement and CSR (Cont'd)

Ramadan CSR Rumah Amal Al-Firdaus x Mydin

Governance

1. Regulatory Compliance and Ethical Practices

At DC Healthcare, we prioritise regulatory compliance and ethical standards in our operations, particularly in the aesthetic medicine sector. To ensure adherence to these principles, we have implemented a strategy of conducting regular audits, which are outsourced, to ensure objectivity and thoroughness. These external 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

Indicator		Measurement Unit	2024
Anti-corruption			
C1(a)	Percentage of employees who have received training on anti-corruption by employee category		
	Management Level	Percentage	21.65%
	Non Management Level	Percentage	78.35%
C1(b)	Percentage of operations assessed for corruption-related risks	Percentage	100%
C1(c)	Confirmed incidents of corruption and action taken	Number	0
Community Investment			
C2(a)	Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	239,016
C2(b)	Total number of beneficiaries of the investment in communities	Number	1825
Diversity			
C3(a)	Percentage of employees by gender and age group, for each employee category		
	Age Group by Employee Category		
	Management Level Under 30	Percentage	1.23
	Management Level Between 30-50	Percentage	14.81
	Management Level Above 50	Percentage	1.23
	Non Management Level Under 30	Percentage	32.92
	Non Management Level Between 30-50	Percentage	47.74
	Non Management Level Above 50	Percentage	2.07
	Gender Group by Employee Category		
	Management Level Male	Percentage	2.06
	Management Level Female	Percentage	15.23
	Non Management Level Male	Percentage	16.45
	Non Management Level Female	Percentage	66.26
C3(b)	Percentage of directors by gender and age group		
	Male	Percentage	33.4
	Female	Percentage	66.6
	Under 30	Percentage	0
	Between 30-50	Percentage	50
	Above 50	Percentage	50
Energy Management			
C4(a)	Total energy consumption	Megawatt	0.108
Health and Safety			
C5(a)	Number of work-related fatalities	Percentage	0
C5(b)	Lost time incident rate ("LTIR")	Percentage	0
C5(c)	Number of employees trained on health and safety standards	Percentage	1

Sustainability Statement (Cont'd)

SUMMARY OF ESG PERFORMANCE (CONT'D)

Indicator		Measurement Unit	2024
Labour Practices and Standards			
C6(a)	Total hours of training by employee category		
	Management	Hours	12
	Non-Management Level	Hours	102
C6(b)	Percentage of employees that are contractors or temporary staff	Percentage	1
C6(c)	Total number of employee turnover by employee category		
	Management	Number	6
	Non-Management Level	Number	60
C6(d)	Number of substantiated complaints concerning human rights violations	Number	0
Supply Chain Management			
C7(a)	Proportion of spending on local suppliers	Percentage	77%
Data Privacy and Security			
C8(a)	Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0
Water			
C9(a)	Total volume of water used	Megalitres	8
Waste Management			
C10(a)	Total waste generated	Metric tonnes	31.44
C10(a)(i)	Total waste diverted from disposal	Metric tonnes	0.24
C10(a)(ii)	Total waste directed to disposal	Metric tonnes	31.20
Emissions Management			
C11(a)	Scope 1 emissions in tonnes of CO2e	Metric tonnes	0
C11(b)	Scope 2 emissions in tonnes of CO2e	Metric tonnes	497.62
C11(c)	Scope 3 emissions in tonnes of CO2e (at least for the categories of business travel and employee commuting)	Metric tonnes	84.11

Sustainability Statement (Cont'd)

Indicator	Measurement Unit	2024
Bursa (Anti-corruption)		
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category		
Management Level	Percentage	21.65
Non Management Level	Percentage	78.35
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	100.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0
Bursa (Community/Society)		
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	239,016.00 *
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	1,825
Bursa (Diversity)		
Bursa C3(a) Percentage of employees by gender and age group, for each employee category		
Age Group by Employee Category		
Management Under 30	Percentage	1.23
Management Between 30-50	Percentage	14.81
Management Above 50	Percentage	1.23
Non Management Under 30	Percentage	32.92
Non Management Between 30-50	Percentage	47.74
Non Management Above 50	Percentage	2.07
Gender Group by Employee Category		
Management Male	Percentage	2.06
Management Female	Percentage	15.23
Non Management Male	Percentage	16.45
Non Management Female	Percentage	66.26
Bursa C3(b) Percentage of directors by gender and age group		
Male	Percentage	33.40
Female	Percentage	66.60
Under 30	Percentage	0.00
Between 30-50	Percentage	50.00
Above 50	Percentage	50.00
Bursa (Energy management)		
Bursa C4(a) Total energy consumption	Megawatt	0.11
Bursa (Health and safety)		
Bursa C5(a) Number of work-related fatalities	Number	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0.00
Bursa C5(c) Number of employees trained on health and safety standards	Number	1
Bursa (Labour practices and standards)		
Bursa C6(a) Total hours of training by employee category		
Management	Hours	12
Non-Management Level	Hours	102
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	1.00
Bursa C6(c) Total number of employee turnover by employee category		
Management	Number	6
Non-Management Level	Number	60
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0
Bursa (Supply chain management)		
Bursa C7(a) Proportion of spending on local suppliers	Percentage	77.00
Bursa (Data privacy and security)		
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0
Bursa (Water)		
Bursa C9(a) Total volume of water used	Megalitres	8.000000
Bursa (Waste management)		

Internal assurance External assurance No assurance (*)Restated

Sustainability Statement (Cont'd)

Indicator	Measurement Unit	2024
Bursa C10(a) Total waste generated	Metric tonnes	31.44
Bursa C10(a)(i) Total waste diverted from disposal	Metric tonnes	0.24
Bursa C10(a)(ii) Total waste directed to disposal	Metric tonnes	31.20
Bursa (Emissions management)		
Bursa C11(a) Scope 1 emissions in tonnes of CO2e	Metric tonnes	0.00
Bursa C11(b) Scope 2 emissions in tonnes of CO2e	Metric tonnes	497.62
Bursa C11(c) Scope 3 emissions in tonnes of CO2e (at least for the categories of business travel and employee commuting)	Metric tonnes	84.11

Internal assurance | External assurance | No assurance | (*)Restated

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 2024 ("FYE2024"), 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	Independent Non-Executive Director	Chairperson
Datin Rekha A/P Palanysamy	Independent Non-Executive Director	Member
Yap Ee Ling	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 Datin 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 FYE2024, a total of five (5) 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	5/5	100%
Datin Rekha A/P Palanysamy	5/5	100%
Yap Ee Ling	5/5	100%

Before each ARMC meeting is 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 the 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 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 and the Company 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;
- Applicable approved accounting standards in Malaysia; and
- Other legal and regulatory requirements.

(ii) Reviewed the Audit Planning Memorandum for FYE2024 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 FYE2024 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 Auditor of the Company to conduct the external audit for FYE2024.

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. ("the Internal Auditors"), 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 ("AIIA") and a member of the Malaysian Institute of Accountants.

Internal audit 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 FYE2024, 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;

(v) Presentation of reports issued by the internal audit function at ARMC 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 ARMC and the Board agree that the internal audit review and the coverage is adequate.

The cost incurred for the internal audit function in respect of the financial year is approximately RM30,000.00.

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 Holdings Berhad (“DC Healthcare” or “the Company”) 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 2024 ("FYE2024"). 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;
- 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”)

Corporate Governance Overview Statement (Cont'd)

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. 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 five (5) Board meetings held during the FYE2024. The following outlines the attendance of each Director at the FYE2024 Board meetings:

Directors	Number of meetings attended	Percentage of Attendance %
Datuk Dr Mohd Noor Bin Awang	5/5	100%
Dr Chong Tze Sheng	5/5	100%
Dr Lai Ngan Chee	5/5	100%
Datin Rekha A/P Palanysamy	5/5	100%
Sim Lee San	5/5	100%
Yap Ee Ling	5/5	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 and Part II 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 FYE2024 are listed as below:

Name of Director	Seminars/Conferences/Training Programmes Attended
Dr Chong Tze Sheng	Vistage Chief Executive Program
Dr Lai Ngan Chee	Vistage Chief Executive Program
Datin Rekha A/P Palanysamy	Audit of Trade Receivable - A Practical Guide Audit of Trade Payable - A Practical Guide

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
Sim Lee San	Pre & Post IPO Rules e-Invoicing Solutions: Simplified Tax Compliance Introduction to Financial Instruments Equity & Fixed Income Understanding Financial Statements Revised AML/CFT/CPF/TFSDNB Policy Document for DNFBPs and NBFI Mastering your Personal Taxes: Avoiding Common Mistakes in Income Tax Return Form Lodgment Essentials of Companies Act Unclaimed Money Act 1965
Yap Ee Ling	Enhancing AMLA Compliance – Key Practices for Legal Professionals Bar Council Corporate And Commercial Law Committee Conference : Urban Renewal Bar Council Corporate And Commercial Law Committee Conference : Lessons and Insights on Corporate Rescue Mechanism Bar Council Corporate And Commercial Law Committee Conference : E-Invoice Implementation and Technology Bursa Malaysia Mandatory Accreditation Programme Part II : Leading For Impact

Save as disclosed above, Datuk Dr Mohd Noor Bin Awang was not able to attend any suitable training programmes during the financial year due to his busy work schedule. However, he constantly been updated with relevant reading materials and technical updates, which will enhance his knowledge and equip him with the necessary skills to effectively discharge his duties as Director of the Company.

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 three (3) members, all of whom serve as Independent Non-Executive Directors. The members of the ARMC for the FYE2024 are as follows:

Directors	Designation
Sim Lee San	Chairperson
Datin Rekha A/P Palanysamy	Member
Yap Ee Ling	Member

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

Corporate Governance Overview Statement (Cont'd)

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 FYE2024 are as follows:

Directors	Designation
Datin Rekha A/P Palanysamy	Chairperson
Sim Lee San	Member
Yap Ee Ling	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.

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

I. BOARD RESPONSIBILITIES (CONT'D)

6. Board Committees (Cont'd)

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.

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	Chairperson
Sim Lee San	Member
Datin Rekha A/P Palanysamy	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 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.

Corporate Governance Overview Statement (Cont'd)

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 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 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 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 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 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	-	5	-	1

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

II. BOARD COMPOSTION (CONT'D)

4. Boardroom Diversity Policy (Cont'd)

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

NUMBER OF DIRECTORS						
	MALAY	CHINESE	INDIAN	OTHERS	MALAYSIAN	FOREIGN
	1	4	1	-	6	-

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.

In the forthcoming AGM, Sim Lee San and Yap Ee Ling will be retiring as Director and will not seek for re-election.

Corporate Governance Overview Statement (Cont'd)

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

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 senior management to achieve the business priorities outlined by the Managing Director and contribute to the long-term sustainable success of the Group.

During the financial year under review, the RC carried out an extensive assessment of the remuneration for Executive Directors and 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 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 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 FYE2024 are as follows:-

	Company		Group	
Director	**Fees (RM)**	**Salaries and *other emoluments (RM)**	**Fees (RM)**	**Salaries and *other emoluments (RM)**
Datuk Dr. Mohd Noor Bin Awang	72,000	3,500	72,000	3,500
Dr Chong Tze Sheng	30,000	118,900	30,000	1,429,217
Dr Lai Ngan Chee	30,000	94,172	30,000	1,131,718
Datin Rekha A/P Palanysamy	60,000	7,000	60,000	7,000
Sim Lee San	60,000	7,000	60,000	7,000
Yap Ee Ling	60,000	7,000	60,000	7,000

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

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

III. REMUNERATION (CONT'D)

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.

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 FYE2024, 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 ARMC 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.

Corporate Governance Overview Statement (Cont'd)

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

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

The ARMC conducts a comprehensive review of the appointment, performance, and remuneration of the External Auditors on a yearly basis. The ARMC 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 ARMC duly minuted by the Company Secretaries.

The Company had appointed Messrs. Moore Stephens Associates PLT ("Moore Stephens") as the 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.

For the FYE2024, 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	272,000	50,000
Non audit fees	6,000	6,000
Total	**278,000**	**56,000**

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

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 ARMC 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 ("SocialGreen") 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 Rule 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 **22 April 2025**.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Board of Directors (the "Board") of DC Healthcare Holdings Berhad ("DC Healthcare") and its subsidiaries (the "Group") is delighted to present its Statement on Risk Management and Internal Control ("Statement") for the financial year ended 31 December 2024 ("FYE2024"). This Statement has been prepared in adherence to Rule 15.26(b) of the ACE Market Listing Requirements ("AMLR") 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 takes full responsibility for maintaining a strong and effective system of risk management and internal controls to protect shareholder investments and safeguard the Group's assets. Our commitment lies in cultivating a culture of accountability while continuously reviewing the soundness of our risk management and internal control framework.

While these systems are designed to manage risks effectively, they are not intended to eliminate all risks associated with achieving the Group's objectives. Instead, they provide reasonable – but not absolute – assurance against material misstatements or losses.

To this end, the Board ensures that the Group has an ongoing process to identify, assess, and mitigate key risks. This process is regularly reviewed and aligns with the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers.

Following a thorough evaluation of the Group's risk management and internal control systems, the Board is satisfied that they are both sound and effective. Furthermore, the Managing Director, Executive Director, Chief Operating Officer, and Chief Financial Officer of DC Healthcare have provided their assurance that the systems in place are operating effectively and are well-aligned with the Group's risk management and internal control framework.

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. While navigating various business, operational, and reputational risks, the Group has adopted the Enterprise Risk Management ("ERM") policy, which views risk as any event that could hinder the realisation of an objective. The policy's essence is to discern and address risks based on their impact and likelihood, considering both missed opportunities and potential threats. 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.

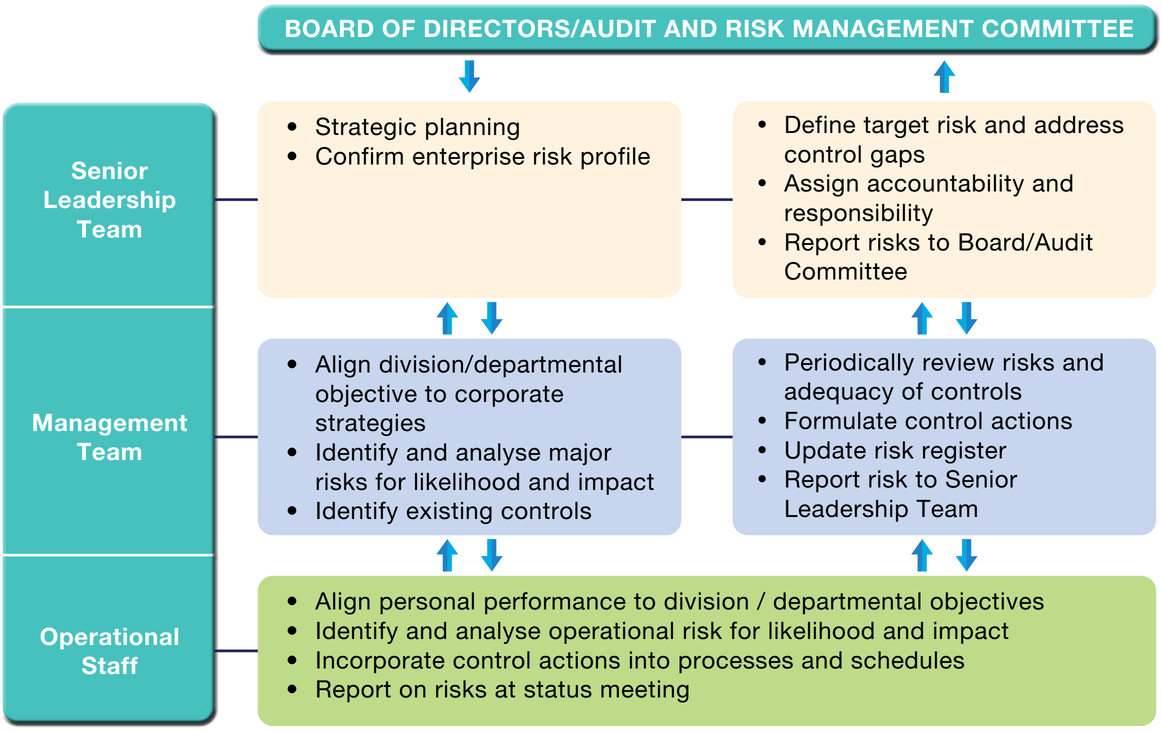
The Board will receive regular reports on the effectiveness of risk management and control measures and will take appropriate actions as needed. Moreover, periodic independent evaluations will be carried out to ensure the efficacy of these measures. Currently, the ERM policy review will be conducted yearly by the Board to ensure its continued applications and relevance.

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

RISK MANAGEMENT FRAMEWORK (CONT'D)

Responsibilities

The Board oversees the ERM framework, while the Senior Management Team, 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 ORCA Approach to ensure uniform and consistent risk management in executing strategies, achieving business objectives, and carrying out daily operations.

ORCA stands for:

OBJECTIVES: Goals and results that aim to achieve

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

CONTROL: Management's response to risks

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

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

RISK MANAGEMENT FRAMEWORK (CONT'D)

The 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

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

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

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

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

Existing 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

New Risks

New Response Plans

- 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 Social Green 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 and 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 FY2024. 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.

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

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 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 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 Securities Commission Malaysia.

During the financial year ended 31 December 2024, the internal audit function has conducted the following:-

(a) Review of the functions and operation of Human Resource and Administration and its Operational.

(b) Review of the functions and operations of Sales and Marketing.

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, and the Board can confirm that there have been no substantial losses incurred due to any shortcomings within the internal controls. 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.

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 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. On 10 January 2025, the Company announced that it extended the timeframe for the utilisation of proceeds raised from its IPO exercise.

The proceeds raised from the IPO amounting to RM49,815,000 shall be utilized 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	7,544	1,896	Extended to within 24 months
Purchase of new medical machines and equipment	13,124	11,058	2,066	Extended to within 24 months
Repayment of borrowings	6,238	6,238	-	Within 6 months
Working capital	17,013	11,136	5,877	Within 36 months
Listing expenses	4,000	4,000	-	Within 1 month
Total	**49,815**	**39,976**	**9,839**	

MATERIAL CONTRACT

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 and Company 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 2024, the Group and the Company 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

DIRECTORS' REPORT

The Directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2024.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of its subsidiaries are disclosed in Note 9 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
Loss for the financial year, net of tax	(19,647,960)	(8,279,014)
Attributable to:		
Owners of the Company	(19,647,960)	(8,279,014)

DIVIDEND

No dividend has been paid or declared by the Company since the end of the previous financial year. The Company is not in a position to pay or declare dividends for 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

The Company has not issued any shares or debentures during the financial year.

OPTIONS GRANTED OVER UNISSUED SHARES AND EMPLOYEES' SHARE OPTION SCHEME ("ESOS")

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

The Company's ESOS are governed by the By-Laws which was approved by the Company's shareholders on 3 December 2024. The effective date for the implementation of ESOS is 7 April 2025 and is administered by the ESOS Committee, which is appointed by the Board of Directors, in accordance with the By-Laws.

Directors Report (Cont'd)

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 *
Datin 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 01.01.2024 Unit	**Acquired Unit**	**Sold Unit**	**At 31.12.2024 Unit**
Name of Directors				
Ordinary shares in the Company				
Direct interest:				
Datuk Dr. Mohd Noor Bin Awang	280,000	2,000	(280,000)	2,000
Dr. Chong Tze Sheng	46,677,900	1,117,100	-	47,795,000
Dr. Lai Ngan Chee	29,394,800	-	-	29,394,800
Yap Ee Ling	70,000	-	-	70,000
Indirect interest:				
Dr. Chong Tze Sheng ^	650,932,100	-	(75,872,700)	575,059,400
Dr. Lai Ngan Chee ^	668,215,200	1,117,100	(75,872,700)	593,459,600
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' 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	312,000	-
Salaries, commissions and allowances	196,500	1,978,000
Defined contribution plan	40,830	367,671
Social security contributions	218	1,966
Contributions to employee insurance system	24	226
Total fees and other benefits	549,572	2,347,863

Since the end of the previous financial year, 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 28 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 there are no known bad debts and that adequate provision had been made for doubtful debts; and

 (ii) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including 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 necessitate the writing off for bad debts or render the amount of the provision for doubtful debts inadequate to any substantial extent;

 (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.

Directors Report (Cont'd)

OTHER STATUTORY INFORMATION (Cont'd)

(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.

(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 4 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 RM31,410 respectively for a year from 1 January 2024 to 31 December 2024.

HOLDING COMPANY

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

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

Details of significant events during the financial year are disclosed in Note 34 to the financial statements.

EVENT SUBSEQUENT TO THE FINANCIAL YEAR

Details of event subsequent to the financial year are disclosed in Note 35 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 2025.

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 82 to 135 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 2024 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 2025.

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 82 to 135 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 2025.

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 2024 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 82 to 135.

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 2024, 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.

We have determined that there are no key audit matters to communicate in our report.

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.

Independent Auditors' Report (Cont'd)
to the Members of DC HEALTHCARE HOLDINGS BERHAD
Registration No.: 202201014036 (1459733-P)(Incorporated in Malaysia)

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.

(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) Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes 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.

Independent Auditors' Report (Cont'd)
to the Members of DC HEALTHCARE HOLDINGS BERHAD
Registration No.: 202201014036 (1459733-P)(Incorporated in Malaysia)

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

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
03429/04/2027 J
Chartered Accountant

Petaling Jaya, Selangor
Date: 23 April 2025

STATEMENTS OF **COMPREHENSIVE INCOME**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

		Group		Company	
	Note	2024 RM	2023 RM	2024 RM	2023 RM
Revenue	3	55,791,459	67,700,529	-	-
Cost of sales		(34,546,290)	(29,291,698)	-	-
Gross profit		21,245,169	38,408,831	-	-
Other income		944,120	655,853	727,747	376,175
Impairment loss on amounts due from subsidiaries	15	-	-	(872,476)	-
Staff costs		(10,120,990)	(10,229,309)	(966,179)	(380,500)
Administrative and other expenses		(30,978,834)	(22,350,729)	(7,168,106)	(4,156,303)
(Loss)/profit from operations		(18,910,535)	6,484,646	(8,279,014)	(4,160,628)
Finance costs		(1,508,232)	(1,518,487)	-	-
(Loss)/profit before tax	4	(20,418,767)	4,966,159	(8,279,014)	(4,160,628)
Tax credit/(expense)	5	770,807	(2,462,091)	-	-
(Loss)/profit for the financial year, representing total comprehensive income for the financial year		(19,647,960)	2,504,068	(8,279,014)	(4,160,628)
(Loss)/Earning per share attributable to Owners of the Company					
Basic and diluted (sen)	6	(1.97)	0.28		

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 2024

		Group		Company	
	Note	2024 RM	2023 RM	2024 RM	2023 RM
ASSETS					
Non-current assets					
Plant and equipment	7	37,932,396	30,064,643	-	-
Right-of-use assets	8	32,171,439	22,937,757	-	-
Investments in subsidiaries	9	-	-	21,467,284	25,692,625
Deferred tax assets	10	1,495,000	433,117	-	-
		71,598,835	53,435,517	21,467,284	25,692,625
Current assets					
Inventories	11	3,333,426	3,781,806	-	-
Trade receivables	12	206,173	607,629	-	-
Other receivables, deposits and prepayments	13	5,764,036	10,711,886	324,159	4,982,476
Amount due from holding company	14	37	-	-	-
Amounts due from subsidiaries	15	-	-	3,980,948	-
Tax recoverable		558,745	285,313	-	-
Short-term funds	16	19,058,827	23,971,511	19,058,827	23,971,511
Fixed deposits with licensed banks	17	1,399,453	111,242	-	-
Cash and bank balances		5,757,723	6,260,323	221,452	8,249
		36,078,420	45,729,710	23,585,386	28,962,236
TOTAL ASSETS		107,677,255	99,165,227	45,052,670	54,654,861
EQUITY AND LIABILITIES					
Equity					
Share capital	18	57,427,882	57,427,882	57,427,882	57,427,882
Reorganisation reserve	19	(8,764,168)	(8,764,168)	-	-
(Accumulated loss)/Retained earning		(3,927,667)	15,720,293	(12,550,583)	(4,271,569)
Total equity		44,736,047	64,384,007	44,877,299	53,156,313
Non-current liabilities					
Lease liabilities	20	25,307,631	17,856,113	-	-
Borrowings	21	1,220,303	-	-	-
Provision	22	252,702	158,943	-	-
Deferred tax liabilities	10	-	455,177	-	-
		26,780,636	18,470,233	-	-
Current liabilities					
Trade payables	23	1,391,329	1,206,417	-	-
Other payables and accruals	24	3,874,633	5,527,486	175,371	413,288
Contract liabilities	25	18,505,654	3,709,441	-	-
Amount due to a subsidiary	26	-	-	-	1,085,260
Lease liabilities	20	6,999,842	5,311,995	-	-
Borrowings	21	5,303,349	-	-	-
Tax payable		85,765	555,648	-	-
		36,160,572	16,310,987	175,371	1,498,548
Total liabilities		62,941,208	34,781,220	175,371	1,498,548
TOTAL EQUITY AND LIABILITIES		107,677,255	99,165,227	45,052,670	54,654,861

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 2024

		← Attributable to Owners of the Company →					
	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 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[(1)]	33	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
At 1 January 2024		57,427,882	-	-	(8,764,168)	15,720,293	64,384,007
Loss net of tax, representing total comprehensive income for the financial year		-	-	-	-	(19,647,960)	(19,647,960)
At 31 December 2024		57,427,882	-	-	(8,764,168)	(3,927,667)	44,736,047

Statements of Changes in Equity (Cont'd)
For The Financial Year Ended 31 December 2024

	Note	Attributable to Owners of the Company Share capital RM	Accumulated losses RM	Total equity RM
Company				
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]	33	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
At 1 January 2024		57,427,882	(4,271,569)	53,156,313
Loss net of tax, representing total comprehensive income for the financial year		-	(8,279,014)	(8,279,014)
At 31 December 2024		57,427,882	(12,550,583)	44,877,299

[1] *The effect of restructuring arose from the Initial Public Offering ("IPO") reorganisation as explained in Note 33.*

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 2024

	Note	Group 2024 RM	Group 2023 RM	Company 2024 RM	Company 2023 RM
Cash Flows from Operating Activities					
(Loss)/Profit before tax		(20,418,767)	4,966,159	(8,279,014)	(4,160,628)
Adjustments for:					
Bad debts on other receivables		-	56,900	-	-
Depreciation of:					
- plant and equipment		5,086,631	2,030,962	-	-
- right-of-use asset		6,645,527	5,347,460	-	-
Impairment loss on:					
- investments in subsidiaries		-	-	4,691,625	-
- amounts due from subsidiaries		-	-	872,476	-
Loss on disposal of plant and equipment		248,393	18,795	-	-
Gain on:					
- lease termination		-	(9,182)	-	-
- lease modification		-	(36,537)	-	-
Waiver of lease liabilities		(1,200)	(184,308)	-	-
Written of on:					
- plant and equipment		370,136	20,748	-	-
- deposits		8,500	37,600	-	-
- inventories		3,043	-	-	-
Interest income		(754,100)	(392,639)	(727,389)	(371,511)
Interest expense		1,508,232	1,518,487	-	-
Operating (loss)/profit before working capital changes		(7,303,605)	13,374,445	(3,442,302)	(4,532,139)
Changes in working capital:					
Inventories		445,337	761,310	-	-
Contract liabilities		14,796,213	(1,929,315)	-	-
Receivables		4,975,203	(5,982,100)	4,658,317	(2,971,513)
Payables		(1,341,505)	2,532,703	(237,917)	191,663
Cash generated from/(used in) operations		11,571,643	8,757,043	978,098	(7,311,989)
Income tax paid		(1,489,568)	(3,727,278)	-	-
Interest received		754,100	392,639	727,389	371,511
Interest paid		(1,496,850)	(1,513,309)	-	-
Net cash from/(used in) operating activities		9,339,325	3,909,095	1,705,487	(6,940,478)

Statements of Cash Flows (Cont'd)
For The Financial Year Ended 31 December 2024

		Group		Company	
	Note	2024 RM	2023 RM	2024 RM	2023 RM
Cash Flows from Investing Activities					
Purchase of plant and equipment	(iv)	(12,953,254)	(16,313,109)	-	-
Proceeds from disposal of plant and equipment		352,000	112,001	-	-
Additions in right-of-use assets	(v)	(285,593)	-	-	-
Changes in investments in subsidiaries:					
- acquisition	33	-	-	-	(2)
- additional investments	9	-	-	(799,900)	-
- incorporation	9	-	-	(1,000)	(1,000)
- repayment of capital contribution from subsidiaries	9	-	-	334,616	-
Changes in fixed deposits pledged		(1,288,211)	(111,242)	-	-
Net advances to:					
- holding company		(37)	-	-	-
- subsidiaries		-	-	(4,853,424)	(16,127,155)
Net cash used in investing activities		(14,175,095)	(16,312,350)	(5,319,708)	(16,128,157)
Cash Flows from Financing Activities					
Proceeds from issuance of ordinary shares, net of shares issuance expense	33	-	47,862,414	-	47,862,414
Net (repayment to)/advances from:					
- capital contribution to former holding company of subsidiaries		-	(1,030,000)	-	-
- former holding company of subsidiaries	(iii)	-	(159,982)	-	-
- subsidiaries	(iii)	-	-	(1,085,260)	1,085,260
- related companies	(iii)	-	-	-	(1,901,217)
Net drawdown/ (repayment) of:					
- term loans	(iii)	1,526,647	(2,707,798)	-	-
- lease liabilities	(ii),(iii)	(7,103,166)	(9,003,103)	-	-
Net cash (used in)/from financing activities		(5,576,519)	34,961,531	(1,085,260)	47,046,457
Net (decrease)/increase in cash and cash equivalents		(10,412,289)	22,558,276	(4,699,481)	23,977,822
Cash and cash equivalents at beginning of the financial year		30,231,834	7,673,558	23,979,760	1,938
Cash and cash equivalents at end of the financial year	(i)	19,819,545	30,231,834	19,280,279	23,979,760

Statements of Cash Flows (Cont'd)
For The Financial Year Ended 31 December 2024

Notes:

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

	Group		Company	
	2024 RM	**2023 RM**	**2024 RM**	**2023 RM**
Short-term funds	19,058,827	23,971,511	19,058,827	23,971,511
Fixed deposits with licensed banks	1,399,453	111,242	-	-
Cash and bank balances	5,757,723	6,260,323	221,452	8,249
	26,216,003	30,343,076	19,280,279	23,979,760
Less: Fixed deposits pledged as security	(1,399,453)	(111,242)	-	-
Bank overdraft	(4,997,005)	-	-	-
	19,819,545	30,231,834	19,280,279	23,979,760

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

	Group		Company	
	2024 RM	**2023 RM**	**2024 RM**	**2023 RM**
Included in net cash from/(used in) operating activities				
Interest paid in relation to lease liabilities	(1,369,232)	(1,214,566)	-	-
Payment relating to short-term leases	-	(19,800)	-	-
Variable lease payments	(16,733)	(23,103)	-	-
Included in net cash (used in)/from financing activities				
Payment for principal portion of lease liabilities	(7,103,166)	(9,003,103)	-	-
Total cash outflows for leases	(8,489,131)	(10,260,572)	-	-

Statements of Cash Flows (Cont'd)
For The Financial Year Ended 31 December 2024

Notes: (Cont'd)

(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			
2024			
At 1 January 2024	-	23,168,108	-
Interest expense	-	1,369,232	14,689
Accrued interest	-	-	(1,264)
Drawdown	-	-	1,526,647
Repayment to	-	(8,472,398)	(13,425)
Net changes from financing cash flows	-	(7,103,166)	1,526,647
New leases	-	11,072,887	-
Lease modification	-	5,170,844	-
Waiver of lease liabilities	-	(1,200)	-
At 31 December 2024	-	32,307,473	1,526,647
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 2024

Notes: (Cont'd)

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

	Amounts due to related companies RM	Amount due to a subsidiary RM
Company		
2024		
At 1 January 2024	-	1,085,260
Repayment to, representing net changes from financing cash flows	-	(1,085,260)
At 31 December 2024	-	-
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

(iv) The additions of the Group's plant and equipment are satisfied by the following:

	Group 2024 RM	2023 RM
Aggregate costs	13,358,087	16,313,109
Transfer from other receivables	(404,833)	-
Cash payments	12,953,254	16,313,109

(v) The additions of the Group's right-of-use assets are satisfied by the following:

	Group 2024 RM	2023 RM
Aggregate costs	11,191,550	11,414,821
Less: lease arrangement	(11,072,887)	(11,414,821)
Transfer from prepayments	39,230	-
Transfer from other payables	127,700	-
Cash payments	285,593	-

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

NOTES TO **THE FINANCIAL STATEMENTS**

1. CORPORATE INFORMATION

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

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 9. 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.

The financial statements were authorised for issue in accordance with a Board of Directors' resolution dated 23 April 2025.

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

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

The adoption of the above accounting pronouncements did not have any significant effect on the financial statements of the Group and of the Company.

Change in accounting policy - Inventory valuation

During the financial year, the Group changed its inventory valuation method from the First-In, First-Out (FIFO) method to the weighted average cost method.

2. BASIS OF PREPARATION (CONT'D)

(a) Statement of compliance (Cont'd)

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

Change in accounting policy - Inventory valuation (cont'd)

This change was made to improve the monitoring and consistency of inventory valuation, particularly given the nature of the Group's products, which primarily comprise products, general medicines and consumables with relatively short turnover cycles and high volumes. The weighted average cost method was assessed to be more practical and operationally efficient for tracking and valuing such inventories.

In accordance with MFRS 108 *Accounting Policies, Changes in Accounting Estimates and Errors,* the Group assessed the impact of this change on both the opening balances, comparative figures and the current year's financial results, and concluded that the impact is not material. As such, no retrospective adjustment has been made, and the change has been applied prospectively from the current financial year.

(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 2025

Amendments to MFRS 121	Lack of Exchangeability

Effective for financial periods beginning on or after 1 January 2026

Amendments to MFRS 9 and MFRS 7	Classification and Measurement of Financial Instruments
Amendments that are part of Annual Improvements – Volume 11:	
Amendments to MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards
Amendments to MFRS 7	Financial Instruments: Disclosures
Amendments to MFRS 9	Financial Instruments
Amendments to MFRS 10	Consolidated Financial Statements
Amendments to MFRS 107	Statement of Cash Flows
Amendments to MFRS 9 and MFRS 7	Contract Referencing Nature-dependent Electricity

Effective for financial periods beginning on or after 1 January 2027

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

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

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 (Cont'd)

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 on the financial statements of the Group and of the Company upon their initial applications, except for:-

MFRS 18 Presentation and Disclosure in Financial Statements

MFRS 18 will replace MFRS 101, *Presentation of Financial Statements* and applies for annual period beginning on or after 1 January 2027. The new accounting standard introduces the following key requirements:

- Entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to present a newly-defined operating profit subtotal.
- Management-defined performance measures are disclosed in a single note in the financial statements.
- Enhanced guidance is provided on how to group information in the financial statements.

In addition, all entities are required to use the operating profit subtotal as the starting point for the statement of cash flows when presenting the operating cash flows under the indirect method.

The Group and the Company are currently assessing the impact of adopting MFRS 18.

(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 measured using the currency of the primary economic environment in which they operate ("the functional currency"). The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is also 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.

Notes to the Financial Statements (Cont'd)

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) Impairment test – measurement of the recoverable amounts of cash-generating units and useful life of plant and equipment (Note 7)
(ii) Determination of lease term (Note 8)
(iii) Impairment test (Note 9) – measurement of carrying value of investments in subsidiaries

3. REVENUE

	Group	
	2024 **RM**	**2023** **RM**
Revenue from contracts with customers		
Recognised at point in time		
- Aesthetic services	46,391,200	58,056,860
- General medical services	6,840,882	6,959,852
- Sales of goods	2,559,377	2,683,817
	55,791,459	67,700,529

3.1 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 a contract period between 3 months to 12 months (2023: 3 months to 24 months). While the packages generally have a contract period of 12 months (2023: 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 at point in time when the services have been rendered to customers i.e., service redemption. The upfront fixed fee received in advance prior to the fulfilment of performance obligation are recognised as deferred revenue, which is non-refundable and included in contract liabilities as disclosed in Note 25.

Customers may not exercise all their contractual rights of the prepaid packages before expiry of the contract period, and such unexercised rights are referred to as breakage. The Group recognised an expected breakage amount as revenue in proportion to the expected pattern of rights exercised by the customers. Upon expiry of the prepaid package, the breakage amount is recognised in profit or loss.

(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.

3. REVENUE (CONT'D)

3.1 Material accounting policy information (Cont'd)

(c) Sales of goods

The Group provides sales 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.

4. (LOSS)/PROFIT BEFORE TAX

(Loss)/profit before tax is arrived at after charging/(crediting):

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Auditors' remuneration				
- current year	272,000	251,000	50,000	50,000
- others	30,000	785,000	6,000	762,000
Depreciation of:				
- plant and equipment	5,086,631	2,030,962	-	-
- right-of-use asset	6,645,527	5,347,460	-	-
Employee benefits expense [Note (a)]	32,911,690	31,049,853	966,179	380,500
Expenses relating to short-term leases	-	19,800	-	-
Variable lease expenses	16,733	23,103	-	-
Gain on lease termination	-	(9,182)	-	-
Gain on lease modification	-	(36,537)	-	-
Initial public offering ("IPO") expenses	-	2,047,414	-	2,047,414
Interest expense on: [Note (b)]				
- lease liabilities	1,344,662	1,135,136	-	-
- bank overdraft	114,193	-	-	-
- term loans	14,689	133,883	-	-
- penalty on early settlement of term loans	-	164,860	-	-
- penalty on early settlement of lease liabilities	24,570	79,430	-	-
- unwind of discount on provision for restoration costs	10,118	5,178	-	-
Interest income on: [Note (c)]				
- bank balances	(55,235)	(3,343)	(53,903)	(3,343)
- fixed deposits with licensed banks	(25,379)	(21,128)	-	-
- short-term funds	(673,486)	(368,168)	(673,486)	(368,168)
Loss on disposal of plant and equipment	248,393	18,795	-	-
Realised loss on foreign exchange	1,318	32,881	-	-
Impairment loss on investments in subsidiaries	-	-	4,691,625	-
Waiver of lease liabilities	(1,200)	(184,308)	-	-
Written off of:				
- plant and equipment	370,136	20,748	-	-
- deposits	8,500	37,600	-	-
- inventories	3,043	-	-	-
Bad debts on other receivables	-	56,900	-	-

Notes to the Financial Statements (Cont'd)

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

(Loss)/profit before tax is arrived at after charging/(crediting): (Cont'd)

(a) Employee benefits expense:

	Group		Company	
	2024 RM	**2023 RM**	**2024 RM**	**2023 RM**
Staff costs				
- Salaries, commissions and allowances	26,506,539	24,915,409	348,020	-
- Defined contribution plan	3,269,194	2,930,022	62,767	-
- Social security contributions	214,301	194,006	5,246	-
- Contributions to employee insurance system	24,221	21,716	574	-
	30,014,255	28,061,153	416,607	-
Directors' remuneration				
- Fees	312,000	368,000	312,000	368,000
- Salaries, commissions and allowances	2,174,500	2,210,300	196,500	12,500
- Defined contribution plan	408,501	408,081	40,830	-
- Social security contributions	2,184	2,080	218	-
- Contributions to employee insurance system	250	239	24	-
	2,897,435	2,988,700	549,572	380,500
	32,911,690	31,049,853	966,179	380,500

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.

Notes to the Financial Statements (Cont'd)

5. TAX (CREDIT)/EXPENSE

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Income tax:				
- Current year	633,028	2,534,917	-	-
- Under/(Over) provision in prior year	113,225	(308,749)	-	-
	746,253	2,226,168	-	-
Deferred tax (Note 10):				
- Relating to origination and reversal of temporary differences	(1,923,166)	69,297	-	-
- Underprovision in prior year	406,106	166,626	-	-
	(1,517,060)	235,923	-	-
Tax (credit)/expense for the financial year	(770,807)	2,462,091	-	-

Income tax is calculated at the Malaysian statutory tax rate of 24% (2023: 24%) of the estimated assessable results for the financial year.

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	
	2024 RM	2023 RM	2024 RM	2023 RM
(Loss)/Profit before tax	(20,418,767)	4,966,159	(8,279,014)	(4,160,628)
Tax at Malaysian statutory income tax rate of 24%	(4,900,504)	1,191,878	(1,986,963)	(998,551)
Income not subject to tax	(174,574)	(90,211)	(174,574)	(57,727)
Tax effect on non-deductible expenses	1,820,102	1,226,591	2,161,537	1,056,278
Deferred tax assets no recognised	1,964,838	275,956	-	-
Under/(Over)provision in respect of prior year:				
- income tax expense	113,225	(308,749)	-	-
- deferred tax	406,106	166,626	-	-
Tax (credit)/expense for the financial year	(770,807)	2,462,091	-	-

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

	Group	
	2024 RM	2023 RM
Unutilised tax losses	6,785,909	2,634,002
Unabsorbed capital allowances	1,592,594	65,435
	8,378,503	2,699,437

5. TAX (CREDIT)/EXPENSE (CONT'D)

The comparative figures have been restated to reflect the actual unutilised tax losses and unabsorbed capital allowances carried forward. 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.

Pursuant to the Finance Act 2021, unutilised tax losses from a year of assessment can only be carried forward up to 10 consecutive years of assessment as follows:

	Group 2024 RM	Group 2023 RM
Unutilised tax losses to be carried forward until:		
Year of assessment 2031	71,989	71,989
Year of assessment 2032	475,217	475,217
Year of assessment 2033	2,086,796	2,086,796
Year of assessment 2034	4,151,907	-
	6,785,909	2,634,002

5.1 Material accounting policy information

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.

6. (LOSS)/EARNINGS PER SHARE

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

	Group 2024 RM	Group 2023 RM
Basic (loss)/earning per share:		
(Loss)/Profit after tax attributable to Owners of the Company (RM)	(19,647,960)	2,504,068
Weighted average number of ordinary shares:		
Number of ordinary shares at beginning of the financial year	996,300,000	1,000
Effect of IPO reorganisation(1)	-	797,039,000
Public Issue(2)	-	91,714,192
	996,300,000	888,754,192
Basic (loss)/earning per share (sen)	(1.97)	0.28

(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 in prior year.

(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 (loss)/earning per share is not presented as there is no dilutive potential ordinary shares outstanding during the financial year.

7. 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									
2024									
Cost									
At 1 January 2024	492,767	717,267	14,346,142	851,433	661,480	14,935,647	845,920	3,526,079	36,376,735
Additions	558,474	93,382	5,533,345	-	302,154	5,879,731	182,438	808,563	13,358,087
Disposal	-	-	(872,359)	(185,989)	(1,880)	-	-	-	(1,060,228)
Written off	-	-	-	-	-	(541,065)	-	-	(541,065)
Reclassification:									
- within plant and equipment	-	-	3,700	-	(3,700)	(11,600)	11,600	-	-
- upon completion of construction	-	11,597	-	-	11,283	4,263,505	15,800	(4,302,185)	-
Transfer from right-of-use assets (Note 8)	-	-	605,378	-	-	-	-	-	605,378
At 31 December 2024	1,051,241	822,246	19,616,206	665,444	969,337	24,526,218	1,055,758	32,457	48,738,907
Accumulated depreciation									
At 1 January 2024	172,262	137,253	3,496,504	426,743	157,778	1,869,278	52,274	-	6,312,092
Charge for the financial year	111,991	60,633	1,578,905	31,868	83,426	3,126,997	92,811	-	5,086,631
Disposal	-	-	(342,615)	(117,189)	(31)	-	-	-	(459,835)
Written off	-	-	-	-	-	(170,929)	-	-	(170,929)
Reclassification within plant and equipment	-	-	62	-	(62)	(2,940)	2,940	-	-
Transfer from right-of-use assets (Note 8)	-	-	38,552	-	-	-	-	-	38,552
At 31 December 2024	284,253	197,886	4,771,408	341,422	241,111	4,822,406	148,025	-	10,806,511
Net carrying amount									
At 31 December 2024	766,988	624,360	14,844,798	324,022	728,226	19,703,812	907,733	32,457	37,932,396

7. 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	Capital work-in-progress RM	Total RM
Group (cont'd)									
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 8)	-	-	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 8)	-	-	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

^ Transfer from right-of-use assets due to early settlement of lease liabilities and end of lease terms.

7. PLANT AND EQUIPMENT (CONT'D)

7.1 Impairment review

The Group is required to assess at each reporting date whether there is any indication that the carrying amount of its cash-generating unit ("CGU") assets may be impaired. Where such indicators exist, the Group determines the recoverable amount of the CGU as the higher of fair value, less costs of disposal (FVLCD) and value-in-use (VIU).

As at the reporting date, the management conducted an impairment assessment of the Group's plant and equipment at the CGU level. The assessment identified one of the service outlets with carrying amount of plant and equipment of RM550,342 having indications of impairment due to continued negative operating cash flows and historical losses.

Accordingly, the management determined the recoverable amount of the CGU using VIU method, based on a discounted future cash flows were prepared based on past experience and reflecting a change in business plan and the Group's revised expectations for the future and strategic direction of the CGU.

The key assumptions used in the VIU calculation included revenue and collection growth of 10% per annum based on management's estimate, which does not exceed the long-term average growth rate of the industry and a pre-tax discount rate of 10.30% was reflective of the Group's estimated weighted average cost of capital.

Based on the impairment assessment, the recoverable amount of the CGU was estimated to be higher than the carrying amount of the asset, and accordingly no impairment loss was recognised in the financial year ended 31 December 2024.

Management believes that there are no reasonably foreseeable changes to these key assumptions that would cause the carrying amount of the renovation assets to materially exceed the recoverable amount of the CGU.

7.2 Material accounting policy information

Plant and equipment

(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 its 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	Shorter of remaining lease term or 10%
Signboard	10%

7. PLANT AND EQUIPMENT (CONT'D)

7.2 Material accounting policy information (Cont'd)

Plant and equipment (Cont'd)

(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.

Impairment on non-financial assets

The carrying amount of non-financial assets (except for inventories and deferred tax assets) 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. 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 cost to sell. In assessing the recoverable amount, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment 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.

An impairment loss is recognised for the amount by which the carrying amount of the subsidiary exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and present value of the estimated future cash flows expected to be derived from the investment including the proceeds from its disposal. Any subsequent increase in recoverable amount is recognised in profit or loss.

7.3 Significant accounting estimates and judgements

(i) Depreciation of plant and equipment

The Group determines the estimated useful lives and related depreciation charges for the Group's plant and equipment with reference to the estimated periods that the intends to derive future economic benefits from the use of these assets. Management performs periodic review of the estimated useful lives of plant and equipment and will revise the depreciation charges where estimated useful lives are different than those previously estimated.

The 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.

7. PLANT AND EQUIPMENT (CONT'D)

7.3 Significant accounting estimates and judgements (Cont'd)

(i) Depreciation of plant and equipment (Cont'd)

Change in estimate

During the financial year ended 31 December 2024, the Group reassessed the useful lives of its renovations. Previously estimated at 10 years, the useful life has now been revised to the shorter of the remaining lease term or 10 years. This change was made to better reflect the period over which the renovation assets are expected to provide economic benefit, considering the terms of the underlying leases. The impact of this change, recognised under administrative and other expenses, is as follows for the current and future periods:

Financial year ending:	**Increase/ (decrease) in depreciation expense RM**
2024	642,035
2025	1,121,702
2026	1,010,474
2027	835,679
2028	710,590
2029	(12,035)

(ii) Impairment review on plant and equipment

When the recoverable amount of an asset is determined based on the estimate of the fair value less cost to sell ("FVLCTS") and value-in-use ("VIU") of the cash-generating unit ("CGUs") to which the asset is allocated, the management is required to make an estimate of the fair values and expected future cash flows from the cash-generating units and also to apply a suitable discount rate in order to determine the present value of those cash flows.

Notes to the Financial Statements (Cont'd)

8. RIGHT-OF-USE ASSETS

	Leases of office and service outlets RM	Medical equipment RM	Motor vehicles RM	Total RM
Group				
2024				
At cost				
At 1 January 2024	29,469,689	1,782,344	681,126	31,933,159
Additions by way of:				
- New leases	6,431,424	3,700,371	1,059,755	11,191,550
- Provision for restoration cost (Note 22)	96,188	-	-	96,188
Remeasurement on lease modification:				
- Extension of lease term	5,170,844	-	-	5,170,844
- Provision for restoration costs (Note 22)	(12,547)	-	-	(12,547)
Derecognition *	(675,164)	-	-	(675,164)
Transfer to plant and equipment (Note 7) ^	-	(605,378)	-	(605,378)
At 31 December 2024	40,480,434	4,877,337	1,740,881	47,098,652
Accumulated depreciation				
At 1 January 2024	8,763,741	142,011	89,650	8,995,402
Charge for the financial year	6,070,247	423,965	151,315	6,645,527
Derecognition *	(675,164)	-	-	(675,164)
Transfer to plant and equipment (Note 7) ^	-	(38,552)	-	(38,552)
At 31 December 2024	14,158,824	527,424	240,965	14,927,213
Net carrying amount				
At 31 December 2024	26,321,610	4,349,913	1,499,916	32,171,439

Notes to the Financial Statements (Cont'd)

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

	Leases of office and service outlets RM	equipment RM	Medical vehicles RM	Motor Total RM
Group (Cont'd)				
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 22)	123,244	-	-	123,244
Remeasurement on lease modification	(121,783)	-	-	(121,783)
Derecognition *	(576,973)	-	-	(576,973)
Lease termination	(523,133)	-	-	(523,133)
Transfer to plant and equipment (Note 7) ^	-	(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 7) ^	-	(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

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

* *Derecognition due to end of lease terms.*

8.1 Extension options

The Group has leases of office and service outlets that run from 1 to 12 years with an option to renew the lease after date. Certain leases of office and service outlets contain extension option exercisable by the Group ranging from 2 to 3 years.

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

8.2 Expenses charged to profit or loss during the financial year

	Group	
	2024 RM	2023 RM
Included in other income		
- waiver of lease liabilities	(1,200)	(184,308)
- gain on lease termination	-	(9,182)
- gain on lease modification	-	(36,537)
Included in cost of sales		
- depreciation of right-of-use assets	423,965	541,642
Included in administrative and other expenses		
- depreciation of right-of-use assets	6,221,562	4,805,818
- expenses relating to short-term lease	-	19,800
- variable lease expenses	16,733	23,103
Included in finance costs		
- interest expense on lease liabilities and penalty on early settlement of lease liabilities	1,369,232	1,214,566

8.3 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	
	2024 RM	2023 RM
Leases with lease payments based on sales		
Fixed payments	446,976	363,417
Variable payments	16,733	23,103
Total payments	463,709	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.

8.4 Material accounting policy information

(a) Recognition and measurement

Right-of-use assets and lease liabilities

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.

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

8.4 Material accounting policy information (Cont'd)

(b) Recognition and measurement

Right-of-use assets and lease liabilities

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 1 to 12 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 (Note 7.2).

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.

Variable lease payments dependent upon a future index or rate are measured using the amounts payable at the commencement date until the index or rate is known. Variable lease payments not dependent on index or rate, including lease payments based on percentage of turnover, are excluded from the lease liabilities.

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.

Modifications to lease agreements, extensions to existing lease agreements and changes to future lease payments relating to existing terms in the contract, including market rent assessment and index-based changes, are presented as remeasurements of the lease liabilities. The related right-of-use assets are also remeasured. If the modification results in reduction in scope of the lease, either through shortening the lease term or through disposing of part of the underlying asset, a gain or loss on disposal may arise relating to the difference between the lease liabilities and the right-of-use asset applicable to the reduction in scope.

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.

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

8.5 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.

During the financial year ended 31 December 2024, the Group reassessed its lease arrangements to determine whether it remained reasonably certain to exercise extension or termination options, particularly when there were significant changes in circumstances within the Group's control. As a result of this reassessment, the revision of lease terms led to an increase in right-of-use assets and corresponding lease liabilities of RM5,170,844. No gain or loss was recognised from the lease modification in the financial year ended 31 December 2024, as the adjustment affected only the measurement of lease assets and liabilities.

In previous financial year, a gain on lease modification of RM36,537 was recognised under "Other Income" in the statements of comprehensive income.

9. INVESTMENTS IN SUBSIDIARIES

		Company	
	Note	2024 RM	2023 RM
Unquoted shares, at cost			
At beginning of the financial year		9,565,470	-
Effect of IPO reorganisation	33	-	9,564,470
Additions	9.2	800,900	1,000
At end of the financial year		10,366,370	9,565,470
Capital contribution to subsidiaries			
At beginning of the financial year		16,127,155	-
Additions	9.3	1,000,000	16,127,155
Repayment		(1,334,616)	-
At end of the financial year		15,792,539	16,127,155
Less: Accumulated impairment losses			
At beginning of the financial year		-	-
Additions	9.4	4,691,625	-
At end of the financial year		4,691,625	-
Net carrying amount		21,467,284	25,692,625

9. INVESTMENTS IN SUBSIDIARIES (CONT'D)

9.1 Details of the subsidiaries, all of which are incorporated in Malaysia are as follows:

Name of	Principal activities	Effective equity interest 2024 %	Effective equity interest 2023 %
Klinik Dr Chong Sdn. Bhd. ("Klinik Dr Chong")	Aesthetic services, general medical services and sale of skincare products	100	100
Ten Doctors Sdn. Bhd. ("Ten Doctors")	Sale of skincare products	100	100
DC Lasers Sdn. Bhd. ("DC Lasers")	Aesthetic services, general medical services and sale of skincare products	100	100
DC Lasers (Mid Valley) Sdn. Bhd. ("DCL Mid Valley")	Aesthetic services, general medical services and sale of skincare products	100	100
DC Lasers (Puchong) Sdn. Bhd. ("DCL Puchong")	Aesthetic services, general medical services and sale of skincare products	100	100
DC Wellness Sdn. Bhd. ("DC Wellness")	Slimming services and sale of slimming products	100	100
DC Lasers (Eastern) Sdn. Bhd. ("DCL Eastern")	Dormant	100*	-

* The financial results of DCL Eastern is consolidated based on management accounts. The Directors are of the opinion that the financial results of the subsidiary were not material to the Group as the subsidiary is currently dormant since the date of incorporation. The management account is reviewed for consolidation purpose by Moore Stephens Associates PLT.

9.2 Incorporation of subsidiaries/Additional cost of investments

2023

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.

2024

On 24 December 2024, the Company incorporated a wholly-owned subsidiary, DC Lasers (Eastern) Sdn. Bhd. comprised of 1,000 ordinary shares, representing the entire issued and paid-up capital of DCL Eastern at subscriber's consideration of RM1,000.

On 22 January 2024, the issued and paid-up capital of Klinik Dr Chong was increased from RM200,100 to RM1,000,000 by way of the allotment of 799,900 new ordinary shares for the purpose of increasing working capital of Klinik Dr Chong. The Company subscribed for an additional 799,900 new ordinary shares at total cash consideration of RM799,900. Consequent to the subscription, Klinik Dr Chong remained wholly-owned subsidiary of the Company.

9. INVESTMENTS IN SUBSIDIARIES (CONT'D)

9.3 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 is stated at cost less accumulated impairment losses.

9.4 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.

In the prior year, Ten Doctors, in its initial stages, incurred losses due to substantive startup expenditures, including the recruitment of operation staff 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. At that point in time, the recoverable amount was 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.

During the financial year, the recoverable amount was re-assessed in view of the current and expected future conditions and was determined to be lower than the carrying amount of the asset, and accordingly an impairment loss of RM4,691,625 was recognised within the line of "administrative and other expenses" in the statement of comprehensive income of the Company for the financial year ended 31 December 2024. The recoverable amount was derived based on FVLCTS which was measured based on the net assets of Ten Doctors, reflecting a change in business plan and the Group's revised expectations for the future and strategic direction of Ten Doctors.

9.5 Material accounting policy information

Basis of consolidation

<u>Subsidiaries</u>

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.

<u>Business combination</u>

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.

9. INVESTMENTS IN SUBSIDIARIES (CONT'D)

9.5 Material accounting policy information (Cont'd)

Basis of consolidation (Cont'd)

Business combination (Cont'd)

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.

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 Group 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 Group 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.

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.

Transactions eliminated under 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.

9. INVESTMENTS IN SUBSIDIARIES (CONT'D)

9.6 Significant accounting estimates and judgements on carrying value of investments in subsidiaries

The investments in subsidiaries for impairment are reviewed 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 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.

10. DEFERRED TAX ASSETS/(LIABILITIES)

	Group	
	2024 RM	**2023 RM**
At 1 January	(22,060)	213,863
Recognised in profit or loss (Note 5)	1,517,060	(235,923)
At 31 December	1,495,000	(22,060)
Represented by:		
Deferred tax assets	1,495,000	433,117
Deferred tax liabilities	-	(455,177)
	1,495,000	(22,060)

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.

10. 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 RM	Right-of-use assets RM	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 2023	(2,133,838)	(2,166,041)	3,706,699	7,325	(57,718)	707,552	6,035	143,849	213,863
Recognised in profit or loss (Note 5)	784,690	(2,803,387)	1,371,184	30,820	(12,455)	182,712	9,902	200,611	(235,923)
At 31 December 2023/ 1 January 2024	(1,349,148)	(4,969,428)	5,077,883	38,145	(70,173)	890,264	15,937	344,460	(22,060)
Recognised in profit or loss (Note 5)	(1,210,370)	(1,398,401)	1,443,150	22,503	(344,040)	3,357,837	(15,937)	(337,682)	1,517,060
At 31 December 2024	(2,559,518)	(6,367,829)	6,521,033	60,648	(414,213)	4,248,101	-	6,778	1,495,000

The Group has recognised the deferred tax assets based on the current level of operations of certain subsidiaries and the probability that sufficient taxable profit will be generated in the future against which the deferred tax assets can be utilised.

10. 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	
	2024 RM	2023 RM
Unutilised tax losses	6,757,667	1,199,371
Unabsorbed capital allowances	1,592,594	3,846
Other temporary timing differences	1,047,102	7,321
	9,397,363	1,210,538

10.1 Material accounting policy information

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.

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.

11. INVENTORIES

	Group	
	2024 RM	2023 RM
At cost:		
Consumables - aesthetic services	1,679,404	1,870,079
General medicines	341,187	336,233
Products for sale	1,301,552	1,560,083
Packaging materials	11,283	15,411
	3,333,426	3,781,806

The Group has recognised inventories as cost of sales amounted to RM9,419,231 (2023: RM6,809,229). During the financial year, the Group write off inventory of RM3,043 (2023: Nil) due to the lapse of expiry date.

Notes to the Financial Statements (Cont'd)

11. INVENTORIES (CONT'D)

11.1 Material accounting policy information

Inventories are measured at the lower of cost and net realisable value.

As disclosed in Note 2(a)(i), the measurement of cost of inventories of the Group has changed from FIFO to measured based on weighted average 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.

12. TRADE RECEIVABLES

		Group	
	Note	2024 RM	2023 RM
Third parties	12.1	11,117	17,420
Collection in transit	12.2	195,056	590,209
		206,173	607,629

12.1 The normal trade credit terms granted by the Group are cash on delivery to 30 days (2023: cash on delivery to 60 days).

12.2 Collection in transit represents credit card sales in transit from financial institutions.

13. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

		Group		Company	
	Note	2024 RM	2023 RM	2024 RM	2023 RM
Other receivables		30,607	66,867	-	-
Deposits	13.1	2,773,565	5,729,932	173,800	3,501,000
Prepayments	13.2	1,233,979	4,622,699	150,359	1,481,476
Contract costs	13.3	1,725,885	292,388	-	-
		5,764,036	10,711,886	324,159	4,982,476

13.1 Included in deposits consist of:

(i) a total balance of the Group amounting to RM2,105,374 (2023: RM1,805,570) relates to rental deposits paid for the leases of office and service outlets;

(ii) a total balance of the Group and of the Company amounting to RM Nil (2023: RM3,500,000) relates to deposits paid in connection with a proposed corporate exercise, which was subsequently terminated during the current financial year and was refunded during the financial year; and

(iii) a total of earnest deposits amounting to RM172,800 (2023: Nil) was paid to a vendor for the proposed acquisition of a three-storey end-lot shop unit for a total cash consideration of RM8,000,000. Subsequently, on 8 April 2025, the Company announced that it had entered into a Sale and Purchase Agreement ("SPA") with the vendor. The completion of the SPA is subject to the fulfilment of certain terms and conditions as stipulated within the agreement.

13. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS (CONT'D)

13.2 Included in prepayments is a total balance of RM1,338,230, previously recognised as prepaid expenses at the prior reporting date in relation to a proposed corporate exercise, which was charged to profit or loss during the current financial year following the termination of the proposed corporate exercise.

13.3 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 within "cost of sales" in the statements of comprehensive income of the Group was RM4,559,719 (2023: RM5,203,326) as follows:

	Group	
	2024 RM	2023 RM
At beginning of the financial year	292,388	240,495
Recognised as commission during the financial year	(4,559,719)	(5,203,326)
Commission paid	5,993,216	5,255,219
At end of the financial year	1,725,885	292,388

14. AMOUNT DUE FROM HOLDING COMPANY

This amount is non-trade in nature, unsecured, interest-free advances which is collectible on demand.

15. AMOUNTS DUE FROM SUBSIDIARIES

	Company	
	2024 RM	2023 RM
Amounts due from subsidiaries, gross	4,853,424	-
Less: Impairment loss	(872,476)	-
Carrying amount	3,980,948	-

These amounts are non-trade in nature, unsecured, interest-free advances which are collectible on demand.

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 3.13% to 4.45% (2023: 3.21% to 3.99%) per annum.

17. FIXED DEPOSITS WITH LICENSED BANKS

The fixed deposits with licensed banks of the Group bore interest rates ranging from 2.10% to 2.70% (2023: 2.35% to 2.50%) per annum and have maturity periods of 1 to 12 months (2023: 1 months).

The entire fixed deposits are pledged as security for bank guarantee granted to a lessor in respect of a leasing arrangement with the Group and for credit facilities granted to a subsidiary as disclosed in Note 21.

17.1 Material accounting policy information

Cash and cash equivalents consist of short-term funds, fixed deposits with licensed banks, cash at bank and on hand that are readily convertible to known amount of cash, and which are subject to an insignificant risk of changes in value. For the purpose of the statements of cash flows, cash and cash equivalents are presented net of pledged deposits and bank overdraft, if any.

18. SHARE CAPITAL

18.1 Share capital

	Group and Company			
	Number of ordinary shares		Amount	
	2024 unit	2023 unit	2024 RM	2023 RM
Issued and fully paid ordinary shares:				
At the beginning of the financial year	996,300,000	1,000	57,427,882	1,000
Effect of IPO reorganisation (Note 33)	-	797,039,000	-	9,564,468
Shares issued by the Company for the Public Issue	-	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	996,300,000	996,300,000	57,427,882	57,427,882

18. SHARE CAPITAL (CONT'D)

18.1 Share capital (Cont'd)

In the previous 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; 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.

This is no par value on the ordinary shares. 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.

18.2 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. REORGANISATION RESERVE

The reorganisation 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 reorganisation as disclosed in Note 33.

Notes to the Financial Statements (Cont'd)

20. LEASE LIABILITIES

	Group 2024 RM	Group 2023 RM
Minimum lease payments:		
- not later than 1 year	8,406,128	6,325,005
- later than 1 year but not later than 2 years	7,996,255	6,091,754
- later than 2 years but not later than 5 years	15,203,008	13,053,508
- more than 5 years	5,051,482	923,460
	36,656,873	26,393,727
Less: Unexpired finance charges	(4,349,400)	(3,225,619)
	32,307,473	23,168,108
Present value of lease liabilities:		
- not later than 1 year	6,999,842	5,311,995
- later than 1 year but not later than 2 years	6,883,943	5,337,911
- later than 2 years but not later than 5 years	13,673,168	11,597,466
- more than 5 years	4,750,520	920,736
	32,307,473	23,168,108
Represented by:		
Current liabilities	6,999,842	5,311,995
Non-current liabilities	25,307,631	17,856,113
	32,307,473	23,168,108

The lease liabilities bear effective interest rates ranging from 4.12% to 6.63% (2023: 4.12% to 7.55%) per annum.

The lease liabilities amounting to RM3,166,241 (2023: RM Nil) is secured by a corporate guarantee by the Company.

21. BORROWINGS

	Note	Group 2024 RM	2023 RM
Current liabilities			
Bank overdraft		4,997,005	-
Term loans		306,344	-
		5,303,349	-
Non-current liabilities			
Term loans		1,220,303	-
		6,523,652	-
Total borrowings			
Bank overdraft	21.1	4,997,005	-
Term loans	21.2	1,526,647	-
		6,523,652	-

The range of interest rates per annum at the reporting date for the borrowings are as follows:

	Group 2024 %	2023 %
Bank overdraft	7.89	-
Term loans	4.45 - 4.65	-

The remaining maturities of the term loans as at the reporting are as follows:

	Group 2024 RM	2023 RM
Maturity profile of term loans		
- not later than 1 year	306,344	-
- later than 1 year but not later than 2 years	1,138,372	-
- later than 2 years but not later than 3 years	81,931	-
	1,526,647	-

21.1 Bank overdraft

The bank overdraft of the Group is secured by the following:

(i) Guarantee in favour of the Bank by Syarikat Jaminan Pembiayaan Perniagaan Berhad under the Government Guarantee Scheme Madani for 80% of the principal and profit outstanding;
(ii) a fixed deposit with licensed banks as disclosed in Note 17;
(iii) A corporate guarantee by the holding company; and
(iv) A corporate guarantee by the Company.

21. BORROWINGS (CONT'D)

21.2 Term loans

	Group 2024 RM	Group 2023 RM
Current		
Term loan I	306,344	-
Non-current		
Term loan I	29,010	-
Term loan II	1,191,293	-
	1,526,647	-

<u>Term loan I</u>

Term loan I is secured by the following:

(i) an Asset Sale Agreement over Shariah compliant commodities determined by the bank;
(ii) a fixed deposit with licensed banks as disclosed in Note 17; and
(iii) A corporate guarantee executed by the Company.

<u>Term loan II</u>

Term loan II is secured by the following:

(i) Guarantee in favour of the Bank by Syarikat Jaminan Pembiayaan Perniagaan Berhad under the Government Guarantee Scheme Madani for 80% of the principal and profit outstanding;
(ii) a fixed deposit with licensed banks as disclosed in Note 17;
(iii) A corporate guarantee by the holding company; and
(iv) A corporate guarantee by the Company; and

22. PROVISION

	Group 2024 RM	Group 2023 RM
Non-current:		
Provision for restoration costs	252,702	158,943

Notes to the Financial Statements (Cont'd)

22. PROVISION (CONT'D)

The movement in provision of restoration:

	Group	
	2024 RM	2023 RM
At the beginning of the financial year	158,943	30,521
Recognised in right-of-use assets (Note 8)	96,188	123,244
Remeasurement from lease modification	(12,547)	-
Unwind of discount	10,118	5,178
At the end of the financial year	252,702	158,943

The Group recognised the provision for restoration costs in respect of the obligation of the Group to restore leased retail outlets and warehouses to their original state upon the expiry of the tenancy agreements, which are capitalised and included in the right-of-use assets.

The provision is calculated using discount rates range from 4.12% to 5.00% (2023: 4.12% to 5.00%) per annum measured at the present value of the restoration cost and is expected to be paid upon termination of the lease agreement. The unwinding of the discount is recognised within the line of "finance costs" in the statements of comprehensive income of the Group for the financial year ended 31 December 2024.

23. TRADE PAYABLES

The normal trade credit terms granted to the Group ranging from 30 to 90 days (2023: 30 to 90 days).

24. OTHER PAYABLES AND ACCRUALS

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Other payables	1,797,973	3,693,229	98,271	354,788
Accruals	2,076,660	1,834,257	77,100	58,500
	3,874,633	5,527,486	175,371	413,288

25. CONTRACT LIABILITIES

	Group	
	2024 RM	2023 RM
Aesthetic services	18,505,654	3,709,441

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.

25. CONTRACT LIABILITIES (CONT'D)

Movement of contract liabilities is as follows:

	Group 2024 RM	Group 2023 RM
At beginning of the financial year	3,709,441	2,948,131
Collection during the financial year	61,187,413	58,818,170
Amount recognised as revenue: (Note 3)		
- contract liabilities at beginning of the financial year	(3,709,441)	(2,948,131)
- revenue during the financial year	(42,681,759)	(55,108,729)
	(46,391,200)	(58,056,860)
At end of the financial year	18,505,654	3,709,441

The remaining unsatisfied performance obligation are expected to be recognised as revenue within the next 1 year.

26. AMOUNT DUE TO A SUBSIDIARY

This amount was non-trade in nature, unsecured, interest-free advances which was repayable on demand.

27. OPERATING SEGMENT

An operation segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity whose operating results are reported to the Group's chief operating decision maker ("CODM") for the purpose of resource allocation and performance assessment. Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

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.

28. 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, subsidiaries, related companies and key management personnel.

The related party balances are shown in Notes 14, 15 and 26.

Notes to the Financial Statements (Cont'd)

28. 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 are as follows:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Transactions with holding company				
Repayment of capital contribution	-	(1,030,000)	-	-
Repayment to	-	(159,982)	-	-
Advances to	(37)	-	-	-
Transactions with related companies				
Repayment to	-	-	-	(1,901,217)
Transactions with subsidiaries				
Additional cost of investment	-	-	799,900	-
Net advances to	-	-	(4,853,424)	(16,127,155)
Net advances from	-	-	(1,085,260)	(5,150,118)
Assignment of debts from	-	-	-	6,235,378

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 are disclosed in Note 4(a).

The remuneration of other members of key management personnel of the Group during the financial year are as follows:

	Group	
	2024 RM	2023 RM
Key management personnel		
- Salaries, commissions and allowances	1,617,963	1,551,246
- Defined contribution plan	194,213	183,169
- Social security contributions	3,745	3,119
- Contributions to employee insurance system	339	238
	1,816,260	1,737,772

29. 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.

Material Accounting Policy Information

Recognition and measurement of financial instruments

Financial assets

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 classified at amortised costs, except for those measured at fair value through profit or loss are subject to impairment assessment as disclosed in Note 29(a).

Financial liabilities

The financial liabilities of the Group and the Company are initially recognised as 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.

Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the statements of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

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.

29. FINANCIAL INSTRUMENTS (CONT'D)

Material Accounting Policy Information (Cont'd)

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.

Derecognition of financial instruments

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 the financial asset is transferred to another party without retaining control or substantially all risks and rewards of the asset. 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 or 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.

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.

There have been no changes to the Group's and the Company's exposure to these financial risks or the manner in which they manage and measure the risk.

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 their receivables and financial guarantees provided by the Company to subsidiaries of the Company. There are no significant changes as compared to prior years. There are no significant changes as compared to prior periods. For other financial assets (including short-term funds, deposits, cash and bank balances), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

29. FINANCIAL INSTRUMENTS (CONT'D)

Financial risk management objectives and policies (Cont'd)

(a) Credit risk (Cont'd)

Trade receivables

Risk management objectives, policies and processes for managing the risk

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.

Exposure to credit risk, credit quality and collateral

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.

Credit risk concentration profile

There is no concentration of credit risk arising from any of the customers of the Group.

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 30 days, which are deemed to have higher credit risk, are monitored individually.

The Group has applied the simplified approach in MFRS 9 to measure the loss allowance at lifetime expected credit losses. 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.

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.

29. 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 (Cont'd)

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 or 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 procedures for recovery of amounts due. Any recoveries made are recognised in profit or loss.

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	
	2024 RM	**2023 RM**
Neither past due nor impaired	206,173	607,629

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.

29. 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	
	2024 RM	**2023 RM**
Corporate guarantees given to creditors for supply of goods on credit terms to the subsidiaries	172,009	328,838
Corporate guarantees given to lessors for leasing arrangements on lease of premises	3,857,554	5,009,538
Corporate guarantees given to financial institutions for hire purchase arrangements on purchase of plant and equipment	3,166,241	-
Corporate guarantees given to financial institutions for borrowings granted to the subsidiaries	6,523,652	-
	13,719,456	5,338,376

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 financial institutions, creditors and lessors. The fair values of the financial guarantees are negligible as the probably of the subsidiaries defaulting payment and the financial institutions, creditors and lessors calling upon the financial guarantees are remote.

Inter-company loans and advances

Risk management objectives, policies and processes for managing the risk

The Company provides unsecured loans and advances to subsidiaries. The Company monitors the ability of the subsidiaries to repay the loans and advances on an individual basis.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position. Loans and advances provided are not secured by any collateral or supported by any other credit enhancements.

Notes to the Financial Statements (Cont'd)

29. FINANCIAL INSTRUMENTS (CONT'D)

Financial risk management objectives and policies (Cont'd)

(a) Credit risk (Cont'd)

Inter-company loans and advances (Cont'd)

Recognition and measurement of impairment loss

Inter-company loans between the Company and the subsidiaries are repayable on demand. For loans that are repayable on demand, expected credit losses are assessed based on the assumption that repayment of the loan is demanded at the reporting date.

Generally, the Company considers advances to subsidiaries have low credit risk. The Company assumes that there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly. As the Company is able to determine the timing of payments of the subsidiaries' advances when they are payable, the Company considers the loans and advances to be in default when the subsidiaries are not able to pay when demanded.

The Company determines the probability of default for these loans and advances individually using internal information available. The Company monitors the results of the subsidiaries regularly. As at the end of the reporting period, the Company has not provided allowance for expected credit loss except for the following:

	Company	
	2024	**2023**
	RM	**RM**
At beginning of the financial year	-	-
Addition	872,476	-
At end of the financial year	872,476	-

The Company assumes that there is a significant increase in credit risk given a subsidiary's financial position has deteriorated and accordingly an impairment loss on amounts due from that subsidiary amounted to RM872,476 (2023: Nil) being recognised in the statement of comprehensive income of the Company during the financial year ended 31 December 2024.

(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.

29. 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 29(a), there was no indication as at 31 December 2024 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						
2024						
Trade payables	1,391,329	1,391,329	1,391,329	-	-	-
Other payables and accruals	3,874,633	3,874,633	3,874,633	-	-	-
Lease liabilities	32,307,473	36,656,873	8,406,128	7,996,255	15,203,008	5,051,482
Bank overdraft	4,997,005	4,997,005	4,997,005	-	-	-
Term loans	1,526,647	1,631,573	379,002	1,170,316	82,255	-
	37,573,435	41,922,835	13,672,090	7,996,255	15,203,008	5,051,482
2023						
Trade payables	1,206,417	1,206,417	1,206,417	-	-	-
Other payables and accruals	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

Notes to the Financial Statements (Cont'd)

29. 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	
	2024 RM	2023 RM	2024 RM	2023 RM
Floating rate instruments:				
Financial assets				
- Short-term funds	19,058,827	23,971,511	19,058,827	23,971,511
- Fixed deposits with licensed banks	1,399,453	111,242	-	-
Financial liabilities				
- Bank overdraft	(4,997,005)	-	-	-
- Term loans	(1,526,647)	-	-	-
	13,934,628	24,082,753	19,058,827	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 short-term funds, fixed deposits with licensed banks, bank overdraft and term loans are disclosed in Notes 16, 17 and 21 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.

30. FAIR VALUE INFORMATION

Financial instruments 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.

The carrying amount of long-term floating rate loan approximates its fair value as the loan will be re-priced to market interest rate on or near reporting date.

31. 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 are as follows:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Borrowings (Note 21)	6,523,652	-	-	-
Lease liabilities (Note 20)	32,307,473	23,168,108	-	-
Total debts	38,831,125	23,168,108	-	-
Total equity	44,736,047	64,384,007	44,877,299	53,156,313
Debt-to-equity ratio (times)	0.87	0.36	*	*

* *The Company does not have any debts, thus the debt-to-equity ratio is not presented.*

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.

32. CAPITAL COMMITMENTS

Capital expenditure in respect of acquisition of plant and equipment is as follows:

	Group	
	2024 RM	2023 RM
Authorised and not contracted for:		
Purchase of shoplot	7,827,200	-
Authorised and contracted for:		
Renovation for service outlets	650,000	1,816,652

33. IPO REORGANISATION

In the previous financial year, the Company completed the IPO reorganisation and was listed on ACE Market of Bursa Malaysia Securities Berhad. The following events were completed by the Company in the 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 19) 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 9) 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)

34. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

(i) Incorporation of subsidiaries

The details are disclosed in Note 9.2.

(ii) 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");

(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").

On 3 September 2024, the Company announced the Proposed Bonus Issue of Warrants and Proposed Variation have been aborted and in respect of the Proposed Acquisition, both the Company and the Vendor have mutually agreed to terminate the Sale and Purchase Agreement.

(iii) Share option scheme ("ESOS")

On 3 December 2024 the Company obtained approval from shareholders via Extraordinary General meeting to establish an ESOS of up to 15% of the total number of issued shares of the Company at any point in time during the duration of the ESOS for the eligible employees and Directors of the Group and the Company. The effective date for the implementation of the ESOS is 7 April 2025 and is administered by the ESOS Committee, which is appointed by the Board of Directors, in accordance with the By-Laws.

35. EVENT SUBSEQUENT TO THE FINANCIAL YEAR

<u>Acquisition of assets</u>

The details are disclosed in Note 13.1 (iii).

ANALYSIS OF **SHAREHOLDINGS**
AS AT 28 MARCH 2025

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	:	2,909

DISTRIBUTION OF SHAREHOLDINGS BASED ON THE RECORD OF DEPOSITORS AS AT 28 MARCH 2025

SIZE OF HOLDINGS	NO. OF HOLDERS	%	NO. OF SHARES	%
1 - 99	2	0.07	100	-
100 - 1,000	213	7.32	95,000	0.01
1,001 - 10,000	838	28.81	5,424,000	0.54
10,001 - 100,000	1,403	48.23	57,962,100	5.82
100,001 - LESS THAN 5% OF ISSUED SHARES	452	15.54	387,154,200	38.86
5% AND ABOVE OF ISSUED SHARES	1	0.03	545,664,600	54.77
TOTAL :	**2,909**	**100.00**	**996,300,000**	**100.00**

DIRECTORS' SHAREHOLDINGS BASED ON THE RECORD OF DEPOSITORS AS AT 28 MARCH 2025

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	2,000	-	-	-
2	DR. CHONG TZE SHENG	47,795,000	4.80	575,059,400	57.72
3	DR. LAI NGAN CHEE	29,394,800	2.95	593,459,600	59.57
4	DATIN 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 28 MARCH 2025

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	545,664,600	54.77	-	-
2	DR. CHONG TZE SHENG	47,795,000	4.80	575,059,400	57.72
3	DR. LAI NGAN CHEE	29,394,800	2.95	593,459,600	59.57

Analysis of Shareholdings (Cont'd)
As At 28 March 2025

30 LARGEST SECURITIES ACCOUNTS HOLDERS BASED ON THE RECORD OF DEPOSITORS AS AT 28 MARCH 2025

NO.	SHAREHOLDERS	NO. OF SHARES	%
1	DC HEALTHCARE GROUP SDN BERHAD	545,664,600	54.77
2	DR. CHONG TZE SHENG	46,477,900	4.67
3	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR BEH KIM LING	40,000,000	4.02
4	DR. LAI NGAN CHEE	29,394,800	2.95
5	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR LAI POH MEI (MF00663)	10,000,000	1.00
6	KEJAYA KAYA SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR DOREEN DING YEK PING	9,718,200	0.98
7	KEJAYA KAYA SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR LIEW YUEN TENG	9,718,100	0.98
8	CHIA YAK KUANG	9,500,000	0.95
9	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR LOH YIM QUIN (MF00673)	7,400,000	0.74
10	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR KAN YOON KEONG	6,564,000	0.66
11	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR LAU HAN WEI (MF00141)	6,000,000	0.60
12	M & A NOMINEE (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHOW DAI YING (M&A)	6,000,000	0.60
13	KEJAYA KAYA SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR JEFFERY DING CHOON YONG	5,401,900	0.54
14	LAI POH MEI	4,736,400	0.48
15	TA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR JASON KOH JIAN HUI	3,966,900	0.40
16	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR LOW KOK YEW (MY3041)	3,700,300	0.37
17	M & A NOMINEE (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR JASON KOH JIAN HUI (M&A)	3,245,000	0.33
18	WONG CHUNG HUA	3,199,600	0.32

Analysis of Shareholdings (Cont'd)
As At 28 March 2025

30 LARGEST SECURITIES ACCOUNTS HOLDERS BASED ON THE RECORD OF DEPOSITORS AS AT 28 MARCH 2025 (CONT'D)

NO.	SHAREHOLDERS	NO. OF SHARES	%
19	PM NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT - ECO ASIA VENTURES SDN BHD FOR LEFTA ADVISORY SDN.BHD.	3,000,000	0.30
20	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR JASON KOH JIAN HUI	2,979,000	0.30
21	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR NG BEH KIM LING (MY4460)	2,898,600	0.29
22	TA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR YAP CHEE KEONG	2,800,000	0.28
23	TAN LIP HAN	2,800,000	0.28
24	YEOH SIOK KEONG	2,750,700	0.28
25	POO AH MOI	2,650,000	0.27
26	TAI BENG YEONG	2,603,500	0.26
27	TA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN SENG TUNG	2,450,000	0.25
28	MUTHUKUMAR A/L AYARPADDE	2,150,000	0.22
29	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR YEO WEE SUN	2,000,000	0.20
30	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LAU HAN WEI	1,760,000	0.18
	TOTAL	**781,529,500**	**78.44**

NOTICE OF THIRD ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Third Annual General Meeting ("3rd AGM") of DC Healthcare Holdings Berhad ("DC Healthcare" or the "Company") will be held at The Majestic Hotel Kuala Lumpur, 5, Jalan Sultan Hishamuddin, Tasik Perdana, 50000 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur, Malaysia on Tuesday, 17 June 2025 at 11.00 a.m. or at any adjournment for the transaction of the following businesses:

AGENDA

<u>As Ordinary Business</u>

1.	To receive the Audited Financial Statements for the financial year ended 31 December 2024 together with the Reports of the Directors and Auditors thereon.	*(Please refer to Explanatory Note 1 on Ordinary Business)*
2.	To approve the Directors' fees and other benefits payable up to RM400,000.00 to be divided amongst Non-Executive Directors of the Company for the period commencing from the conclusion of the 3rd AGM of the Company until the conclusion of the next AGM of the Company in the year 2026.	*Ordinary Resolution 1*
3.	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 2*

As Special Business

To consider and if thought fit, to pass the following resolution:

4. **AUTHORITY TO ALLOT AND ISSUE SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT, 2016** — *Ordinary Resolution 3*

"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."

5. 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 Third 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 2025

Notes:-

1. A member of the Company who is entitled to attend, speak, and vote at this 3rd 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 the power of attorney or other authority (if any) under which it is signed, or a certified copy of such power or authority by a notary public, shall be deposited at Share Registrar of the Company at Tricor Investor & Issuing House Services Sdn Bhd, Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, **deliver by hand and deposit** in the drop-in boxes provided at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia not less than forty-eight (48) hours before the time appointed for holding the 3rd AGM or adjourned general meeting.

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 9 June 2025 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 3rd AGM will be put to vote by way of poll.

Notice of Third Annual General Meeting (Cont'd)

Personal data privacy:

*By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the 3rd 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 3rd AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the 3rd 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 formal approval of shareholders for the Audited Financial Statements. Hence, this item on the agenda is not put forward for voting.

2. **Retirement of Directors**

   Clause 106(1) of the Company's Constitution provides that an election of Directors shall take place each year at the annual general meeting of the Company, where one-third of the Directors for the time being, or, if their number is not three (3) or a multiple of three (3), then the number nearest to one-third shall retire from office and be eligible for re-election, PROVIDED ALWAYS that Directors shall retire from office once at least in each three (3) years but shall be eligible for re-election. A retiring Director shall retain office until the close of the meeting at which he retires.

   Ms Sim Lee San and Ms Yap Ee Ling are standing for re-election as Directors in accordance with Clause 106(1) of the Constitution at the forthcoming 3rd AGM of the Company. However, both have expressed their intention not to seek re-election at the forthcoming 3rd AGM of the Company. They will retain office until the conclusion of the forthcoming 3rd AGM. Upon the conclusion of the 3rd AGM, they will retire as Independent Non-Executive Directors of the Company.

3. **Item 2 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 3rd 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 3rd AGM until the next AGM of the Company.

   The exact amounts which are receivable by each individual Directors are provided in Note of the Audited Financial Statements for the FYE 2024.

   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 Directors who are shareholders of the Company will abstain from voting on Resolution 1 concerning remuneration to the Directors at the 3rd AGM.

Notice of Third Annual General Meeting (Cont'd)

4. Item 3 of the Agenda

The Board, through the Audit Committee had reviewed and was satisfied with the performance and independence of Messrs. Moore Stephens Associates PLT ("Moore Stephens") during the financial period 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 2025.

5. Item 4 of the Agenda

The Ordinary Resolution 3, 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 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. As at date of this notice, there are no individuals who are standing for election or appointment as Directors at the 3rd AGM.

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 3 of the Notice of 3rd 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 Third (“3rd”) Annual General Meeting of the Company will be held at The Majestic Hotel Kuala Lumpur, 5, Jalan Sultan Hishamuddin, Tasik Perdana, 50000 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur, Malaysia on Tuesday, 17 June 2025 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 approve the Directors' fees and other benefits payable up to RM400,000.00 to be divided amongst Non-Executive Directors of the Company for the period commencing from the conclusion of the 3rd AGM of the Company until the conclusion of the next AGM of the Company in the year 2026.		
Ordinary Resolution 2	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 3	Authority to Allot and Issue Shares Pursuant to Sections 75 and 76 of the Companies Act, 2016		

Signed this............. day of 2025

....
Signature of Shareholder(s)

Notes:-

1. A member of the Company who is entitled to attend, speak, and vote at this 3rd 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 the power of attorney or other authority (if any) under which it is signed, or a certified copy of such power or authority by a notary public, shall be deposited at Share Registrar of the Company at Tricor Investor & Issuing House Services Sdn Bhd, Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, **deliver by hand and deposit** in the drop-in boxes provided at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia not less than forty-eight (48) hours before the time appointed for holding the 3rd AGM or adjourned general meeting.
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 9 June 2025 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 3rd AGM will be put to vote by way of poll.

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AFFIX STAMP

THE SHARE REGISTRAR OF
DC HEALTHCARE HOLDINGS BERHAD
(Registration No. 202201014036 (1459733-P))

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

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