

NOTICE ACCOMPANYING THE ELECTRONIC PROSPECTUS OF DC HEALTHCARE BERHAD ("DC HEALTHCARE" OR THE "COMPANY") DATED 27 JUNE 2023 ("ELECTRONIC PROSPECTUS")

(Unless otherwise indicated, specified or defined in this notice, the definitions in the Prospectus shall apply throughout this notice)

Website

The Electronic Prospectus can be viewed or downloaded from Bursa Malaysia Securities Berhad's ("**Bursa Securities**") website at www.bursamalaysia.com ("**Website**").

Availability and Location of Paper/Printed Prospectus

Any applicant in doubt concerning the validity or integrity of the Electronic Prospectus should immediately request a paper/printed copy of the Prospectus directly from the Company, M&A Securities Sdn Bhd ("**M&A Securities**"), or Tricor Investor & Issuing House Services Sdn Bhd. Alternatively, the applicant may obtain a copy of the Prospectus from participating organisations of Bursa Securities, members of the Association of Banks in Malaysia and members of the Malaysian Investment Banking Association.

Prospective investors should note that the Application Form is not available in electronic format.

Jurisdictional Disclaimer

This distribution of the Electronic Prospectus and the sale of the units are subject to Malaysian law. Bursa Securities, M&A Securities and DC Healthcare take no responsibility for the distribution of the Electronic Prospectus and/or the sale of the units outside Malaysia, which may be restricted by law in other jurisdictions. The Electronic Prospectus does not constitute and may not be used for the purpose of an offer to sell or an invitation of an offer to buy any units, to any person outside Malaysia or in any jurisdiction in which such offer or invitation is not authorised or lawful or to any person to whom it is unlawful to make such offer or invitation.

Close of Application

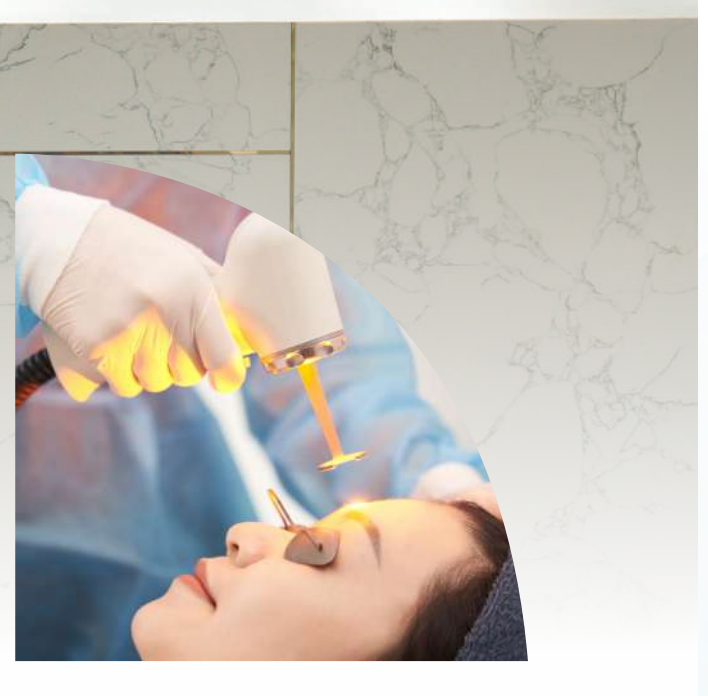
Applications will be accepted from 10.00 a.m. on 27 June 2023 and will close at 5.00 p.m. on 5 July 2023. In the event the Closing Date is extended, DC Healthcare will make an announcement on Bursa Securities' website and advertise the notice of the extension in a widely circulated English and Bahasa Malaysia daily newspaper in Malaysia prior to the original Closing Date.

The Electronic Prospectus made available on the Website after the closing of the application period is made available solely for informational and archiving purposes. No securities will be allotted or issued on the basis of the Electronic Prospectus after the closing of the application period.

Persons Responsible for the Internet Site in which the Electronic Prospectus is Posted

The Electronic Prospectus which is accessible at the Website is owned by Bursa Securities. Users' access to the website and the use of the contents of the Website and/or any information in whatsoever form arising from the Website shall be conditional upon acceptance of the terms and conditions of use as contained in the Website.

The contents of the Electronic Prospectus are for informational and archiving purposes only and are not intended to provide investment advice of any form or kind, and shall not at any time be relied upon as such.



INITIAL PUBLIC OFFERING (“IPO”) IN CONJUNCTION WITH OUR LISTING ON THE ACE MARKET OF BURSA MALAYSIA SECURITIES BERHAD (“BURSA SECURITIES”) COMPRISING:

(I) PUBLIC ISSUE OF 199,260,000 NEW ORDINARY SHARES IN OUR COMPANY (“SHARES”) IN THE FOLLOWING MANNER:

- 49,815,000 NEW SHARES AVAILABLE FOR APPLICATION BY THE MALAYSIAN PUBLIC;
- 29,889,000 NEW SHARES AVAILABLE FOR APPLICATION BY OUR ELIGIBLE DIRECTORS AND EMPLOYEES; AND
- 119,556,000 NEW SHARES BY WAY OF PRIVATE PLACEMENT TO SELECTED INVESTORS; AND

(II) OFFER FOR SALE OF 99,630,000 EXISTING SHARES BY WAY OF PRIVATE PLACEMENT TO SELECTED INVESTORS,

AT AN ISSUE/OFFER PRICE OF RM0.25 PER SHARE, PAYABLE IN FULL UPON APPLICATION.

Principal Adviser, Sponsor, Underwriter and Placement Agent



M & A SECURITIES SDN BHD
(Registration No.: 197301001503 (15017-H))
(A Participating Organisation of Bursa Malaysia Securities Berhad)

The Bursa Securities has approved this IPO and this Prospectus has been registered by Bursa Securities. The registration of this Prospectus should not be taken to indicate that Bursa Securities recommends the offering or assumes responsibility for the correctness of any statement made, opinion expressed or report contained in this Prospectus. Bursa Securities has not, in any way, considered the merits of the securities being offered for investment. Bursa Securities is not liable for any non-disclosure on the part of the company and takes no responsibility for the contents of this document, makes no representation as to its accuracy or completeness, and expressly disclaims any liability for any loss you may suffer arising from or in reliance upon the whole or any part of the contents of this Prospectus. No securities will be allotted or issued based on this Prospectus after 6 months from the date of this Prospectus.

YOU ARE ADVISED TO READ AND UNDERSTAND THE CONTENTS OF THIS PROSPECTUS. IF IN DOUBT, PLEASE CONSULT A PROFESSIONAL ADVISER.

FOR INFORMATION CONCERNING RISK FACTORS WHICH SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS, SEE “RISK FACTORS” COMMENCING ON PAGE 177.

THE ACE MARKET OF BURSA SECURITIES IS AN ALTERNATIVE MARKET DESIGNED PRIMARILY FOR EMERGING CORPORATIONS THAT MAY CARRY HIGHER INVESTMENT RISK WHEN COMPARED WITH LARGER OR MORE ESTABLISHED CORPORATIONS LISTED ON THE MAIN MARKET OF BURSA SECURITIES. THERE IS ALSO NO ASSURANCE THAT THERE WILL BE A LIQUID MARKET IN THE SHARES OR UNITS OF SHARES TRADED ON THE ACE MARKET OF BURSA SECURITIES. YOU SHOULD BE AWARE OF THE RISKS OF INVESTING IN SUCH CORPORATIONS AND SHOULD MAKE THE DECISION TO INVEST ONLY AFTER CAREFUL CONSIDERATION.

THE ISSUE, OFFER OR INVITATION FOR THE OFFERING IS NOT A PROPOSAL REQUIRING APPROVAL, AUTHORISATION OR RECOGNITION OF THE SECURITIES COMMISSION MALAYSIA UNDER SECTION 212(8) OF THE CAPITAL MARKETS AND SERVICES ACT 2007.

Our Directors, Promoters and Selling Shareholders (as defined herein) have seen and approved this Prospectus. They collectively and individually accept full responsibility for the accuracy of the information contained in this Prospectus. Having made all reasonable enquiries, and to the best of their knowledge and belief, they confirm there is no false or misleading statement or other facts which if omitted, would make any statement in the Prospectus false or misleading.

M&A Securities Sdn Bhd, being our Principal Adviser, Sponsor, Underwriter and Placement Agent to our IPO (as defined herein), acknowledges that, based on all available information, and to the best of its knowledge and belief, this Prospectus constitutes a full and true disclosure of all material facts concerning our IPO.

This Prospectus, together with the Application Form (as defined herein), has also been lodged with the Registrar of Companies, who takes no responsibility for its contents.

You should note that you may seek recourse under Sections 248, 249 and 357 of the Capital Markets and Services Act 2007 ("**CMSA**") for breaches of securities laws including any statement in the Prospectus that is false, misleading, or from which there is a material omission; or for any misleading or deceptive act in relation to the Prospectus or the conduct of any other person in relation to our Group (as defined herein).

Securities listed on Bursa Securities are offered to the public premised on full and accurate disclosure of all material information concerning our IPO, for which any person set out in Section 236 of the CMSA, is responsible.

Approval has been obtained from Bursa Securities for the listing of and quotation for our IPO Shares (as defined herein) on 19 May 2023. Our admission to the Official List of Bursa Securities is not to be taken as an indication of the merits of our IPO, our Company or our Shares.

The SC has on 22 May 2023 approved the resultant equity structure of our Company under the Bumiputera equity requirements for public listed companies pursuant to our Listing (as defined herein).

This Prospectus has not been and will not be made to comply with the laws of any jurisdiction other than Malaysia, and has not been and will not be lodged, registered or approved pursuant to or under any applicable securities or equivalent legislation or by any regulatory authority or other relevant body of any jurisdiction other than Malaysia.

We will not, prior to acting on any acceptance in respect of our IPO, make or be bound to make any enquiry as to whether you have a registered address in Malaysia and will not accept or be deemed to accept any liability in relation thereto whether or not any enquiry or investigation is made in connection therewith.

It shall be your sole responsibility if you are or may be subject to the laws of countries or jurisdictions other than Malaysia, to consult your legal and/or other professional advisers as to whether our IPO would result in the contravention of any law of such countries or jurisdictions.

Further, it shall also be your sole responsibility to ensure that your application for our IPO Shares would be in compliance with the terms of our IPO as stated in our Prospectus and the Application Form and would not be in contravention of any laws of countries or jurisdictions other than Malaysia to which you may be subjected. We will further assume that you had accepted our IPO in Malaysia and will be subjected only to the laws of Malaysia in connection therewith.

However, we reserve the right, in our absolute discretion to treat any acceptance as invalid if we believe that such acceptance may violate any law or applicable legal or regulatory requirements.

No action has been or will be taken to ensure that this Prospectus complies with the laws of any country or jurisdiction other than the laws of Malaysia. It shall be your sole responsibility to consult your legal and/or other professional adviser on the laws to which our IPO or you are or might be subjected to. Neither us nor our Principal Adviser nor any other advisers in relation to our IPO shall accept any responsibility or liability in the event that any application made by you shall become illegal, unenforceable, avoidable or void in any country or jurisdiction.

ELECTRONIC PROSPECTUS

This Prospectus can be viewed or downloaded from Bursa Securities' website at www.bursamalaysia.com. The contents of the Electronic Prospectus and the copy of this Prospectus registered with Bursa Securities are the same.

You are advised that the internet is not a fully secured medium, and that your Internet Share Application (as defined herein) may be subject to the risks of problems occurring during the data transmission, computer security threats such as viruses, hackers and crackers, faults with computer software and other events beyond the control of the Internet Participating Financial Institutions (as defined herein). These risks cannot be borne by the Internet Participating Financial Institutions.

If you are in doubt of the validity or integrity of an Electronic Prospectus, you should immediately request from us, the Principal Adviser or Issuing House (as defined herein), a paper printed copy of this Prospectus.

In the event of any discrepancy arising between the contents of the electronic and the contents of the paper printed copy of this Prospectus for any reason whatsoever, the contents of the paper printed copy of this Prospectus which are identical to the copy of the Prospectus registered with the Bursa Securities shall prevail.

In relation to any reference in this Prospectus to third party internet sites (referred to as "**Third Party Internet Sites**"), whether by way of hyperlinks or by way of description of the Third Party Internet Sites, you acknowledge and agree that:

- (i) We and our Principal Adviser do not endorse and are not affiliated in any way with the Third Party Internet Sites and are not responsible for the availability of, or the contents or any data, information, files or other material provided on the third party internet sites. You shall bear all risks associated with the access to or use of the Third Party Internet Sites;
- (ii) We and our Principal Adviser are not responsible for the quality of products or services in the Third Party Internet Sites, for fulfilling any of the terms of your agreements with the Third Party Internet Sites. We and our Principal Adviser are also not responsible for any loss or damage or costs that you may suffer or incur in connection with or as a result of dealing with the Third Party Internet Sites or the use of or reliance of any data, information, files or other material provided by such parties; and
- (iii) Any data, information, files or other material downloaded from Third Party Internet Sites is done at your own discretion and risk. We and our Principal Adviser are not responsible, liable or under obligation for any damage to your computer system or loss of data resulting from the downloading of any such data, information, files or other material.

Where an Electronic Prospectus is hosted on the website of the Internet Participating Financial Institutions, you are advised that:

- (i) The Internet Participating Financial Institutions are only liable in respect of the integrity of the contents of an Electronic Prospectus, to the extent of the contents of the Electronic Prospectus situated on the web server of the Internet Participating Financial Institutions and shall not be responsible in any way for the integrity of the contents of an Electronic Prospectus which has been downloaded or otherwise obtained from the web server of the Internet Participating Financial Institutions and thereafter communicated or disseminated in any manner to you or other parties; and

- (ii) While all reasonable measures have been taken to ensure the accuracy and reliability of the information provided in an Electronic Prospectus, the accuracy and reliability of an Electronic Prospectus cannot be guaranteed as the internet is not a fully secured medium; and

The Internet Participating Financial Institutions shall not be liable (whether in tort or contract or otherwise) for any loss, damage or costs, you or any other person may suffer or incur due to, as a consequence of or in connection with any inaccuracies, changes, alterations, deletions or omissions in respect of the information provided in an Electronic Prospectus which may arise in connection with or as a result of any fault or faults with web browsers or other relevant software, any fault or faults on your or any third party's personal computer, operating system or other software, viruses or other security threats, unauthorised access to information or systems in relation to the website of the internet participating financial institutions, and/or problems occurring during data transmission, which may result in inaccurate or incomplete copies of information being downloaded or displayed on your personal computer.

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INDICATIVE TIMETABLE

All terms used are defined under "Definitions" commencing from page vii.

The indicative timing of events leading to our Listing is set out below:

Events	Indicative date
Issuance of this Prospectus/Opening of Application	27 June 2023
Closing Date/Closing of Application	5 July 2023
Balloting of Application	7 July 2023
Allotment/Transfer of our IPO Shares to successful applicants	14 July 2023
Date of Listing on the ACE Market of Bursa Securities	17 July 2023

In the event there is any change to the timetable, we will make announcement on Bursa Securities' website and advertise the notice of changes in a widely circulated English and Bahasa Malaysia daily newspaper in Malaysia.

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PRESENTATION OF FINANCIAL AND OTHER INFORMATION

All terms used in this section are defined under "Definitions" commencing from page vii.

All references to "DC Healthcare" and "Company" in this Prospectus are to DC Healthcare Holdings Berhad (Registration No.: 202201014036 (1459733-P)). Unless otherwise stated, references to "Group" are to our Company and our subsidiary taken as a whole; and references to "we", "us", "our" and "ourselves" are to our Company, and, save where the context otherwise requires, our subsidiaries. Unless the context otherwise requires, references to "Management" are to our Directors and key senior management as at the date of this Prospectus, and statements as to our beliefs, expectations, estimates and opinions are those of our Management.

The word "approximately" used in this Prospectus is to indicate that a number is not an exact one, but that number is usually rounded off to the nearest thousand or million or one decimal place (for percentages) or one sen (for currency). Any discrepancies in the tables included herein between the amounts listed and the totals thereof are due to rounding.

Certain abbreviations, acronyms and technical terms used are defined in the "Definitions" and "Technical Glossary" appearing after this section. Words denoting singular shall include plural and vice versa and words denoting the masculine gender shall, where applicable, include the feminine gender and vice versa. Reference to persons shall include companies and corporations.

All reference to dates and times are references to dates and times in Malaysia.

Any reference in this Prospectus to any enactment is a reference to that enactment as for the time being amended or re-enacted.

This Prospectus includes statistical data provided by our management and various third-parties and cites third-party projections regarding growth and performance of the industry in which our Group operates. This data is taken or derived from information published by industry sources and from the internal data. In each such case, the source is stated in this Prospectus. Where no source is stated, such information can be assumed to originate from us. In particular, certain information in this Prospectus is extracted or derived from report(s) prepared by the IMR. We believe that the statistical data and projections cited in this Prospectus are useful in helping you to understand the major trends in the industry in which we operate.

The information on our website, or any website directly or indirectly linked to such websites do not form part of this Prospectus.

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FORWARD-LOOKING STATEMENTS

All terms used are defined under "Definitions" commencing from page vii.

This Prospectus contains forward-looking statements. All statements other than statements of historical facts included in this Prospectus, including, without limitation, those regarding our financial position, business strategies, plans and objectives for future operations, are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties, contingencies and other factors which may cause our actual results, our performance or achievements, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding our present and future business strategies and the environment in which we will operate in the future. Such forward-looking statements reflect our Management's current view with respect to future events and are not a guarantee of future performance.

Forward-looking statements can be identified by the use of forward-looking terminology such as "may", "will", "would", "could", "believe", "expect", "anticipate", "intend", "estimate", "aim", "plan", "forecast", "project" or similar expressions and include all statements that are not historical facts.

Such forward-looking statements include, without limitations, statements relating to:

- (i) demand for our products and services;
- (ii) our business strategies;
- (iii) our future plans;
- (iv) our future earnings, cash flows and liquidity; and
- (v) our ability to pay future dividends.

Our actual results may differ materially from information contained in such forward-looking statements as a result of a number of factors beyond our control, including, without limitation:

- (i) the ongoing COVID-19 pandemic and possible similar future outbreak;
- (ii) the economic, political and investment environment in Malaysia; and
- (iii) Government policy, legislation or regulation in Malaysia.

Additional factors that could cause our actual results, performance or achievements to differ materially include, but are not limited to, those discussed in Section 8 – "Risk Factors" and Section 11 – "Financial Information". We cannot give any assurance that the forward-looking statements made in this Prospectus will be realised. Such forward-looking statements are made only as at the date of this Prospectus.

Should we become aware of any subsequent material change or development affecting matters disclosed in this Prospectus arising from the date of registration of this Prospectus but before the date of allotment/transfer of our IPO Shares, we shall further issue a supplemental or replacement prospectus, as the case may be, in accordance with the provisions of Section 238(1) of the CMA and Paragraph 1.02, Chapter 1 of Part II (Division 6 on Supplementary and Replacement Prospectus) of the Prospectus Guidelines of the SC.

DEFINITIONS

The following terms in this Prospectus bear the same meanings as set out below unless otherwise defined or the context requires otherwise:

COMPANIES WITHIN OUR GROUP:

DC Healthcare or Company	:	DC Healthcare Holdings Berhad (Registration No. 202201014036 (1459733-P))
DC Healthcare Group or Group	:	DC Healthcare Holdings Berhad and its subsidiaries, collectively
DC Lasers	:	DC Lasers Sdn Bhd (Registration No. 202101000948 (1401246-D))
DCL Mid Valley	:	DC Lasers (Mid Valley) Sdn Bhd (Registration No. 202101037489 (1437789-V))
DCL Puchong	:	DC Lasers (Puchong) Sdn Bhd (Registration No. 202101037500 (1437800-P))
Klinik Dr Chong	:	Klinik Dr Chong Sdn Bhd (Registration No. 201601007235 (1178163-H))
Ten Doctors	:	Ten Doctors Sdn Bhd (Registration No. 202001008352 (1364672-M))

GEOGRAPHICAL LOCATION

Central Region	:	Central region of Peninsular Malaysia comprises of the states Selangor, Kuala Lumpur Wilayah Persekutuan and Negeri Sembilan.
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Our aesthetic medical clinics located in Central Region are Kepong Branch, Shah Alam Branch, Bangsar Branch, TTDI Branch, Sunway Velocity Branch, Seremban Branch, Puchong Branch, Mid Valley Branch, Sri Petaling Branch, Bukit Tinggi Branch, Putrajaya Branch and Melawati Branch.

Southern Region	:	Southern side of Peninsular Malaysia comprises of the states Melaka and Johor.
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Our aesthetic medical clinic located in Southern Region is Johor Bahru Branch.

Northern Region	:	Northern side of Peninsular Malaysia comprises of the states Perlis, Kedah, Pulau Pinang and Perak.
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AESTHETIC MEDICAL CLINIC BRANCHES

Kepong Branch	:	1st branch clinic outlet located in Kepong, Kuala Lumpur under the name "Klinik Dr Chong"
Shah Alam Branch	:	2nd branch clinic outlet located in Shah Alam, Selangor under the name "Klinik Dr Chong"
Johor Bahru Branch	:	3rd branch clinic outlet located in Johor Bahru, Johor under the name "Dr Chong Clinic" and subsequently relocated to Iskandar Puteri, Johor

DEFINITIONS (Cont'd)

Bangsar Branch	:	4th branch clinic outlet located in Bangsar, Kuala Lumpur under the name "Klinik Dr Chong Premium"
TTDI Branch	:	5th branch clinic outlet located in Taman Tun Dr Ismail, Kuala Lumpur under the name "Dr Chong Clinic"
Sunway Velocity Branch	:	6th branch clinic outlet located in Sunway Velocity, Kuala Lumpur under the name "Dr Chong Clinic"
Seremban Branch	:	7th branch clinic outlet located in Seremban, Negeri Sembilan under the name "Dr Chong Clinic"
Puchong Branch	:	8th branch clinic outlet located in Puchong, Selangor under the name "Dr Chong Clinic"
Mid Valley Branch	:	9th branch clinic outlet located in Mid Valley City, Kuala Lumpur under the name "Dr Chong Clinic"
Sri Petaling Branch	:	10th branch clinic outlet located in Sri Petaling, Kuala Lumpur under the name "Dr Chong Clinic"
Bukit Tinggi Branch	:	11th branch clinic outlet located in Bukit Tinggi, Selangor under the name "Dr Chong Clinic"
Melawati Branch	:	12th branch clinic outlet located in Melawati, Kuala Lumpur under the name "Dr Chong Clinic"
Putrajaya Branch	:	13th branch clinic outlet located in Putrajaya under the name "Dr Chong Clinic"

GENERAL:

ACE Market	:	ACE Market of Bursa Securities
Acquisitions	:	Acquisitions comprising the following: <ul style="list-style-type: none"> (i) Acquisition of DC Lasers; (ii) Acquisition of Klinik Dr Chong; and (iii) Acquisition of Ten Doctors
Acquisition of DC Lasers	:	Acquisition by DC Healthcare of the entire equity interest of DC Lasers from DCHG for a purchase consideration of RM1,254,900 which was wholly satisfied by the issuance of 104,575,000 new Shares at an issue price of RM0.012 per share, which was completed on 29 May 2023
Acquisition of Klinik Dr Chong	:	Acquisition by DC Healthcare of the entire equity interest of Klinik Dr Chong from DCHG, Dr. Chong Tze Sheng and Dr. Lai Ngan Chee for a purchase consideration of RM7,737,000 which was wholly satisfied by the issuance of 644,750,000 new Shares at an issue price of RM0.012 per share, which was completed on 29 May 2023

DEFINITIONS (Cont'd)

Acquisition of Ten Doctors	: Acquisition by DC Healthcare of the entire equity interest of Ten Doctors from DCHG, Dr. Chong Tze Sheng and Dr. Lai Ngan Chee for a purchase consideration of RM572,568 which was wholly satisfied by the issuance of 47,714,000 new Shares at an issue price of RM0.012 per share, which was completed on 29 May 2023
Act	: Companies Act, 2016 as amended from time to time and any re-enactment thereof
ADA	: Authorised Depository Agent
Application	: Application for IPO Shares by way of Application Form, Electronic Share Application or Internet Share Application
Application Form	: Printed application form for the application of our IPO Shares accompanying this Prospectus
ATM	: Automated teller machine
BLR	: Base Lending Rate
BNM	: Bank Negara Malaysia
Board	: Board of Directors of DC Healthcare
Bursa Depository or Depository	: Bursa Malaysia Depository Sdn Bhd (Registration No. 198701006854 (165570-W))
Bursa Securities	: Bursa Malaysia Securities Berhad (Registration No. 200301033577 (635998-W))
CAGR	: Compound annual growth rate
CCC	: Certificate of Completion and Compliance
CDS	: Central Depository System
CDS Account	: Account established by Bursa Depository for a depositor for the recording and dealing in securities by the depositor
CF	: Certificate of Fitness for Occupation
Central Depositories Act	: Securities Industry (Central Depositories) Act, 1991, as amended from time to time and any re-enactment thereof
Closing Date	: Date adopted in this Prospectus as the last date for acceptance and receipt of the Application
CMCO	: Conditional MCO
CMSA	: Capital Markets and Services Act, 2007 as amended from time to time and any re-enactment thereof
Constitution	: Our constitution as amended from time to time

DEFINITIONS (Cont'd)

COVID-19	: Coronavirus disease 2019, an infectious disease which is a global pandemic
DCHG	: DC Healthcare Group Sdn Berhad (Registration No. 201701016930 (1231095-V))
Depository Rules	: Rules of Bursa Depository and any appendices thereto as they may be amended from time to time
Director(s)	: An executive director or a non-executive director of our Company within the meaning of Section 2 of the Act
EBIT	: Earnings before interest and tax
EBITDA	: Earnings before interest, tax, depreciation and amortisation
Electronic Prospectus	: Copy of this Prospectus that is issued, circulated or disseminated via the internet and/or an electronic storage medium
Electronic Share Application	: Application for IPO Shares through a Participating Financial Institution's ATM(s)
EMCO	: Enhanced MCO
EPS	: Earnings per share
Financial Years Under Review	: FYE 2019, FYE 2020, FYE 2021 and FYE 2022, collectively
FMCO	: Full MCO
FYE	: Financial year(s) ended/ending 31 December, as the case may be
Government	: Government of Malaysia
GP	: Gross profit
IFRS	: International Financial Reporting Standards
IMR or Protégé	: Protégé Associates Sdn Bhd (Registration No. 200401037256 (675767-H)), our Independent Market Researcher
IMR Report	: Independent Market Research Report titled "Strategic Analysis of the Aesthetic Medicine Market in Malaysia" dated 31 May 2023
Initial Public Offering or IPO	: Our initial public offering comprising the Public Issue and Offer for Sale
Internet Participating Financial Institution(s)	: Participating financial institution(s) for Internet Share Application as listed in Section 15.6
Internet Share Application	: Application for IPO Shares through an online share application service provided by Internet Participating Financial Institution
IPO Price	: Issue/offer price of RM0.25 per Share pursuant to our Public Issue and Offer for Sale

DEFINITIONS (Cont'd)

IPO Share(s)	: Issue Share(s) and Offer Share(s), collectively
ISO	: International Organisation for Standardisation
Issue Share(s)	: New Share(s) to be issued under the Public Issue
Issuing House	: Tricor Investor & Issuing House Services Sdn Bhd (Registration No. 197101000970 (11324-H))
Listing	: Listing of and quotation for our entire enlarged share capital of RM59,380,468 comprising 996,300,000 Shares on the ACE Market of Bursa Securities
Listing Requirements	: ACE Market Listing Requirements of Bursa Securities, as amended from time to time
Listing Scheme	: Comprising the Public Issue, Offer for Sale and Listing, collectively
LPD	: 30 May 2023, being the latest practicable date for ascertaining certain information contained in this Prospectus
M&A Securities	: M&A Securities Sdn Bhd (Registration No. 197301001503 (15017-H))
Malaysian Public	: Malaysian citizens and companies, co-operatives, societies and institutions incorporated or organised under the laws of Malaysia
Market Day(s)	: Any day between Monday to Friday (both days inclusive) which is not a public holiday and on which Bursa Securities is open for the trading of securities which may include a surprise holiday
MCO	: The Malaysia movement control order, commonly referred to as the MCO, a restriction imposed on the movement of people implemented as a preventive measure by the federal government of Malaysia in response to the COVID-19 pandemic in the country, and includes all its subsequent phases, being the CMCO, RMCO, EMCO, FMCO and/or variations of these thereof
MFRS	: Malaysian Financial Reporting Standards
MOF	: Ministry of Finance, Malaysia
MOH	: Ministry of Health, Malaysia
NA	: Net assets
NBV	: Net book value
NRP	: National Recovery Plan
nm	: Nanometre
OEM	: Original equipment manufacturers
Offer for Sale	: Offer for sale of the Offer Shares by our Selling Shareholders at our IPO Price

DEFINITIONS (Cont'd)

Offer Share(s)	:	99,630,000 existing Share(s) to be offered under our Offer for Sale
Participating Financial Institution(s)	:	Participating financial institution(s) for Electronic Share Application as listed in Section 15.5
PAT	:	Profit after tax
PBT	:	Profit before tax
PE Multiple	:	Price-to-earnings multiple
PHFSA	:	Private Healthcare Facilities and Services Act 1998
Pink Form Allocations	:	Allocation of 29,889,000 Issue Shares to our eligible Directors and employees which forms part of our Public Issue
Pre-IPO Restructuring	:	The pre-IPO restructuring undertaken by our Group in preparation of our Listing, which includes the Acquisitions and Transfers
Principal Adviser or Sponsor or Placement Agent or Underwriter	:	M&A Securities
Promoters or Specified Shareholders	:	Collectively, DCHG, Dr. Chong Tze Sheng and Dr. Lai Ngan Chee
Prospectus	:	This prospectus dated 27 June 2023 in relation to our IPO
Prospectus Guidelines	:	Prospectus Guidelines issued by the SC, as amended from time to time
Public Issue	:	Public issue of 199,260,000 Issue Shares at our IPO Price
RMCO	:	Recovery MCO
ROC	:	Registrar of Companies
SOP	:	Standard operating procedures
SC	:	Securities Commission Malaysia
Selling Shareholders	:	Dr. Chong Tze Sheng and Dr. Lai Ngan Chee, who are undertaking the Offer for Sale, collectively
Share(s) or DC Healthcare Shares	:	Ordinary share(s) in our Company
sq ft	:	Square feet
Transfers	:	Transfer of 100.00% equity interest in DCL Mid Valley and DCL Puchong, respectively from Klinik Dr Chong to our Company upon the completion of the Acquisition of Klinik Dr Chong

DEFINITIONS (*Cont'd*)

CURRENCY:

RM or sen : Ringgit Malaysia and sen respectively

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TECHNICAL GLOSSARY

This glossary contains an explanation of certain terms used throughout this Prospectus in connection with our Group's business. The terminologies and their meanings may not correspond to the standard industry usage of these terms:

Acne	: Acne occurs when pores are congested with hair, sebum, bacteria and dead skin cells. This causes whiteheads, blackheads and pimples to form on the surface of the skin
Acne injections	: Involves injecting medication known as Triamcinolone to help shrink large and inflamed acne by using micro needles that is inserted directly into the acne to dispense a small amount of the diluted medication
Aesthetic Services	: Non-Invasive or Minimally Invasive procedures which focuses on the anatomy, physiology of the skin and its underlying structures, to satisfy the aesthetic goals of the customer which are carried out by registered medical practitioners
Anti-aging	: Treatments specifically designed to reduce the appearance of wrinkles, fine lines and sagging skin
APC	: Annual Practising Certificate. A certificate issued by the Malaysian Medical Council (MMC) for practitioner to legally practice medicine and has to be renewed every year
Baby facial treatment	: A medical facial technique that is designed for deep cleansing, skin hydration and nourishment
Botulinum toxin A injection or BTA	: An injectable substance that contains a toxin that temporarily prevents muscle movement to reduce the appearance of facial wrinkles
Carbon laser treatment	: A facial treatment that requires the application of activated carbon powder to be applied to the face to absorb oil, dirt and remove dead skin cells from deep within the pores. The laser is passed over the skin at a low energy setting to evenly heat up the carbon to allow it to bind to the outermost layer of the skin (epidermis)
Chemical peels	: A facial treatment which helps boost collagen and elastin production to improve elasticity, reduce the appearance of fine lines and even out skin tones
Collagen	: A natural protein that provides structural support in the body, including the skin, tendons, bones and cartilage
Contouring	: An application of non-invasive medical procedures to improve the shape of an individual's face or body
Cryolipolysis treatment	: A non-surgical fat reduction procedure that uses intense cold temperatures to freeze the layer of fat cells underneath the skin to reduce localised fat deposits
Dermal filler	: A gel like substance that is injected beneath the surface of the skin to restore lost volume, smoothen lines and wrinkles, or enhance facial contours

TECHNICAL GLOSSARY (Cont'd)

Dermapen 4 treatment	:	An advanced form of micro-needling treatment that can improve collagen production, reduce the appearance of signs of skin ageing, acne scars and pigmentation
Diode laser	:	A laser treatment that is widely used in the aesthetic industry for hair removal
EM	:	Electro-magnetic
EM Muscle treatment	:	An EM stimulation treatment that penetrates deep into the core muscles underneath the skin to help build muscles and achieve fat reduction
EM Pelvis treatment	:	An EM stimulation treatment that strengthens the pelvic floor muscles
Excision	:	Description of a surgical treatment for the removal of tissue
Fractional CO2 laser treatment	:	A facial treatment that begins with the application of local anaesthetic to the treated area prior to the use of short pulsed energy being blasted onto the outer surface of the skin which tighten skin, reduce open pores, rejuvenate skin and reduce acne scars
General Medical Services	:	A range of basic healthcare services provided by the Group's resident medical doctors and LCP Certified Aesthetic Physicians which includes the skin disease treatments and blood test health screenings
General practice	:	The medical practice of general practitioners who treat minor and chronic illnesses
Guidelines 2014	:	Guidelines for Processing Clinic Registration of Private Medicine and Dental Clinic Registration dated January 2014
Guidelines 2022	:	Guidelines for Processing Clinic Registration of Private Medicine and Dental Clinic Registration dated 30 August 2022
High Intensity Focused Ultrasound or HIFU treatment	:	Minimally-Invasive alternative to traditional facelift surgery using ultrasound energy to target the layers of skin below the surface to encourage the production of collagen for firmer skin
Hyaluronic acid	:	A goeey, slippery substance that is naturally produced by the body and can be found in the eyes, joints and skin. It has hydrating and plumping properties and is commonly used in Minimally Invasive procedures such as filling in facial lines and creases, correcting contour defects, restoring volume loss from aging, and plumping of lips or cheeks
Hyperpigmentation	:	A skin condition which occurs when there is an excess production of melanin
ICU	:	Intensive care unit is a department in a hospital or healthcare facility that provides intensive care medicine to critically ill patients

TECHNICAL GLOSSARY (Cont'd)

Invasive procedures	:	Treatment procedures that requires cutting and perforating the inner layer of the human body through the use of surgical knives, ablative lasers and needles which includes surgical procedures such as plastic surgery
LCP	:	Letter of Credentialing and Privileging Medical Practice. A certification issued by the National Registry of Registered Medical Practitioners Practising Aesthetic Medical Practice, MOH for qualified and registered medical practitioners who wish to practise aesthetic medical practice
LCP Certified Aesthetic Physicians	:	A medical practitioner who has obtained the LCP allowing them to incorporate aesthetic medical services into their medical practice according to their scope of practice allowed
MA 1971	:	Medical Act 1971
MAB	:	Medicine Advertisements Board
Melanin	:	A pigment in skin cells which gives the skin its colour
MEDGlass treatment	:	A Minimally-Invasive laser treatment which helps to rejuvenate the skin, lessen the appearance of wrinkles and fine lines, and improve the production of collagen
Microneedling treatment	:	A facial treatment which involves applying a roller made up of micro titanium needles to the outer layer of the skin
Minimally Invasive procedure	:	A medical technique that limit the size and quantity of incisions and injections needed, thereby reducing wound healing time, associated pain and risk of infection
Notified cosmetic	:	A cosmetic as specified in the notification note issued by the Director of Pharmaceutical Services, in the manner as he deems fit
Non-Invasive procedure	:	A medical procedure that does not involve entering the body through surgical incisions
Oxy facial	:	A facial treatment that extracts pore blockages by applying gentle pressure around the pore opening using extraction tools and applying an oxygen spray to the skin to stimulate repairs and soothe inflammation
Photo Dynamic Therapy or PDT	:	A Non-Invasive light therapy that improves skin conditions such as acne, pigmentary disorders and inflammation by emitting specific wavelengths of light using light emitting diodes. It can also be used to stimulate hair regrowth
Pico laser treatment	:	A non-ablative laser treatment that produces wavelength of 1,064 nm by sending ultra-short pulses of energy within minimal heat to the skin to directly deliver energy to the targeted site to reduce acne scar, pigmentation and open pores
Pigmentation	:	The colouring of the skin, hair, mucous membranes and the retina of the eye due to the deposition of the pigment melanin, which is produced by specialised cells called melanocytes

TECHNICAL GLOSSARY (Cont'd)

Private medical clinic	:	Any premises, other than a Government healthcare facility, used or intended to be used for the practice of medicine on an outpatient basis including the screening, diagnosis or treatment of any person suffering from, or believed to be suffering from, any disease, injury or disability of mind or body; preventive or promotive healthcare services; and the curing or alleviating of any abnormal condition of the human body by the application of any apparatus, equipment, instrument or device
Private Medical Regulation	Clinic :	Private Healthcare Facilities and Services (Private Medical Clinics or Private Dental Clinics) Regulations 2006
Profacial machine	:	Profacial is the brand name of the machine used by the Group to carry out baby facial treatments. This machine provides cleansing solutions with an exfoliating tip to gently remove dead skin cells and impurities from the skin
Prolift facial treatment	:	A Non-Invasive way of delivering cosmeceuticals (a combination of cosmetics and pharmaceuticals) and injection grade ingredients into the skin via water-based channels
PulSync	:	Patented technology by the machine brand
Q-Switched Nd:YAG laser treatment	:	A non-ablative laser treatment that targets melanin cells in the skin by heating up the underlying skin tissue without damaging the skin surface which rejuvenate, lighten and brighten the skin
Registered medical practitioner	:	Any person who is registered as such under the MA 1971 and who holds a valid practising certificate
Resident medical doctors	:	Doctors that assist the LCP Certified Aesthetic Physicians in performing various aesthetic procedures as well as carrying out General Medical Services
Responsible Person	:	A person who has any qualifications, training and experience as prescribed and who is responsible for the management and control of private healthcare facilities or services that are related to a licence or registration
Scars	:	Wounds resulting from injuries, acne, burns or surgery that have not healed properly
Shockwave treatment	:	A treatment which helps to stimulate the breakdown of fat cells, increase collagen production and lymphatic drainage via applying radial waves to the targeted areas
Skin rejuvenation	:	A treatment procedure aimed at reversing the visible signs of aging on the skin
Slimming	:	A treatment which helps to target stubborn pockets of fat in the body to tone up areas of concern for a more sculpted appearance

TECHNICAL GLOSSARY (Cont'd)

- Spider veins : Varicose veins are the unsightly appearance of swollen and twisted dark blue veins raised on the skin surface. If left untreated the damaged veins may swell and overflow with blood, creating spider veins. Spider veins (mild form of varicose veins) are small damaged veins that appear predominantly on the thighs, calves, and ankles. The veins can appear in blue, purple or red colour and form thin lines, webs, or branches. They are typically not harmful or painful and occur when the valves inside the veins stop working properly, causing a bulge in the veins that branches out
- Subcision : A medical procedure that is used to treat facial acne scars
- Triamcinolone : A medication that comes in either topical or injectable form that is used to treat the itching, redness, dryness, crusting, scaling, inflammation, and discomfort of various skin conditions like acne
- Yellow laser treatment : A non-ablative laser treatment that uses wavelengths at the range between 577 nm and 589 nm to eradicate active acne by reducing inflammation and lighten hyperpigmentation

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1. CORPORATE DIRECTORY**BOARD OF DIRECTORS**

Name	Designation	Residential address	Nationality / Profession	Gender
Datuk Dr. Mohd Noor Bin Awang	Independent Non-Executive Chairman	No. 4, Jalan Bidai U8/13D Bukit Jelutong 40150 Shah Alam Selangor	Malaysian Director	Male
Dr. Chong Tze Sheng	Managing Director	22, Jalan Puteri 6/11 Bandar Puteri 47100 Puchong Selangor	Malaysian Director	Male
Dr. Lai Ngan Chee	Executive Director	22, Jalan Puteri 6/11 Bandar Puteri 47100 Puchong Selangor	Malaysian Director	Female
Rekha A/P Palanysamy	Independent Non-Executive Director	No. 33, Jalan 1/2 Taman Nadayu 92 43000 Kajang Selangor	Malaysian Director	Female
Sim Lee San	Independent Non-Executive Director	12-10, Residensi Gen No. 89, Jalan Kuchai 3 58200 Kuala Lumpur Wilayah Persekutuan Kuala Lumpur	Malaysian Director	Female
Yap Ee Ling	Independent Non-Executive Director	No. 32, Jalan Changkat Duta Kiara 1 Villa Aseana, Mont Kiara 50480 Kuala Lumpur Wilayah Persekutuan Kuala Lumpur	Malaysian Director	Female

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1. CORPORATE DIRECTORY (Cont'd)

AUDIT AND RISK MANAGEMENT COMMITTEE

Name	Designation	Directorship
Sim Lee San	Chairperson	Independent Non-Executive Director
Yap Ee Ling	Member	Independent Non-Executive Director
Rekha A/P Palanysamy	Member	Independent Non-Executive Director

REMUNERATION COMMITTEE

Name	Designation	Directorship
Yap Ee Ling	Chairperson	Independent Non-Executive Director
Sim Lee San	Member	Independent Non-Executive Director
Rekha A/P Palanysamy	Member	Independent Non-Executive Director

NOMINATION COMMITTEE

Name	Designation	Directorship
Rekha A/P Palanysamy	Chairperson	Independent Non-Executive Director
Yap Ee Ling	Member	Independent Non-Executive Director
Sim Lee San	Member	Independent Non-Executive Director

COMPANY SECRETARIES : Tan Tong Lang (SSM Practicing Certificate No. 202208000250)
(MAICSA 7045482)
(Associate Member of the Malaysian Institute of Chartered Secretaries and Administrators)

Thien Lee Mee (SSM Practicing Certificate No. 201908002254)
(LS0010621)
(Licensed Secretary)

B-21-1, Level 21, Tower B
Northpoint Mid Valley
No.1, Medan Syed Putra Utara
59200 Kuala Lumpur
Wilayah Persekutuan Kuala Lumpur

Telephone: 03-9770 2200

REGISTERED OFFICE : B-21-1, Level 21, Tower B
Northpoint Mid Valley
No.1, Medan Syed Putra Utara
59200 Kuala Lumpur
Wilayah Persekutuan Kuala Lumpur

Telephone: 03-9770 2200

HEAD OFFICE : Suites 22.01, 22.02 & 22.05, Level 22
Centrepoint South Mid Valley City
Lingkar Syed Putra
59200 Kuala Lumpur
Wilayah Persekutuan Kuala Lumpur

Telephone: 03-2201 6707

EMAIL ADDRESS AND WEBSITE : Website: <https://www.dchealthcareholdings.com/>
Email address: info@dchealthcareholdings.com

1. CORPORATE DIRECTORY (Cont'd)

PRINCIPAL ADVISER, SPONSOR, UNDERWRITER AND PLACEMENT AGENT : 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

Telephone: 03-2284 2911

AUDITORS AND REPORTING ACCOUNTANTS FOR OUR LISTING : Moore Stephens Associates PLT
Registration number: 201304000972
LLP number.: LLP0000963-LCA
Firm number: AF 002096

Unit 3.3A, 3rd Floor, Surian Tower
No 1, Jalan PJU 7/3, Mutiara Damansara
47810 Petaling Jaya
Selangor Darul Ehsan

Partner-in-charge: Tan Kei Hui
Approval number: 03429/04/2023 J
(Chartered Accountant of the Malaysian Institute of Accountants
(MIA Membership No. 33521) and Fellow Member of the
Association of Chartered Certified Accountants)

Telephone number: 03-7728 1800

SOLICITORS FOR OUR LISTING : Teh & Lee

A-3-3 & A-3-4
Northpoint Offices
Mid Valley City
No. 1 Medan Syed Putra Utara
59200 Kuala Lumpur

Telephone: 03-2283 2800

INDEPENDENT MARKET RESEARCHER : Protégé Associates Sdn Bhd
(Registration No.: 200401037256 (675767-H))

Suite C-09-12, Plaza Mont' Kiara
2, Jalan Kiara
Mont' Kiara
50480 Kuala Lumpur

Telephone: 03-6201 9301

Person-in-charge: Seow Cheow Seng
(Master in Business Administration from Charles Sturt University,
Australia and Bachelor of Business majoring in Marketing from
RMIT University, Australia)

1. CORPORATE DIRECTORY (Cont'd)

ISSUING HOUSE AND 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

Telephone: 03-2783 9299

LISTING SOUGHT : ACE Market

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2. APPROVALS AND CONDITIONS

2.1 APPROVALS AND CONDITIONS

2.1.1 Bursa Securities approval

Bursa Securities had, vide its letter dated 19 May 2023, approved our admission to the Official List of the ACE Market and the listing of and quotation for our entire enlarged issued share capital on the ACE Market. The approval from Bursa Securities is subject to the following conditions:

No.	Details of conditions imposed	Status of compliance
(a)	Submit the following information with respect to the moratorium on the shareholdings of Specified Shareholders to Bursa Depository: <ul style="list-style-type: none"> (i) Name of shareholders; (ii) Number of Shares; and (iii) Date of expiry of the moratorium for each block of Shares; 	Complied
(b)	Confirmation that approvals from other relevant authorities have been obtained for implementation of the Listing proposal;	Complied
(c)	The Bumiputera equity requirements for public listed companies as approved/exempted by the SC including any conditions imposed thereon;	Complied
(d)	Make the relevant announcements pursuant to paragraphs 8.1 and 8.2 of Guidance Notes 15 of the Listing Requirements;	To be complied
(e)	Furnish Bursa Securities with a copy of the schedule of distribution showing compliance with the public shareholding spread requirements based on the entire issued share capital of DC Healthcare on the first day of Listing;	To be complied
(f)	In relation to the public offering to be undertaken by DC Healthcare, to announce at least 2 market days prior to the Listing date, the result of the offering including the following: <ul style="list-style-type: none"> (i) Level of subscription of public balloting and placement; (ii) Basis of allotment/allocation; (iii) A table showing the distribution for placement tranche as per the prescribed format by Bursa Securities; and 	To be complied

2. APPROVALS AND CONDITIONS (*Cont'd*)

No.	Details of conditions imposed	Status of compliance
	(iv) Disclosure of placees who become substantial shareholders of DC Healthcare arising from the public offering, if any;	
(g)	M&A Securities must ensure that the overall distribution of the Company's securities should be properly carried out to mitigate any disorderly trading in the secondary market; and	To be complied
(h)	DC Healthcare/M&A Securities to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval upon the admission of DC Healthcare to the Official List.	To be complied

2.1.2 SC approval

Our Listing is an exempt transaction under Section 212(8) of the CMSA and is therefore not subject to the approval of the SC.

The SC had, vide its letter dated 22 May 2023, approved our resultant equity structure pursuant to our Listing under the equity requirement for public listed companies. The approval from the SC is subject to the following conditions:

No.	Details of conditions imposed	Status of compliance
(a)	DC Healthcare to make available at least 50.00% of the Shares offered to the Malaysian public investors via balloting to Bumiputera public investors at the point of Listing;	To be complied
(b)	DC Healthcare to allocate 12.50% of its enlarged number of issued Shares to Bumiputera investors to be approved or recognised by Ministry of Investment, Trade and Industry within 1 year after achieving the profit requirement for companies seeking listing on the Main Market of Bursa Securities or 5 years after being listed on the ACE Market of Bursa Securities, whichever is earlier (" Compliance Date ");	To be complied
(c)	DC Healthcare to submit to the SC a proposal to comply with the equity condition stated in Section 2.1.2(b) above, at least 6 months prior to the Compliance Date; and	To be complied
(d)	M&A Securities or DC Healthcare to submit DC Healthcare's equity structure to the SC upon completion of the Listing.	To be complied

2. APPROVALS AND CONDITIONS (Cont'd)

2.2 MORATORIUM ON OUR SHARES

In accordance with Rule 3.19(1) of the Listing Requirements, a moratorium will be imposed on the sale, transfer or assignment of those DC Healthcare Shares held by our Specified Shareholders as follows:

- (a) The moratorium applies to the entire shareholdings of our Specified Shareholders for a period of 6 months from the date of our admission to the ACE Market ("**First 6-Month Moratorium**");
- (b) Upon the expiry of the First 6-Month Moratorium, our Company must ensure that our Specified Shareholders' aggregate shareholdings amounting to 45.00% of the total number of our issued Shares remain under moratorium for another period of 6 months ("**Second 6-Month Moratorium**"); and
- (c) On the expiry of the Second 6-Month Moratorium, our Specified Shareholders may sell, transfer or assign up to a maximum of 1/3 per annum (on a straight line basis) of those Shares held under moratorium.

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2. APPROVALS AND CONDITIONS (Cont'd)

Details of our Specified Shareholders and their Shares which will be subject to the abovementioned moratorium are set out below:

Specified Shareholders	Moratorium shares during the First 6-Month Moratorium ⁽¹⁾		Moratorium shares during the Second 6-Month Moratorium		Year 2		Year 3	
	No. of Shares	⁽²⁾ %	No. of Shares	⁽²⁾ %	No. of Shares	⁽²⁾ %	No. of Shares	⁽²⁾ %
DCHG	621,537,300	62.38	399,559,693	40.10	266,373,129	26.74	133,186,565	13.37
Dr. Chong Tze Sheng	46,477,900	4.67	29,878,650	3.00	19,919,100	2.00	9,959,550	1.00
Dr. Lai Ngan Chee	29,394,800	2.95	18,896,657	1.90	12,597,771	1.26	6,298,885	0.63
Total	697,410,000	70.00	448,335,000	45.00	298,890,000	30.00	149,445,000	15.00

Notes:

(1) After Offer for Sale.

(2) Based on the enlarged share capital of 996,300,000 Shares after IPO.

The moratorium has been fully accepted by our Specified Shareholders, who have provided written undertakings that they will not sell, transfer or assign their shareholdings under moratorium during the abovementioned moratorium period.

The moratorium restrictions are specifically endorsed on the share certificates representing the Shares under moratorium held by the abovementioned Specified Shareholders to ensure that our Share Registrar does not register any transfer or assignment that contravenes with such restrictions.

Separately, the ultimate shareholders of DCHG, namely, Dr. Chong Tze Sheng and Dr. Lai Ngan Chee have also undertaken not to sell, transfer or assign their shareholdings in DCHG during the abovementioned moratorium period.

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3. PROSPECTUS SUMMARY

This Prospectus Summary only highlights the key information from other parts of this Prospectus. It does not contain all the information that may be important to you. You should read and understand the contents of the whole Prospectus prior to deciding on whether to invest in our Shares.

3.1 PRINCIPAL DETAILS RELATING TO OUR IPO

The following details relating to our IPO are derived from the full text of this Prospectus and should be read in conjunction with that text.

Allocation	No. of Shares	RM	%⁽¹⁾
<u>Public Issue</u>			
Malaysian Public via balloting process:			
- Public investors	24,907,500	6,226,875	2.50
- Bumiputera public investors	24,907,500	6,226,875	2.50
Eligible Directors and employees of our Group	29,889,000	7,472,250	3.00
Private placement to selected investors	119,556,000	29,889,000	12.00
<u>Offer for sale</u>			
Private placement to selected investors	99,630,000	24,907,500	10.00
Enlarged no. of Shares upon Listing		996,300,000	
IPO Price per Share		RM0.25	
Market capitalisation ⁽²⁾		RM249,075,000	

Notes:

- (1) Based on our enlarged share capital of 996,300,000 Shares after IPO.
 (2) Based on our IPO Price and our enlarged number of Shares upon Listing.

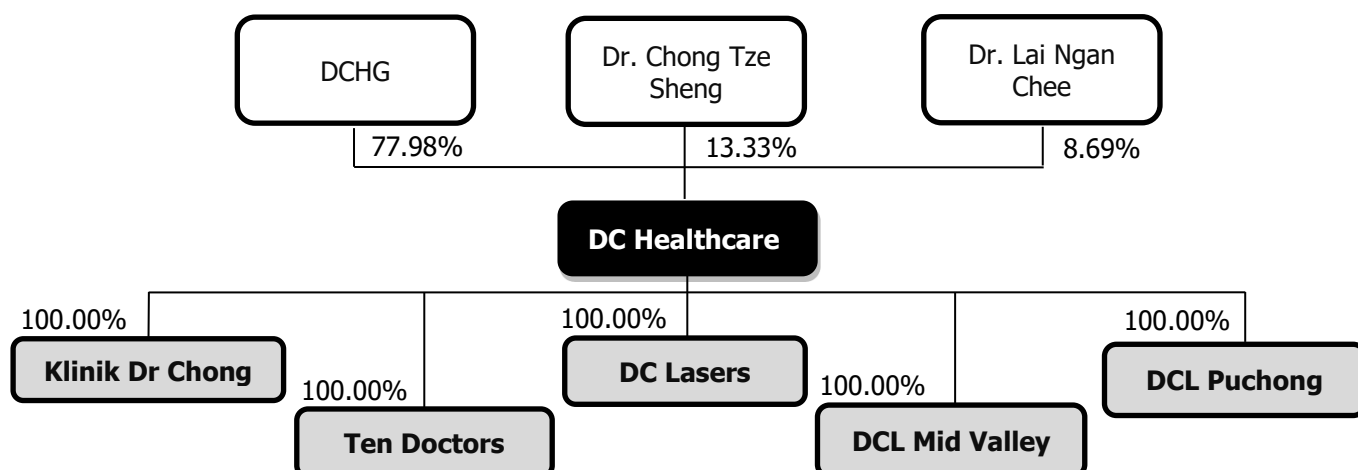
Further details of our IPO are set out in Section 4 of this Prospectus.

Our Promoters' entire shareholdings after IPO will be held under moratorium for 6 months from the date of Listing. Thereafter, our Promoters' shareholdings amounting to 45.00% of our share capital will remain under moratorium for another 6 months. Our Promoters may sell, transfer or assign up to a maximum of 1/3 per annum (on a straight line basis) of their Shares held under moratorium upon expiry of the second 6 months. Further details on the moratorium on our Shares are set out in Section 2.2 of this Prospectus.

3.2 GROUP STRUCTURE AND BUSINESS MODEL

Our Company was incorporated in Malaysia under the Act on 18 April 2022 as a public limited company under the name, DC Healthcare Holdings Berhad. We are principally an investment holding company. Our Group structure after the Pre-IPO Restructuring but before IPO is as follows:

3. PROSPECTUS SUMMARY (Cont'd)



Through our subsidiaries, we provide aesthetic medical services specialising in Non-Invasive and Minimally Invasive procedures. We operate 13 aesthetic medical clinics located in the Central Region and Southern Region. Our business activities are set out as follows:

Principal Activities	Provision of Aesthetic Medical Services (Specialise in Non-Invasive and Minimally Invasive Procedures)	
Business Segments	Aesthetic Services	General Medical Services
Types of Services	<ul style="list-style-type: none"> • Facial and skin treatments • Facial sculpting • Body contouring • Hair growth and removal • Sale of skincare products 	<ul style="list-style-type: none"> • Skin disease treatment • Blood test screening
Geographical Market	13 Aesthetic Medical Clinics in Central and Southern Region of Malaysia	
Customer Segment	Individuals/ Consumers	

Further details of our Group and our business model are set out in Sections 6 of this Prospectus.

3.3 IMPACT OF COVID-19

(a) Impact of COVID-19 on our Group's business operations

During the initial lockdown stages, the operational prospects of our clinics experienced some disruptions due to the implementation of COVID-19 SOPs. As a provider of General Medical Services, we were allowed to continue our operations throughout the various stages of the MCOs in 2020 and 2021. However, Aesthetic Services were temporarily suspended from 18 March 2020 until 2 July 2020 and 1 June 2021 until 8 September 2021. While Aesthetic Services were temporarily suspended, we were able to continue offering skin disease treatments and blood test

3. PROSPECTUS SUMMARY (Cont'd)

health screenings to our customers. To limit and minimise exposure to COVID-19, our management has decided to temporarily suspended our business from 18 March 2020 to 14 April 2020 with head office staff workers working remotely from home to ensure our staff were not infected with COVID-19. As a result of reduced face-to-face customer contact, we experienced an increased demand for online enquiries on skin, facial and aesthetic treatments. In FYE 2019, we did not conduct any online enquiries while in FYE 2020 and FYE 2021, we conducted 10 and 15 online enquiries respectively. The online enquiries involved compiling questions posted by individuals on our social media channels and posting educational videos of our Group's LCP Certified Aesthetic Physicians and resident medical doctors answering the questions raised. Our Group does not generate revenue through the online enquiries. Such online enquiries are acceptable practice as it does not involve any prescription or treatment provided to the customers.

(b) Impact of COVID-19 and MCOs on our supply chain

As a provider of General Medical Services, our business falls within essential services, and thus, we were able to continue operations during the various MCO periods. We did not experience any material disruptions, shortage or delay in the supply of materials, products and medical machines and equipment required for our operations during the MCO periods.

(c) Impact of COVID-19 on our liquidity, financial position and financial performance

We experienced disruption to our business operations during the imposition of initial phases of MCOs since March 2020. From 18 March 2020 to 14 April 2020 our management had decided to temporarily suspend all our operations with head office staff workers working remotely from home to ensure our staff was not infected with the COVID-19. Both our LCP Certified Aesthetic Physicians and resident medical doctors were still permitted to work at the clinics as General Medical Services were permitted. Thereafter, we were allowed to continue operating as a private healthcare provider throughout the remaining MCO terms in 2020 and 2021.

While we were allowed to operate, we saw fewer customers and experienced a significant drop in our monthly business revenue during the first phase of MCOs in 2020. Our Group served 6,117 customers and generated RM2.75 million in the first quarter of 2020, which decreased to 2,945 customers and RM1.76 million in revenue for the second quarter of 2020. However, after the first MCO was lifted and transitioned into CMCO followed by RMCO, there has been an increase in the number of customers visit. We served 9,684 and 14,318 customers in the third quarter of 2020 and fourth quarter of 2020 respectively.

Despite a decrease in our revenue during the first MCO, whereby our Group's revenue for the second quarter of 2020 decreased to RM1.76 million from RM2.75 million in the first quarter of 2020, as a result of temporary business suspension, we did not experience a negative impact on our financial results and net cash from operating activities in FYE 2020. Through the various phases of MCO and NRP during 2021 and up to the LPD, we did not see a significant reduction in our business volume. During the FYE 2022, we carried out 97,304 treatments for Aesthetic Services (FYE 2021: 58,121 treatments and FYE 2020: 28,218 treatments) and 17,358 treatments for General Medical Services (FYE 2021: 10,732 treatments and FYE 2020: 4,846 treatments). Further details on the impact of COVID-19 to our Group are set out in the Section 6.6 of this Prospectus.

3. PROSPECTUS SUMMARY (Cont'd)

3.4 COMPETITIVE STRENGTHS AND BUSINESS STRATEGIES

3.4.1 Competitive strengths

Some of our competitive strengths are summarised below:

- (a) We have an experienced operational team headed by Dr. Chong Tze Sheng, our Managing Director, who has approximately 13 years of experience in medical services, including approximately 11 years of experience in aesthetic medical services. As at the LPD, he is supported by a team of 9 LCP Certified Aesthetic Physicians and 29 resident medical doctors. On the key senior management team, we are supported by our Chief Financial Officer, Yong Yew Sun who brings with him approximately 31 years of experience in the finance and accounting operations. He is primarily responsible for managing the overall financial operations of our Group.
- (b) Our aesthetic clinics are equipped with modern medical machines and equipment. All of our aesthetic clinics are equipped with identical medical machines and equipment to ensure that they are operational and able to offer our services to our customers. Before introducing new medical machines and equipment, we undertake stringent evaluation and approval process to assess the risks involved.
- (c) We have established brand and track records. We have accumulated a track record of approximately 7 years of experience in providing Aesthetic Medical Services since the commencement of our first aesthetic medical clinic in Kepong. We have an established brand of Aesthetic Services and General Medical Services under the brand name of "Dr Chong Clinic" since 2016. Since then, we have expanded our chain of 13 aesthetic medical clinics in Central Region and Southern Region.

Further details of our competitive strengths are set out in Section 6.5.7 of this Prospectus.

3.4.2 Business strategies

Our business strategies are summarised below:

- (a) We intend to expand our existing clinics by establishing 8 new aesthetic medical clinics in Southern Region and Northern Region. We have earmarked RM9.44 million or approximately 18.95% of the proceeds from our Public Issue to establish 8 new aesthetic medical clinics within 18 months upon Listing. These 8 new aesthetic medical clinics will be equipped with all the same medical machines and equipment which are present at all our existing aesthetic medical clinics in order to carry out the same services to our customers in these new locations.
- (b) In order to support the expansion of our aesthetic medical clinics in other major cities in Malaysia, we intend to strengthen our team of LCP Certified Aesthetic Physicians, resident medical doctors, clinic consultants and other support staff by attracting and recruiting highly skilled and experienced personnel.

In addition, our Group has 29 resident medical doctors currently undergoing training under the supervision of our LCP Certified Aesthetic Physicians which may allow them to eventually become LCP Certified Aesthetic Physicians. Resident medical doctors that intend to become LCP Certified Aesthetic Physicians currently have to undergo a minimum of 2 years of training in an aesthetic medical practice under the supervision of LCP Certified Aesthetic Physicians (the minimum pre-requisites stated in the Guidelines on Aesthetic Medical Practice for Registered Medical Practitioners by the MOH). The average period of time required for the resident medical doctor to obtain their LCP is 2 to 3 years from the commencement of their training.

3. PROSPECTUS SUMMARY (*Cont'd*)

We anticipate that 4 of our resident medical doctors would have met the minimum pre-requisites stated in the Guidelines on Aesthetic Medical Practice for Registered Medical Practitioners by the MOH in 2023, while 4, 16 and 5 of our resident medical doctors are expected to meet such the minimum pre-requisites by 2024, 2025 and 2026 respectively. The estimated cost to be incurred by our Group is up to RM360,000 annually for each newly certified LCP Certified Aesthetic Physician arising from the revised salary scale of the LCP Certified Aesthetic Physician.

We intend to allocate RM13.90 million or approximately 27.90% of the proceeds from our Public Issue to recruit additional 6 LCP Certified Aesthetic Physicians (inclusive of Dr. Michelle Ko Mee Chie who joined our Group on 3 January 2023 and subsequently converted to LCP Certified Aesthetic Physician in March 2023), 16 resident medical doctors, 56 clinic consultants and 16 management/administrative staff within 18 months upon the setup of new aesthetic clinics.

- (c) To support our expansion plans, we also intend to purchase the latest medical machines and equipment for the provision of our Aesthetic Services. The new medical machines and equipment that we intend to purchase mainly includes laser machines used for our facial and skin treatments, hair removal and body contouring treatments. These new medical machines and equipment will be purchased to replace and upgrade existing equipment to enhance our services offerings.

We intend to allocate RM13.12 million or approximately 26.35% of the proceeds from our Public Issue to acquire new medical machines and equipment. We expect to utilise the abovementioned funds within 18 months upon Listing.

Further details of our business strategies are set out in Section 6.7 of this Prospectus.

3.5 RISK FACTORS

Before investing in our Shares, you should carefully consider, along with other matters in this Prospectus, the risk factors as set out in Section 8 of this Prospectus. Some of the more important risk factors are summarised below:

- (a) Our growth and success of our business is, to a significant extent, dependent on, the abilities, skills, experience and expertise of our Directors, LCP Certified Aesthetic Physicians and key senior management.

Having a team of 10 LCP Certified Aesthetic Physicians and key senior management is critical in maintaining the quality of our relationship with customers, as we operate in the healthcare industry focusing on Aesthetic Services, which require trained and experienced LCP Certified Aesthetic Physicians. The loss of any of these LCP Certified Aesthetic Physicians and key senior management, without suitable and timely replacement, or the inability to attract, hire and retain suitable candidates, may result in us being unable to retain our customers or attract new customers, which could negatively affect our business operations, financial performance and future prospects.

- (b) Our operations are reliant on certain approvals, licences, permits and certificates which may be subject to periodic renewal granted by relevant authorities. In addition, our LCP Certified Aesthetic Physicians and resident medical doctors are required to maintain their registrations with MOH in order for our LCP Certified Aesthetic Physicians to render their Aesthetic Services at our aesthetic medical clinics and resident medical doctors to render their General Medical Services. There is no assurance that the MOH or other relevant authorities will renew the same within the anticipated timeframe or at all, and/or without imposing any additional terms and

3. PROSPECTUS SUMMARY (Cont'd)

conditions in the future, particularly when there are changes to any requirements, rules and regulations imposed by the MOH or other relevant authorities.

- (c) We face risks associated with medical and legal claims, regulatory actions and professional liability arising from the provision of our Aesthetic Services and our insurance coverage and indemnities may not be adequate to cover every possible incident, potential liabilities or damages which may be incurred. In the event that the amount of any claims by third parties against us exceed the coverage of general insurance policies which we have taken up, we may be liable for whatever shortfalls in the amount claimed. If we were to incur a significant liability for which we are not fully insured, our business, financial conditions, results of our operations and prospects could be adversely affected.

Our Group has not faced any claims or actions since incorporation. However, we have received a letter dated 25 May 2022 from a customer's lawyer pertaining to the customer's dissatisfaction with the outcome of the treatment and management at our clinic as well as to request for medical records and reports. However, there is no any further action initiated thereafter. For clarification purpose, prior to the receipt of the said letter, the customer had visited our clinic where our doctor had diagnosed the customer's condition and provided treatment to the customer accordingly. Subsequent to that, the customer had enquired about the condition of the treatment area and had visited our clinic for further consultation in which medication was prescribed by our doctor to the customer. The customer then refused to visit our clinic for a further assessment of the condition of the treatment area. Our doctor had then requested for visuals of the condition of the treatment area or a home visit for further assessment but no response was received from the said customer.

Our Group has adopted a grievance standard procedure allowing our customers to submit their complaints in writing. All customers or their representatives (such as family members, guardians, etc) will be informed of their right to file a complaint or express their grievance in the event of an unsatisfactory treatment or experience with our clinic or staff. All complaints or grievances can be made directly to the clinic's email at enquiry@drchongclinic.com, where all claims will be investigated and responded to by the management team within 14 days. If the outcome of the filed complaint or grievance is not to the satisfaction of the customer, further action can be taken by referring the matter to the Director General of Health of Malaysia.

3.6 DIRECTORS AND KEY SENIOR MANAGEMENT

Our Directors and key senior management are as follows:

Name	Designation
Directors	
Datuk Dr. Mohd Noor Bin Awang	Independent Non-Executive Chairman
Dr. Chong Tze Sheng	Managing Director
Dr. Lai Ngan Chee	Executive Director
Rekha A/P Palanysamy	Independent Non-Executive Director
Sim Lee San	Independent Non-Executive Director
Yap Ee Ling	Independent Non-Executive Director
Key senior management	
Yong Yew Sun	Chief Financial Officer
Dr. Leong Chee Yong	Medical Director

Further details of our Directors and key senior management are set out in Section 5 of this Prospectus.

3. PROSPECTUS SUMMARY (Cont'd)

3.7 PROMOTERS AND SUBSTANTIAL SHAREHOLDERS

The shareholdings of our Promoters and substantial shareholders in our Company before and after our IPO are set out below:

Name	Nationality / Country of incorporation	⁽¹⁾ After Pre-IPO Restructuring but before our IPO				⁽²⁾ After our IPO			
		Direct		Indirect		Direct		Indirect	
		No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
DCHG	Malaysia	621,537,300	77.98	-	-	621,537,300	62.38	-	-
Dr. Chong Tze Sheng	Malaysian	106,255,900	13.33	⁽³⁾⁽⁴⁾ 690,784,100	86.67	46,477,900	4.67	⁽³⁾⁽⁴⁾ 650,932,100	65.33
Dr. Lai Ngan Chee	Malaysian	69,246,800	8.69	⁽³⁾⁽⁴⁾ 727,793,200	91.31	29,394,800	2.95	⁽³⁾⁽⁴⁾ 668,015,200	67.05

Notes:

- (1) Based on the share capital of 797,040,000 Shares after Pre-IPO Restructuring but before our IPO.
- (2) Based on the enlarged share capital of 996,300,000 Shares after our IPO.
- (3) Deemed interest by virtue of his/her spouse's interest pursuant to Section 8 of the Act.
- (4) Deemed interest by virtue of his/her interest held in DCHG pursuant to Section 8 of the Act.

Further details of our Promoters and substantial shareholders are set out in Section 5.1 of this Prospectus.

3.8 UTILISATION OF PROCEEDS

The gross proceeds to be raised by our Company from the Public Issue of RM49.82 million shall be utilised in the following manner:

Description of utilisation	RM'000	%	Estimated timeframe for utilisation from the Listing date
Establishing new aesthetic medical clinics	9,440	18.95	Within 18 months
Purchase of new medical machines and equipment	13,124	26.35	Within 18 months
Repayment of borrowings	6,238	12.52	Within 6 months
Working capital	17,013	34.15	Within 36 months
Estimated listing expenses	4,000	8.03	Within 1 month
Total	49,815	100.00	

There is no minimum subscription to be raised from our IPO.

Detailed information on our utilisation of proceeds is set out in Section 4.9 of this Prospectus.

3. PROSPECTUS SUMMARY (Cont'd)

The gross proceeds from the Offer for Sale of approximately RM24.91 million shall accrue entirely to the Selling Shareholder.

3.9 FINANCIAL AND OPERATIONAL INFORMATION

The selected financial and operational information included in this Prospectus is not intended to predict our Group's financial position, results and cash flows.

3.9.1 Historical combined statements of profit or loss and other comprehensive income

The following table sets out the financial highlights based on our combined statements of profit or loss and other comprehensive income for the Financial Years Under Review:

	Audited			
	FYE 2019	FYE 2020	FYE 2021	FYE 2022
	RM'000	RM'000	RM'000	RM'000
Revenue	12,210	14,449	25,479	51,964
GP	5,625	7,676	13,927	29,207
PBT	1,745	2,699	6,203	12,578
PAT	1,168	1,901	4,602	9,559
Basic EPS (sen) ⁽¹⁾	0.15	0.24	0.58	1.20
Diluted EPS (sen) ⁽²⁾	0.12	0.19	0.46	0.96
GP margin (%) ⁽³⁾	46.07	53.12	54.66	56.21
PAT margin (%) ⁽⁴⁾	9.57	13.16	18.06	18.40

Further details on the financial information are set out in Sections 11 and 12 of this Prospectus.

Notes:

- (1) Calculated based on PAT divided by 797,040,000 number of Shares in issue before IPO.
- (2) Calculated based on PAT divided by 996,300,000 enlarged number of Shares in issue after IPO.
- (3) Calculated based on GP divided by revenue.
- (4) Calculated based on PAT divided by revenue.
- (5) The breakdown of revenue for each business segment are as follows:

Business segments	Audited							
	FYE 2019		FYE 2020		FYE 2021		FYE 2022	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Aesthetic services	10,965	89.80	12,643	87.50	21,627	84.88	46,745	89.96
General Medical Services	1,245	10.20	1,806	12.50	3,852	15.12	5,219	10.04
Total	12,210	100.00	14,449	100.00	25,479	100.00	51,964	100.00

There were no exceptional items during the Financial Years Under Review. Our audited combined financial statements for the past Financial Years Under Review were not subject to any audit qualifications.

3. PROSPECTUS SUMMARY (Cont'd)

3.9.2 Pro forma consolidated statements of financial position

The following table sets out a summary of the pro forma consolidated statements of financial position of our Group based on our audited combined financial statements as at 31 December 2022 to show the effects of the Pre-IPO Restructuring and subsequent events, IPO and utilisation of proceeds. It is presented for illustrative purposes only and should be read together with the pro forma statements of financial position as set out in Section 13 of this Prospectus.

	Audited	I	II	III
	As at 31			After II and
	December	After Pre-IPO	After I and	utilisation of
	2022	Restructuring	IPO	proceeds
	RM'000	RM'000	RM'000	RM'000
ASSETS				
Total non-current assets	-	33,239	33,239	33,239
Total current assets	2,013	15,078	64,893	54,655
TOTAL ASSETS	2,013	48,317	98,132	87,894
EQUITY AND LIABILITIES				
TOTAL EQUITY	(110)	15,047	64,862	60,862
Total non-current liabilities	-	18,393	18,393	16,850
Total current liabilities	2,123	14,877	14,877	10,182
TOTAL LIABILITIES	2,123	33,270	33,270	27,032
TOTAL EQUITY AND LIABILITIES	2,013	48,317	98,132	87,894
No. of Shares in issue	1,000	797,040,000	996,300,000	996,300,000
(Net loss)/NA per Share (RM)	(109.94)	0.02	0.07	0.06
Borrowings and lease liability (RM'000)	-	24,005	24,005	17,767
Gearing (times)	-	1.60	0.37	0.29

3.9.3 Key financial ratios

The key financial ratios of our Group for the Financial Years Under Review are as follows:

	Audited			
	FYE 2019	FYE 2020	FYE 2021	FYE 2022
	RM'000	RM'000	RM'000	RM'000
Trade receivables turnover (days) ⁽¹⁾	20	29	10	2
Trade payables turnover (days) ⁽²⁾	34	72	118	126
Inventory turnover (days) ⁽³⁾	114	183	99	96
Current ratio (times) ⁽⁴⁾	1.21	1.54	1.19	1.01
Gearing ratio (times) ⁽⁵⁾	1.80	2.04	2.19	1.60
Net gearing ratio (times) ⁽⁶⁾	1.37	1.10	0.93	1.09

3. PROSPECTUS SUMMARY (Cont'd)**Notes:**

- (1) Computed based on average opening and closing trade receivables over revenue for each of the financial year and multiplied by 365 days.
- (2) Computed based on average opening and closing trade payables over purchases for each of the financial year and multiplied by 365 days.
- (3) Computed based on average opening and closing inventory over purchases for each of the financial years, multiplied by 365 days.
- (4) Computed based on current assets over current liabilities as at each financial year end.
- (5) Computed based on total interest-bearing borrowings over total equity as at the end of each financial year end.
- (6) Computed based on the net borrowings (total borrowings net of non-pledged cash and bank balances and fixed deposits with licensed banks) over total equity as at each financial year end. Net gearing ratio is a measurement of the degree to which a company's activities are funded by shareholders' funds versus borrowings but after adjustment for liquid assets.

Further details on the key financial ratios are set out in Section 11.4 of this Prospectus.

3.10 DIVIDEND POLICY

For the Financial Years Under Review and up to LPD, dividends declared and paid by our Group, Klinik Dr Chong, were follows:

	Audited				Unaudited
	FYE 2019	FYE 2020	FYE 2021	FYE 2022	1 January 2023
	RM'000	RM'000	RM'000	RM'000	up to LPD
				RM'000	
Dividends declared and paid	500	1,000	2,500	3,000	-

The dividends above were funded by internally generated funds. The dividends will not affect the execution and implementation of our business strategies. Together with the IPO proceeds, we believe that we have sufficient funding of cash from operations and bank borrowings for the funding requirement for our operations and our expansion plans.

Our Company presently does not have any formal dividend policy. The declaration of interim dividends and the recommendation of final dividends are subject to the discretion of our Board and any final dividends for the year are subject to our shareholders' approval. It is our intention to pay dividends to shareholders in the future. However, such payments will depend upon a number of factors, including our Group's financial performance, capital expenditure requirements, general financial condition and any other factors considered relevant by our Board. Our Company has no intention to declare further dividends prior to the Listing. Further details of our dividend policy are set out in Section 11.7 of this Prospectus.

4. DETAILS OF OUR IPO

4.1 OPENING AND CLOSING OF APPLICATION PERIOD

The Application period will open at 10.00 a.m. on 27 June 2023 and will remain open until 5.00 p.m. on 5 July 2023. **LATE APPLICATIONS WILL NOT BE ACCEPTED.**

4.2 INDICATIVE TIMETABLE

Events	Indicative date
Issuance of this Prospectus/Opening of Application	27 June 2023
Closing Date/Closing of Application	5 July 2023
Balloting of Application	7 July 2023
Allotment/Transfer of IPO Shares to successful applicants	14 July 2023
Date of Listing	17 July 2023

In the event there is any change to the timetable, we will make an announcement on Bursa Securities' website and advertise the notice of changes in a widely circulated English and Bahasa Malaysia daily newspaper in Malaysia.

4.3 LISTING SCHEME

4.3.1 Public Issue

A total of 199,260,000 Issue Shares, representing 20.00% of our enlarged share capital are offered at our IPO Price. The Issue Shares shall be allocated in the following manner:

(a) Malaysian Public

49,815,000 Issue Shares, representing 5.00% of our enlarged share capital, are reserved for application by the Malaysian Public, to be allocated via balloting process as follows:

- (i) 24,907,500 Issue Shares, representing 2.50% of our enlarged share capital, made available to public investors; and
- (ii) 24,907,500 Issue Shares, representing 2.50% of our enlarged share capital, made available to Bumiputera public investors.

(b) Eligible Directors and employees

29,889,000 Issue Shares, representing 3.00% of our enlarged share capital, are reserved for our eligible Directors and employees under the Pink Form Allocations. Further details of our Pink Form Allocations are set out in Section 4.3.3 of this Prospectus.

(c) Private placement to selected investors

119,556,000 Issue Shares, representing 12.00% of our enlarged share capital are reserved for private placement to selected investors.

4. DETAILS OF OUR IPO (Cont'd)

The basis of allocation of the Issue Shares shall take into account our Board's intention to distribute the Issue Shares to a reasonable number of applicants to broaden our Company's shareholding base to meet the public spread requirements, and to establish a liquid and adequate market for our Shares. Applicants will be selected in a fair and equitable manner to be determined by our Directors. There is no over-allotment or "greenshoe" option that will result in an increase in the number of our Issue Shares. Our Public Issue is subject to the terms and conditions of this Prospectus.

4.3.2 Offer for Sale

Our Selling Shareholders will undertake an offer for sale of 99,630,000 Offer Shares, representing 10.00% of our enlarged share capital by way of private placement to selected investors to be identified at the IPO Price. The details of our Selling Shareholders and their relationship with our Group are as follows:

Name/ address	Residential	Relationship our Group	with	Before IPO		Offer Shares offered			After IPO	
				No. of Shares	(1)%	No. of Shares	(1)%	(2)%	No. of Shares	(2)%
Dr. Chong Tze Sheng/ 22 Jalan Puteri 6/11 Bandar Puteri 47100 Puchong Selangor		Managing Director		106,255,900	13.33	59,778,000	7.50	6.00	46,477,900	4.67
Dr. Lai Ngan Chee/ 22 Jalan Puteri 6/11 Bandar Puteri 47100 Puchong Selangor		Executive Director		69,246,800	8.69	39,852,000	5.00	4.00	29,394,800	2.95
Total				175,502,700	22.02	99,630,000	12.50	10.00	75,872,700	7.62

4. DETAILS OF OUR IPO (Cont'd)

Notes:

- (1) Based on the share capital of 797,040,000 Shares after completion of the Pre-IPO Restructuring but before our IPO.
- (2) Based on the enlarged share capital of 996,300,000 Shares after our IPO.

The Offer for Sale is subject to the terms and conditions of this Prospectus. Further details of our Selling Shareholders, who are also our Promoters, substantial shareholders and Directors are set out in Section 5.1 of this Prospectus.

4.3.3 Pink Form Allocations

We have allocated 29,889,000 Shares under the Pink Form Allocations to our eligible Directors and employees as follows:

Category	No. of eligible persons	Aggregate no. of Issue Shares allocated
Eligible Directors	4	1,040,000
Eligible employees	157	28,849,000
Total	161	29,889,000

Pink Form Allocations which are not accepted by certain eligible Directors and employees will be re-allocated to other eligible Directors as set out in the table below and eligible employees at the discretion of our Board.

(a) Allocation to eligible Directors

The criteria for allocation to our eligible Directors are based on amongst others their anticipated contribution to our Group.

Dr. Chong Tze Sheng (our Managing Director) and Dr. Lai Ngan Chee (our Executive Director) have opted not to participate in the Pink Form Allocations as they are already our substantial shareholders and Selling Shareholders.

Details of the proposed allocation to our other Directors are as follows:

Name	Designation	No. of Issue Shares allocated
Datuk Dr. Mohd Noor Bin Awang	Independent Non-Executive Chairman	280,000
Rekha A/P Palanysamy	Independent Non-Executive Director	280,000
Sim Lee San	Independent Non-Executive Director	200,000
Yap Ee Ling	Independent Non-Executive Director	280,000
Total		1,040,000

4. DETAILS OF OUR IPO (Cont'd)**(b) Allocation to eligible employees**

The criteria of allocation to our eligible employees (as approved by our Board) are based on, inter-alia, the following factors:

- (i) our employees must be an eligible and confirmed employee and on the payroll of our Group;
- (ii) the number of Shares allocated to our eligible employees are based on their seniority, position, length of service and respective contribution made to our Group as well as other factors deemed relevant to our Board; and
- (iii) full time employee of at least 18 years of age.

Included in the allocation to our eligible employees are the proposed allocations to our key senior management as set out below:

<u>Name</u>	<u>Designation</u>	<u>No. of Issue Shares allocated</u>
Yong Yew Sun	Chief Financial Officer	3,240,000
Dr. Leong Chee Yong	Medical Director	2,150,000
	Total	<u>5,390,000</u>

As at the LPD, to the extent known to our Company:

- (i) there are no substantial shareholder(s), Directors or key senior management of our Company who have indicated to our Company that they intend to subscribe for the IPO Shares; and
- (ii) there are no person(s) who have indicated to our Company that they intend to subscribe more than 5.00% of the IPO Shares.

4.3.4 Clawback and re-allocation

Any of our Issue Shares not subscribed for by the Malaysian Public or Pink Form Allocations (after re-allocation to the other eligible Directors and other eligible employees) will be made available to selected investors via private placement.

However, if all Issue Shares offered to the Malaysian Public are oversubscribed, Shares not subscribed for under the Pink Form Allocations (if any), will firstly be made available for application by the Malaysian Public before being made available to the selected investors via private placement.

Likewise, if any Issue Shares offered to the Malaysian Public are undersubscribed, Shares not subscribed for will be allocated for excess application by our eligible Directors and eligible employees before being made available to selected investors via private placement.

Thereafter, any remaining Issue Shares that are not subscribed for will be subscribed by our Underwriter based on the terms of the Underwriting Agreement. Our Board will ensure that any excess IPO Shares will be allocated on a fair and equitable manner.

4. DETAILS OF OUR IPO (Cont'd)

4.3.5 Minimum and over-subscription

There is no minimum subscription to be raised from our IPO. However, in order to comply with the public spread requirements of Bursa Securities, the minimum subscription in terms of the number of IPO Shares will be the number of IPO Shares required to be held by public shareholders to comply with the public spread requirements as set out in the Listing Requirements or as approved by Bursa Securities.

In the event of an over-subscription, acceptance of Applications by the Malaysian Public shall be subject to ballot to be conducted in a manner approved by our Directors.

Under the Listing Requirements, at least 25.00% of our enlarged share capital for which listing is sought must be in the hands of a minimum of 200 public shareholders, each holding not less than 100 Shares upon our admission to the ACE Market. We expect to meet the public shareholding requirement at the point of our Listing. If we fail to meet the said requirement, we may not be allowed to proceed with our Listing on the ACE Market.

In such an event, we will return in full, without interest, all monies paid in respect of all Applications. If any such monies are not repaid within 14 days after we become liable to do so, the provision of sub-section 243(2) of the CMSA shall apply accordingly.

4.4 BASIS OF ARRIVING AT OUR IPO PRICE

Our IPO Price was determined and agreed upon by us and M&A Securities, as our Principal Adviser, Sponsor, Underwriter and Placement Agent, after taking into consideration the following factors:

- (a) our pro forma NA per Share as at 31 December 2022 after IPO and utilisation of proceeds of RM0.06, calculated based on our pro forma NA as at 31 December 2022 of approximately RM60.86 million and enlarged share capital of 996,300,000 Shares upon Listing;
- (b) the PE Multiple of our IPO Price of approximately 26.04 times based on our EPS of 0.96 sen, calculated based on our PAT for FYE 2022 of RM9.56 million respectively and our enlarged share capital of 996,300,000 Shares upon Listing;
- (c) Our historical financial track record as follows:

	Audited			
	FYE 2019	FYE 2020	FYE 2021	FYE 2022
	RM'000	RM'000	RM'000	RM'000
Revenue	12,210	14,449	25,479	51,964
GP	5,625	7,676	13,927	29,207
PAT	1,168	1,901	4,602	9,559

- (d) our competitive strengths as set out in Section 6.5.7 of this Prospectus; and
- (e) our business strategies as set out in Section 6.7 of this Prospectus.

You should note that the market price of our Shares upon and subsequent to our Listing is subject to the vagaries of market forces and other uncertainties that may affect the price of our Shares. You should form your own views on the valuation of our IPO Shares before deciding to invest in them. You are reminded to carefully consider the risk factors as set out in Section 8 before deciding to invest in our Shares.

4. DETAILS OF OUR IPO (*Cont'd*)

4.5 SHARE CAPITAL, CLASSES OF SHARES AND RANKING

Upon completion of our IPO, our share capital will be as follows:

Details	No. of Shares	RM
Share capital		
As at the date of this Prospectus	797,040,000	9,565,468
To be issued under our Public Issue	199,260,000	49,815,000
Enlarged share capital upon our Listing	996,300,000	59,380,468

As at the date of this Prospectus, we have only one class of shares, being ordinary shares, all of which rank equally amongst one another.

Our Issue Shares will, upon allotment and issuance, rank equally in all respects with our existing ordinary shares including voting rights and will be entitled to all rights and dividends and other distributions that may be declared subsequent to the date of allotment of our Issue Shares.

Our Offer Shares rank equally in all respects with our existing ordinary shares including voting rights and will be entitled to all rights and dividends and other distributions that may be declared subsequent to the date of transfer of the Offer Shares.

Subject to any special rights attaching to any Shares which may be issued by us in the future, our shareholders shall, in proportion to the amount paid-up on the Shares held by them, be entitled to share in the whole of the profits paid out by us as dividends and other distributions and any surplus if our Company is liquidated in accordance with our Constitution.

Each of our shareholders shall be entitled to vote at any of our general meetings in person or by proxy or by other duly authorised representative. Every shareholder present in person or by proxy or other duly authorised representative shall have one vote for each ordinary share held.

4.6 PURPOSES OF OUR IPO

The purposes of our IPO are as follows:

- (a) to enable our Group to raise funds for the purposes specified in Section 4.9 herein;
- (b) to gain recognition through our listing status to enhance our reputation in the marketing of our products/services and to retain and attract new, skilled employees (including LCP Certified Aesthetic Physicians) from the healthcare industry;
- (c) to provide an opportunity for the Malaysian Public, including our eligible Directors and employees to participate in our equity; and
- (d) to enable us to tap into the equity capital market for future fund raising and to provide us the financial flexibility to pursue future growth opportunities as and when they arise.

4.7 TOTAL MARKET CAPITALISATION UPON LISTING

Based on our IPO Price and enlarged share capital of 996,300,000 Shares upon Listing, our total market capitalisation will be RM249,075,000.

4. DETAILS OF OUR IPO (Cont'd)

4.8 DILUTION

Dilution is the amount by which our IPO Price exceeds our pro forma NA per Share immediately after our IPO. The following table illustrates such dilution on a per Share basis:

	RM
IPO Price	0.25
Pro forma NA per Share as at 31 December 2022 after the Pre-IPO Restructuring but before IPO	0.02
Pro forma NA per Share as at 31 December 2022 after the Pre-IPO Restructuring, IPO and utilisation of proceeds	0.06
Increase in pro forma NA per Share attributable to existing shareholders	0.04
Dilution in pro forma NA per Share to our new public investors	0.19
Dilution in pro forma NA per Share as a percentage of our IPO Price	76.00%

Further details of our pro forma NA per Share as at 31 December 2022 are set out in Section 13.

The following table shows the average effective cost per Share paid by our existing shareholders for our Shares since our incorporation up to the date of this Prospectus:

Name	No. of Shares received after the Acquisitions	Total consideration RM	Average effective cost per Share RM
DCHG	621,537,300	7,458,448	0.012
Dr. Chong Tze Sheng	106,255,900	1,275,664	0.012
Dr. Lai Ngan Chee	69,246,800	831,357	0.012

Save as disclosed above and the Pink Form Allocations to our eligible Directors and key senior management, there has been no acquisitions or subscription of any of our Shares by our Directors or key senior management, substantial shareholders or persons connected with them, or any transaction entered into by them which grants them the right to acquire any of our existing Shares, in the past 3 years up to the LPD.

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4. DETAILS OF OUR IPO (Cont'd)**4.9 UTILISATION OF PROCEEDS****4.9.1 Public Issue**

The estimated gross proceeds from our Public Issue of RM49.82 million will accrue entirely to us and are planned to be utilised in the following manner:

Description of utilisation	Notes	RM'000	%	Estimated timeframe for utilisation from the Listing date
Establishing new aesthetic medical clinics	(i)	9,440	18.95	Within 18 months
Purchase of new medical machines and equipment	(ii)	13,124	26.35	Within 18 months
Repayment of borrowings	(iii)	6,238	12.52	Within 6 months
Working capital	(iv)	17,013	34.15	Within 36 months
Estimated listing expenses	(v)	4,000	8.03	Within 1 month
Total		49,815	100.00	

Pending the deployment of the proceeds raised from our Public Issue as aforementioned, the funds will be placed in short-term deposits with licensed financial institutions.

Notes:**(i) Establishing new aesthetic medical clinics**

Our Group has a total of 13 aesthetic medical clinics in the Central Region and Southern Region. We intend to open 8 new aesthetic medical clinics mainly in Southern Region and Northern Region within 18 months from the date of Listing.

The set-up cost for 1 aesthetic medical clinic is estimated to be at RM1.18 million each which includes the cost of renovation and fit-out work, together with additional expenses such as rental expenses. In this regard, we intend to allocate RM9.44 million or 18.9% of the total proceeds from our Public Issue to set up 8 new aesthetic medical clinics, in the following manner:

Estimated breakdown of utilisation	RM'000	%
Renovation and fit-out work ⁽¹⁾	8,000	84.75
Rental cost ⁽²⁾	1,440	15.25
Total	9,440	100.00

4. DETAILS OF OUR IPO (Cont'd)**Notes:**

- (1) Based on the quotation from contractors, the renovation cost for each aesthetic medical clinic is estimated to be RM1.00 million. We intend to allocate RM8.00 million to fund the renovation cost for the 8 new aesthetic medical clinics. The renovation includes treatment rooms, consultation rooms, registration and payment counter, patient's washroom, staff washroom, storage areas, office, pantry area, waiting area and patient preparation area. Our Group's renovation cost for our existing aesthetic medical clinics ranges from RM150,000 to RM700,000 per clinic. The higher renovation cost allocated for our new aesthetic medical clinics at RM1.00 million per clinic is to enrich customers experience by providing a more comfortable environment to our customers.
- (2) We intend to allocate RM1.44 million to fund the rental cost for the 8 new aesthetic medical clinics for a period of 12 months upon signing of tenancy agreement. The amount allocated for the rental of each clinic is RM15,000 per month which is estimated based on the tenancy agreement of our existing clinics. The exact rental costs to be incurred will depend on the location and size of the new aesthetic medical clinics. As at the LPD, we have identified the location for 1 of the 8 new aesthetic medical clinic located in Taman Molek, Johor.

Save for the above, we have not identified any premises to be rented.

The expected timeline for the completion of renovation, approval of relevant licences, and to operationalise each new clinic is up to 9 months from the date of notification to MOH for opening of new clinics.

The average timeframe for the establishment of our aesthetic medical clinics ranges from 6 to 9 months from the date of notification to MOH. The estimated minimum and maximum timeframe of 6 to 9 months for the opening of a new aesthetic medical clinic are set out as follows:

Timeframe		Description
Minimum	Maximum	
T	T	<ul style="list-style-type: none"> • Identification of locations • Notification to MOH for opening of new clinics
T + 1 month	T + 1 month	<ul style="list-style-type: none"> • First approval from MOH • Commencement of renovation
T + 2 months	T + 4 months	<ul style="list-style-type: none"> • Completion of renovation
T + 3 months	T + 5 months	<ul style="list-style-type: none"> • Inspection by MOH
T + 4 months	T + 7 months	<ul style="list-style-type: none"> • Second approval from MOH
T + 5 months	T + 8 months	<ul style="list-style-type: none"> • Issuance of certificate of registration to establish, maintain, operate or provide a private medical clinic from MOH

4. DETAILS OF OUR IPO (Cont'd)

Timeframe		Description
Minimum	Maximum	
T + 6 months	T + 9 months	<ul style="list-style-type: none"> Approval from the local council for business and/or signboard license Commencement of operations

The targeted locations and expected timeframe to operationalise the 8 new aesthetic medical clinics, subject to the receipt of proceeds raised from our Public Issue to fund the set-up cost, are as follows:

No.	Town/State	Expected date to commence operation
1.	Taman Molek, Johor ⁽¹⁾	September 2023
2.	Pelangi, Johor	November 2023
3.	Taman Melaka Raya, Melaka	December 2023
4.	Nilai, Negeri Sembilan	December 2023
5.	Bukit Mertajam, Pulau Pinang	April 2024
6.	Bayan Lepas, Pulau Pinang	May 2024
7.	Ipoh, Perak	August 2024
8.	Sungai Petani, Kedah	October 2024

Note:

- (1) Our Group has identified the location for our new aesthetic medical clinic in Taman Molek, Johor and has executed the tenancy agreement on 1 March 2023. As at the LPD, we have notified MOH for the opening of new aesthetic medical clinic.

Save for the above, our Group has not notified MOH in respect of the opening of other new aesthetic medical clinics as we are in the midst of identifying the suitable locations for the proposed new clinics.

(ii) Purchase of new medical machines and equipment

We intend to allocate RM13.12 million or 26.35% of the total proceeds from our Public Issue to purchase new medical machines and equipment to be installed in our existing and 8 new aesthetic medical clinics.

The medical machines and equipment that we intend to purchase include:

Medical machines and equipment	Usage	No. of units	Total estimated cost RM'000
<u>New aesthetic medical clinics</u>			
Pico laser machine	Pico laser treatment	8	2,800
Q-switched Nd:YAG laser machine	Q-Switched Nd:YAG laser treatment	8	1,520
Yellow laser machine	Yellow laser treatment	8	1,680

4. DETAILS OF OUR IPO (Cont'd)

Medical machines and equipment	Usage	No. of units	Total estimated cost RM'000
Fractional CO2 laser machine	Fractional CO2 laser treatment	8	1,120
Cryolipolysis machine	Cryolipolysis treatment	8	1,120
EM stimulation machine	EM Muscle treatment and EM Pelvis treatment	8	1,440
Radio frequency machine	For skin lifting and firming	8	1,480
Profacial machine	Baby facial treatment	8	184
<u>Existing aesthetic medical clinics</u>			
Cryolipolysis machine	Cryolipolysis treatment	5	700
EM stimulation machine	EM Muscle treatment and EM Pelvis treatment	6	1,080
Total			13,124

The purchase of the above new medical machines and equipment is sufficient to operationalise the new aesthetic medical clinics.

As our Group does not currently provide Cryolipolysis treatment, EM Muscle treatment and EM Pelvis treatment at some of our existing aesthetic medical clinics, our Group intends to purchase the Cryolipolysis machines and EM stimulation machines to be installed in some of our existing aesthetic medical clinics to expand our service offerings. Kindly refer to Section 6.7 of this Prospectus for further details of the purchase of new medical machines and equipment.

The estimated cost for the purchase of medical machines and equipment was derived based on suppliers' quotations.

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4. DETAILS OF OUR IPO (Cont'd)**(iii) Repayment of borrowings**

We intend to utilise RM6.24 million or 12.52% of the total proceeds from our Public Issue to repay our borrowings as follows:

Type of banking facilities	Purpose	Interest rate	Maturity date	Principal amount RM'000	⁽³⁾Balance as at the LPD RM'000	Amount to be repaid from IPO proceeds RM'000
Public Bank Berhad - Hire purchase	Purchase of motor vehicle	⁽¹⁾ 2.24% to 2.87%	2026 to 2029	548	322	322
PAC Lease Berhad - Hire purchase	Purchase of machineries and equipment	⁽¹⁾ 3.22% to 3.80%	2023 to 2027	6,133	3,747	3,747
Malayan Banking Berhad - Term loan	Working capital	⁽²⁾ BLR + 3.50%	2027	1,300	825	825
AmBank Berhad - Term loan	Working capital	⁽¹⁾ 5.00%	2026	1,800	1,344	1,344
Total				10,336	6,238	6,238

Notes:

- (1) Based on fixed interest rate.
- (2) Based on floating interest rate. The BLR is 6.65% effective from May 2023 published in the Maybank's website.
- (3) Representing principal outstanding sums and includes the applicable interest sums payable.

It is our intention to fully repay the outstanding borrowings above. Any shortfall will be funded out of the portion allocated for the general working capital requirements. The proposed repayment of bank borrowings above will reduce our overall gearing levels from 1.60 times (after Pre-IPO Restructuring but before our IPO) to 0.29 times (after our IPO and utilisation of proceeds) based on the pro forma combined statements of financial position as at 31 December 2022 and result in an expected total interest savings of approximately RM0.30 million per annum, based on existing prevailing interest rates ranging from 2.24% to 3.80% for hire purchases and 5.00% to 10.15% for term loans. However, the actual interest savings may vary depending on the then applicable interest rate. Further, our Group may be subject to an early

4. DETAILS OF OUR IPO (Cont'd)

settlement fee from the repayment of the borrowings above of approximately RM0.12 million, which will be paid via internally generated funds.

(iv) Working Capital

We intend to allocate RM17.01 million or 34.15% of the total proceeds from our Public Issue to fund our working capital requirements over 36 months from our Listing. Our working capital requirements are expected to increase in tandem with the expected growth in our business. The following is the breakdown of the expected utilisation for our working capital:

Details	RM'000
Staff salaries ⁽¹⁾	13,896
Purchase of medical supplies and consumables ⁽²⁾	3,117
Total	17,013

Notes:

(1) Comprises of basic salaries for all additional staffs to be employed. We have also recruited Dr. Michelle Ko Mee Chie (who joined our Group on 3 January 2023 and subsequently converted to LCP Certified Aesthetic Physician in March 2023) as the Responsible Person for our new aesthetic medical clinic to be opened in Taman Molek, Johor. We intend to recruit additional 5 LCP Certified Aesthetic Physicians, 16 resident medical doctors, 56 clinic consultants and 16 management/administrative staffs to support the establishment of 8 new aesthetic medical clinics. The details are as follow:

Details	Pax	RM'000	Estimated timeframe for utilisation
LCP Certified Aesthetic Physicians*	6	3,240	Within 18 months from joined date
Resident medical doctors	16	3,456	
Clinic consultants	56	6,048	
Management/administrative staffs			
- Finance, human resources and administration	4	28	
- Sales operations, marketing and customer service	8	576	
- Business development and procurement	4	288	
Total	94	13,896	

* Inclusive of the salary of Dr. Michelle Ko Mee Chie which will be paid first from our internally generated funds and replenish with the proceeds to be received from our Public Issue.

4. DETAILS OF OUR IPO (Cont'd)

Please refer to Section 6.5.2 for further details of the roles and responsibilities of LCP Certified Aesthetic Physicians, resident medical doctors and clinic consultants. The utilisation of proceeds for the staff salaries is for a period of up to 18 months upon the setup of the new aesthetic medical clinics.

- (2) Purchase of medical supplies and consumables required for the provision of Aesthetic Services and General Medical Services include syringe, disposable gloves, ultrasound gel, disposable needle, ethyl chloride spray, disposable apron and bedsheet.

(v) Estimated listing expenses

An amount of RM4.00 million or 8.03% of the total proceeds from our Public Issue is allocated to meet the estimated cost of our Listing. The following summarises the estimated expenses incidental to our Listing to be borne by us:

Estimated listing expenses	RM'000
Professional fees ⁽¹⁾	2,000
Underwriting, placement and brokerage fees	1,500
Fees to authorities	100
Printing, advertising fees and contingencies ⁽²⁾	400
Total	4,000

Notes:

- (1) Includes advisory fees for, amongst others, our Principal Adviser, solicitors, reporting accountants, IMR and Issuing House.
- (2) Other incidental or related expenses in connection with our IPO.

Any variations from the amounts budgeted for (i), (ii), (iii) and (v) above, shall be adjusted towards or against, as the case may be, the proceeds allocated for working capital requirements. Pending the receipt of proceeds from our Public Issue, we may proceed with our plans as set out in (i), (ii), (iii), (iv) and (v) above by utilising our internally generated funds. Therefore, when the proceeds from our Public Issue are received, we will use the proceeds allocated to replenish our internally generated funds.

Where applicable and required under Rule 8.24 of the Listing Requirement, our Group will seek the shareholders' approval for any material variation to the utilisation of proceeds raised from our Listing.

4.9.2 Offer for Sale

The Offer for Sale is expected to raise gross proceeds of approximately RM24.91 million which will accrue entirely to our Selling Shareholders and we will not receive any of the proceeds.

The Selling Shareholders shall bear all of the expenses relating to the Offer Shares, the aggregate of which is estimated to be approximately RM0.6 million.

4. DETAILS OF OUR IPO (*Cont'd*)

4.10 UNDERWRITING, PLACEMENT AND BROKERAGE

4.10.1 Underwriting arrangement and commission

Our Underwriter has agreed to underwrite 79,704,000 Issue Shares made available for application by the Malaysian Public and Pink Form Allocations. The balance 119,556,000 Issue Shares and 99,630,000 Offer Shares reserved for private placement to selected investors shall be placed out by our Placement Agent and will not be underwritten.

We will pay our Underwriter an underwriting commission of 2.50% of our IPO Price multiplied by the number of Shares underwritten.

4.10.2 Placement arrangement and fees

Our Placement Agent will place out a total of 119,556,000 Issue Shares and 99,630,000 Offer Shares to the selected investors.

We will pay our Placement Agent a placement fee of 2.50% of our IPO Price multiplied by the number of Issue Shares placed out by our Placement Agent.

The Selling Shareholders will pay the placement fee of 2.50% of the value of those Offer Shares placed out to the selected investors by our Placement Agent.

4.10.3 Brokerage fees

Brokerage is payable in respect of the Issue Shares at the rate of 1.00% of our IPO Price in respect of successful applicants which bear the stamp of member companies of Bursa Securities, member of the Association of Banks in Malaysia, members of the Malaysia Investment Banking Association in Malaysia or Issuing House.

4.11 SALIENT TERMS OF THE UNDERWRITING AGREEMENT

We have entered into the Underwriting Agreement with M&A Securities, to underwrite 79,704,000 Issue Shares ("**Underwritten Shares**") as set out in Section 4.10.1 above.

The salient terms in the Underwriting Agreement are as follows:

Conditions precedent

4.11.1 The several obligations of our Underwriter under the Underwriting Agreement shall further be conditional upon:

- (a) The acceptance of the Listing, the clearance of registrable Prospectus from Bursa Securities and the lodgment of registrable Prospectus with the ROC, respectively together with copies of all documents required under Section 154 of the Act prior to the issuance of the Prospectus to the public;
- (b) The issuance of the Prospectus (including all procedures, requirements, letters and documents) required under Section 154 of the Act to the public within 3 months from the date thereof or such extension as consented by our Underwriter;
- (c) There having been, as at any time thereafter up to and including the Closing Date, no material adverse change, or any development involving a prospective material adverse change, in the condition, financial or otherwise of our Group (which in the reasonable opinion of our Underwriter is or will be

4. DETAILS OF OUR IPO (*Cont'd*)

material in the context of the issue of the Issue Shares) from that set forth in the Prospectus, nor the occurrence of any event nor the discovery of any fact rendering inaccurate, untrue or incorrect to an extent which is or will be material in any of the representations, warranties and undertakings contained in the Underwriting Agreement, if they are repeated on and as of the Closing Date;

- (d) The issue, offer and subscription of the Issue Shares in accordance with the provisions thereof and the Prospectus not being prohibited by any statute, order, rule, regulation, directive or guideline (whether or not having the force of law) promulgated or issued by any legislative, executive or regulatory body or authority of Malaysia (including Bursa Securities);
- (e) All necessary approvals and consents required in relation to the Public Issue including but not limited to Governmental approvals having been obtained and are in full force and effect;
- (f) Our Underwriter having been satisfied that arrangements have been made by our Company to ensure payment of the expenses referred to in the Underwriting Agreement;
- (g) The delivery to our Underwriter prior to the date of registration of the Prospectus of (i) a copy certified as a true copy by an authorised officer of our Company of all the resolutions of our Directors and our shareholders in general meeting approving the Underwriting Agreement, the Prospectus, the Public Issue and authorising the execution of the Underwriting Agreement and the issuance of the Prospectus; (ii) a certificate dated the date of the Prospectus signed by duly authorised officers of our Company stating that, after having made all reasonable enquiries, there has been no such change, development or occurrence as referred to in Paragraph 1.1(c) above;
- (h) The delivery to our Underwriter on the Closing Date of Application of such reports and confirmations dated the Closing Date of Application from our Board as our Underwriter may reasonably require to ascertain that there is no material change subsequent to the date of the Underwriting Agreement that will adversely affect the performance or financial position of our Group nor the occurrence of any event rendering, untrue or incorrect, to a material extent any representations and/or warranties contained in the Underwriting Agreement as though they have been given and/or made on such date;
- (i) Our Underwriter being satisfied that our Company will, following completion of the Public Issue be admitted to the official list and its issued share capital listed and quoted on the ACE Market without undue delay; and
- (j) The Underwriting Agreement being duly stamped within the statutory timeframe.

(collectively, the "**Conditions Precedent**")

- 4.11.2 In the event any of the Conditions Precedent are not satisfied by the Closing Date, our Underwriter shall thereupon be entitled but not bound to terminate the Underwriting Agreement by notice given to our Company not later than 3 Market Days after the Closing Date and upon such termination our Company and our Underwriter shall be released and discharged from their obligations save for our Company's obligations pursuant to the Underwriting Agreement and none of the parties shall have a claim against the other save for antecedent breaches by our Company and claims arising therefrom. Each party shall in such event return any and all monies

4. DETAILS OF OUR IPO (*Cont'd*)

paid to the other under the Underwriting Agreement within 3 Market Days of the receipt of such notice (except for monies paid by our Company for the payment of the expenses as provided in the Underwriting Agreement). Our Underwriter reserves the right to waive or modify any of the conditions aforesaid and such waiver or modification shall not prejudice our Underwriter's rights under the Underwriting Agreement.

Termination

4.11.3 Notwithstanding anything herein contained, our Underwriter may by notice in writing to our Company given at any time on or before the allotment and issuance of the Issue Shares, terminate and cancel and withdraw its commitment to underwrite the Underwritten Shares if:

- (a) There is any breach by our Company of any of the representations, warranties or undertakings, which is not capable of remedy or, if capable of remedy, is not remedied within such number of days as stipulated within the notice after notice of such breach shall be given to our Company, or by the Closing Date, whichever is earlier, or withholding of information of a material nature from our Underwriter, which is required to be disclosed pursuant to the Underwriting Agreement which, in the opinion of our Underwriter, would have or can reasonably be expected to have, a material adverse effect on the business or operations of our Group, the success of the Public Issue, or the distribution of the Issue Shares; or
- (b) There is withholding of information of a material nature from our Underwriter, which, if capable of remedy, is not remedied within such number of days as stipulated within the notice after notice of such breach shall be given to our Company, which, in the opinion of our Underwriter, would have or can reasonably be expected to have, a material adverse effect on the business or operations of our Group and the success of the Public Issue, or the distribution of the Issue Shares; or
- (c) There shall have occurred, happened or come into effect in the opinion of our Underwriter any material and/or adverse change to the business or financial condition of our Group; or
- (d) There shall have occurred, happened or come into effect any of the following circumstances:
 - (i) any material change, or any development involving a prospective change, in national or international monetary, financial, economic or political conditions (including but not limited to conditions on the stock market, in Malaysia or overseas, foreign exchange market or money market or with regard to inter-bank offer or interest rates both in Malaysia and overseas) or foreign exchange controls or the occurrence of any combination of any of the foregoing; or
 - (ii) any change in law, regulation, directive, policy or ruling in any jurisdiction or any event or series of events beyond the reasonable control of our Company and/or our Underwriter (including without limitation, acts of God, any natural catastrophe including but not limited to pandemics, epidemics, acts of terrorism or any military invasion (whether declared in relation to the country or otherwise), strikes, lock-outs, fire, explosion, flooding, civil commotion, violent demonstrations, sabotage, acts of war or accidents or any geographical conflicts, occurring regionally or elsewhere); which, (in

4. DETAILS OF OUR IPO (*Cont'd*)

the reasonable opinion of our Underwriter), would have or can reasonably be expected to have, a material adverse effect on and/or materially prejudice the business or the operations of our Group and the success of the Public Issue, or the distribution of our Issue Shares, or which has or is likely to have the effect of making any material part of the Underwriting Agreement incapable of performance in accordance with its terms; or

(iii) the FTSE Bursa Malaysia KLCI Index ("**Index**") is, at the close of normal trading on Bursa Securities, on any Market Day:

(aa) on or after the date of the Underwriting Agreement; and

(bb) prior to the allotment of the Issue Shares,

lower than 90.00% of the level of the Index at the last close of normal trading on the relevant exchange on the Market Day immediately prior to such date and remains at or below that level for at least 3 market days; or

(iv) in the event of national disorder, outbreak of war, rebellion, organised armed resistance to the government, insurrection, revolt, military or usurped power, sanctions, blockades, nuclear or chemical contamination, embargo or the declaration of a state of national emergency; or

(e) There is failure on the part of our Company to perform any of their respective obligations herein contained; or

(f) Any matter which arose immediately before the date of the Prospectus would have constituted a material and adverse omission in the context of the Public Issue; or

(g) Any event, act or omission which gives or is likely to give rise to any liability which will have a material and adverse effect on our Company pursuant to the indemnities contained under the Underwriting Agreement.

4.11.4 Upon such notice(s) being given, our Underwriter shall be released and discharged of its obligations without prejudice to its rights whereby the Underwriting Agreement shall be of no further force or effect and no Party shall be under any liability to any other in respect of the Underwriting Agreement, except that our Company shall remain liable in respect of our obligations and liabilities for the payment of the costs and expenses already incurred prior to or in connection with such termination, for the payment of any taxes, duties or levies or such outstanding fees, and for any antecedent breach, and our undertaking to indemnify our Underwriter.

4.12 TRADING AND SETTLEMENT IN SECONDARY MARKET

Our Shares will be admitted to the Official List of the ACE Market and an official quotation will commence after, among others, the receipt of confirmation from Bursa Depository that all of our IPO Shares have been duly credited into the respective CDS Accounts of the successful applicants and the notices of allotment have been issued and despatched to all the successful applicants.

4. DETAILS OF OUR IPO (Cont'd)

Pursuant to Section 14(1) of the SICDA, Bursa Securities has prescribed our Shares as securities to be deposited into the CDS. Following this, we will deposit our Shares directly with Bursa Depository and any dealings in our Shares will be carried out in accordance with the SICDA and Depository Rules. We will not issue any share certificates to successful applicants.

Upon our Listing, transactions in our Shares under the book-entry settlement system will be reflected by the seller's CDS Account being debited with the number of Shares sold and the buyer's CDS Account being credited with the number of Shares acquired.

Trading of shares of companies listed on Bursa Securities is normally done in "board lots" of 100 shares. Investors who desire to trade less than 100 shares will trade under the odd lot board. Settlement of trades done on a "ready" basis on Bursa Securities generally takes place on the second Market Day following the transaction date, and payment for the securities is generally settled on the second Market Day following the transaction date.

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5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT

5.1 PROMOTERS AND SUBSTANTIAL SHAREHOLDERS

5.1.1 Promoters' and substantial shareholders' shareholdings

The shareholdings of our Promoters and substantial shareholders in our Company before and after our IPO are set out below:

Name	Nationality / Country of incorporation	⁽¹⁾ After Pre-IPO Restructuring but before our IPO				⁽²⁾ After our IPO			
		Direct		Indirect		Direct		Indirect	
		No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
DCHG	Malaysia	621,537,300	77.98	-	-	621,537,300	62.38	-	-
Dr. Chong Tze Sheng	Malaysian	106,255,900	13.33	⁽³⁾⁽⁴⁾ 690,784,100	86.67	46,477,900	4.67	⁽³⁾⁽⁴⁾ 650,932,100	65.33
Dr. Lai Ngan Chee	Malaysian	69,246,800	8.69	⁽³⁾⁽⁴⁾ 727,793,200	91.31	29,394,800	2.95	⁽³⁾⁽⁴⁾ 668,015,200	67.05

Notes:

- (1) Based on the share capital of 797,040,000 Shares after Pre-IPO Restructuring but before our IPO.
- (2) Based on the enlarged share capital of 996,300,000 Shares after our IPO.
- (3) Deemed interest by virtue of his/her spouse's interest pursuant to Section 8 of the Act.
- (4) Deemed interest by virtue of his/her interest held in DCHG pursuant to Section 8 of the Act.

Our Promoters and substantial shareholders do not have different voting rights from other shareholders of our Group.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

5.1.2 Profiles of Promoters and/or substantial shareholders

The profile of our Promoters and substantial shareholders are as follows:

(a) DCHG

DCHG is our Promoter and substantial shareholder.

DCHG was incorporated in Malaysia on 17 May 2017 under the Act as a private limited company with the name of DC Healthcare Group Sdn Bhd and was converted to a public limited company on 28 October 2020 with the name of DC Healthcare Group Berhad. On 22 April 2022, DCHG was converted to a private limited company with the name of DC Healthcare Group Sdn Berhad. The principal activity of DCHG is investment holding. As at the LPD, the issued capital of DCHG is RM10 comprising 10 ordinary shares.

As at the LPD, the directors and shareholders and their respective shareholdings in DCHG are as follows:

Directors and shareholders	Nationality	Direct		Indirect	
		No. of ordinary shares	%	No. of ordinary shares	%
Dr. Chong Tze Sheng	Malaysian	6	60.00	⁽¹⁾ 4	40.00
Dr. Lai Ngan Chee	Malaysian	4	40.00	⁽¹⁾ 6	60.00
Total		10	100.00	10	100.00

Note:

⁽¹⁾ Deemed interest by virtue of his/her spouse's interest pursuant to Section 8 of the Act.

(b) Dr. Chong Tze Sheng

Dr. Chong Tze Sheng, a Malaysian male, aged 39 is our Promoter, substantial shareholder and our Managing Director. He is responsible for developing the overall corporate strategies, charting our overall business direction, future growth and strategic planning initiatives.

He graduated from Universiti Sains Malaysia in August 2009 with a Degree of Doctor of Medicine (MD). He obtained his Diploma in Aesthetic Medicine by the American Academy of Aesthetic Medicine in November 2012. In July 2014, he was awarded his Postgraduate Diploma in Practical Dermatology (with Distinction) from Cardiff University, Wales. He subsequently received his Master of Science in Practical Dermatology in February 2017 from Cardiff University, Wales. In June 2017, he received his LCP for Aesthetic Medical Practice from MOH.

In June 2009, he began his housemanship at Sungai Buloh Hospital where he was exposed to various medical specialties during his rotation including orthopaedics, obstetrics and gynaecology, surgery, internal medicine, accident and emergency as well as paediatrics. During his rotation, he was involved in patient management for in-ward patients as well as out-patient clinics. He completed his housemanship in June 2011.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

In July 2011, he assumed a position as a Medical Officer in the Surgical Department at Hospital Teluk Intan, Perak where he was involved in performing and assisting surgeries, patient management in surgical wards, day care surgical unit and surgical out-patient clinic. He left the position in June 2012.

In June 2012, he assumed a position as a Medical Officer at Klinik Kesihatan Bukit Kuda where he worked in out-patient clinics providing out-patient general medical services.

In March 2013, he left to join Klinik Pakar Kulit Ko Sdn Bhd as an Aesthetic Physician where he provides general medical service consultations and aesthetic consultations as well as procedures under the supervision of LCP Certified Aesthetic Physician. He left the company in March 2016.

In March 2016, he founded Klinik Dr Chong and continues to spearhead our Group's business. He was appointed to our Board on 6 October 2022 and subsequently re-designated as our Managing Director on 19 April 2023.

(c) Dr. Lai Ngan Chee

Dr. Lai Ngan Chee, a Malaysian female, aged 39 is our Promoter, substantial shareholder and our Executive Director. She is responsible for managing and implementing our Group's strategies into our daily business operations as well as overseeing the business development and marketing functions of our Group.

In August 2009, she received her Degree of Doctor of Medicine from Universiti Sains Malaysia.

She began her housemanship at Sungai Buloh Hospital in June 2009, where she rotated through various departments such as orthopaedics, obstetrics and gynaecology, surgery, internal medicine, anaesthesiology as well as paediatric department. She completed her housemanship training in June 2011.

In July 2011, she served as a Medical Officer for Hospital Teluk Intan, Perak in the Anaesthesiology Department. In this role she carried out duties such as patient management in intensive care unit and operation theatre. She left this position in June 2012.

In June 2012, she assumed a position at Klinik Kesihatan Bukit Kuda as a Medical Officer. In this position, she was responsible for out-patient clinics providing out-patient general medical services.

She left Klinik Kesihatan Bukit Muda in April 2017 and subsequently in the same month joined our Group where she assumed her current position.

She was appointed to our Board on 6 October 2022 as Managing Director and subsequently re-designated to Executive Director on 19 April 2023.

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5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

5.1.3 Changes in Promoters' and substantial shareholders' shareholdings

The changes in our Promoters and substantial shareholders' respective shareholdings in our Company since our incorporation and up to completion of the IPO are as follows:

Name	As at incorporation				⁽¹⁾ After Pre-IPO Restructuring				After our IPO ⁽²⁾			
	Direct		Indirect		Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
DCHG	-	-	-	-	621,537,300	77.98	-	-	621,537,300	62.38	-	-
Dr. Chong Tze Sheng	600	60.00	⁽³⁾ 400	40.00	106,255,900	13.33	⁽³⁾⁽⁴⁾ 690,784,100	86.67	46,477,900	4.67	⁽³⁾⁽⁴⁾ 650,932,100	65.33
Dr. Lai Ngan Chee	400	40.00	⁽³⁾ 600	60.00	69,246,800	8.69	⁽³⁾⁽⁴⁾ 727,793,200	91.31	29,394,800	2.95	⁽³⁾⁽⁴⁾ 668,015,200	67.05

Notes:

- (1) Based on our issued share capital of 797,040,000 after completion of the Pre-IPO Restructuring, but before our IPO.
- (2) Based on our enlarged share capital of 996,300,000 Shares after our IPO.
- (3) Deemed interest by virtue of his/her spouse's interest pursuant to Section 8 of the Act.
- (4) Deemed interest by virtue of his/her interest held in DCHG pursuant to Section 8 of the Act.

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5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

5.1.4 Persons exercising control over the corporation

Save for our Promoters as set out in Section 5.1.1 of this Prospectus, there is no other person who is able to, directly or indirectly, jointly or severally, exercise control over our Company. There is no arrangement of which may, at a subsequent date, result in a change in control of our Company.

5.1.5 Benefits paid or intended to be paid

Save as disclosed below, there is no amount and benefit that has been or is intended to be paid or given to our Promoters and/or substantial shareholders within the 2 years preceding the date of this Prospectus.

Promoters and substantial shareholders	Directors' fees	Salaries	Bonuses	Other emolument	Benefits-in-kind	Dividend	Total
FYE 2020							
Dr. Chong Tze Sheng	-	437	50	200	-	150	837
Dr. Lai Ngan Chee	-	359	40	179	-	100	678
DCHG	-	-	-	-	-	750	750
FYE 2021							
Dr. Chong Tze Sheng	-	630	10	350	-	375	1,365
Dr. Lai Ngan Chee	-	510	10	207	-	250	977
DCHG	-	-	-	-	-	1,875	1,875
FYE 2022							
Dr. Chong Tze Sheng	(1)14	720	-	539	-	(3)450	1,723
Dr. Lai Ngan Chee	(1)14	600	-	365	-	(3)300	1,279
DCHG	-	-	-	-	-	(3)2,250	2,250
FYE 2023 (Proposed)							
Dr. Chong Tze Sheng	60	960	(2)-	420	-	-	1,440
Dr. Lai Ngan Chee	60	900	(2)-	300	-	-	1,260
DCHG	-	-	-	-	-	-	-

Notes:

- (1) Pro-rated based on their respective appointment dates.
- (2) The bonuses for FYE 2023 are not included. Such bonuses, if any, will be determined at a later date based on our Group's performance, and will be subject to recommendation of our Remuneration Committee and approval by our Board.
- (3) Dividend was paid to promoters and substantial shareholders during FYE 2022.

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5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

5.2 DIRECTORS

5.2.1 Profiles of Directors

The profiles of our Directors, Dr. Chong Tze Sheng and Dr. Lai Ngan Chee who are also our Promoters and substantial shareholders are disclosed in Section 5.1.2 of this Prospectus.

The profiles of our other Directors are as follows:

(a) Datuk Dr. Mohd Noor Bin Awang

Datuk Dr. Mohd Noor Bin Awang, a Malaysian male, aged 69, is our Independent Non-Executive Chairman. He was appointed to our Board on 6 October 2022 as Independent Non-Executive Director and subsequently re-designated to Independent Non-Executive Chairman on 19 April 2023.

He graduated from University of Malaya Dental School with a Bachelor of Dental Surgery (BDS) in June 1979. He subsequently obtained his Master of Science in Oral Surgery from University of London, United Kingdom in October 1983.

He first began his career as an academician in the field of Oral & Maxillofacial Surgery at University of Malaya Dental School in April 1981 until September 1981. He subsequently became a Lecturer in the same field in 1983. He was appointed as an Associate Professor in Oral & Maxillofacial Surgery and the Deputy Dean of University of Malaya Dental School in 1990, a position that he held until 1992. From 1992 to 1994, he participated in politics with the United Malays National Organisation (UMNO) as an ordinary member of the UMNO Lembah Pantai, Kuala Lumpur Division where he was involved in community outreach work.

In 1995, he ventured into the private healthcare sector where he joined Subang Jaya Medical Centre (presently part of the Ramsay Sime Darby Care group of hospitals) as a Consultant in Oral & Maxillofacial Surgery department. As a consultant, he provided assistance and expertise in the field Oral & Maxillofacial. He is primarily responsible for diagnosis and treatment of Oral & Maxillofacial related conditions as well as performing Oral & Maxillofacial related surgery. He also serves as a consultant in Oral & Maxillofacial Surgery at various hospitals such as Pantai Hospital Kuala Lumpur since 1998, Sunway Medical Centre and Sri Kota Specialist Medical Centre since 1999. He continues to offer his services at Subang Jaya Medical Centre, Pantai Hospital Kuala Lumpur and Sunway Medical Centre presently. In September 2022, he has resigned from Sri Kota Specialist Medical Centre.

As at the LPD, Datuk Dr. Mohd Noor Bin Awang also sits on the board of other private limited companies. Please refer to Section 5.2.2 (c) of this Prospectus for further details.

(b) Rekha A/P Palanysamy

Rekha A/P Palanysamy, a Malaysian female, aged 40, is our Independent Non-Executive Director. She was appointed to our Board on 6 October 2022.

She received her Bachelor of Accounting from Multimedia University Malaysia in July 2006. She was admitted as a Chartered Accountant to the Malaysian Institute of Accountants in August 2018.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

She began her career in November 2006 with Iswara & Company, a firm providing audit and tax advisory as well as corporate secretarial services, as an Audit Assistant, where she prepared audit working papers, and management reports and analytical review and notes for accounts. She left the company in November 2007.

In December 2007, she joined Deloitte Kassim Chan, a member of Deloitte Touche Tohmatsu Limited, Malaysia, a firm involved in providing audit and tax advisory services, as a Senior Auditor where she was involved in auditing and finalising financial statements of private limited and public listed companies across a range of industries, planned and managed audit procedures, and examined clients' statutory records to ensure compliance with the relevant statutory requirements. She was promoted to Audit Senior II in July 2010 before leaving the company in September 2010.

In September 2010, she joined Sylvester Anthony & Co, a firm involved in providing audit and tax advisory services, as a Manager, where she was responsible for organising and managing internal audits according to the outlined audit plans, overseeing the audit process in its entirety, offering recommendations on policies, and ensuring that the company is compliant with international and governmental obligations. She left the company in January 2013.

In February 2013, she joined Hewlett-Packard Multimedia Sdn Bhd, an information technology company involved in the provision of information technology related hardware, software, solutions and services, as a Financial Analyst. She was tasked with performing financial analysis and reviewing balance sheet for clients in Australia, New Zealand and Vietnam. She left the company in June 2015.

In July 2015, she joined VR Advisory, a non-audit firm offering accounting, consulting and secretary services, as a Manager and subsequently in 2019, she became a partner at VR Advisory. As at the LPD, she is the sole partner of VR Advisory. In this role, she manages a range of clients where she plans and develops schedule for clients to ensure that the clients have all the necessary information required by the auditors to facilitate the auditors' work, which ensures that the clients are in compliance with guidelines, and facilitate timely submission of the client's audit.

As at the LPD, Rekha A/P Palanysamy also sits on the board of various other private limited companies. Please refer to Section 5.2.2 (d) of this Prospectus for further details.

(c) Sim Lee San

Sim Lee San, a Malaysian female, aged 46, is our Independent Non-Executive Director. She was appointed to our Board on 6 October 2022.

She completed her Diploma in AAT (Association of Accounting Technician) at Systematic Business Training School in February 1998. She is a member of Association of Chartered Certified Accountants ("ACCA") since August 2004 and fellow member of ACCA since August 2009, and a member of the Malaysian Institute of Accountants since July 2005.

In June 2002, she began her career as a Tax Assistant at Tan Cheng Hooi & Co, a firm providing audit advisory and consultancy services, where she was involved in managing clients' tax requirements as well as supporting the activities of auditors and inland revenue officers. She left the company in December 2002.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (*Cont'd*)

In March 2003, she joined YK Tan & Co, a firm providing audit advisory and consultancy services, as an Audit Junior. In this role, she was involved in completing field audits and reviewing audit reports for clients.

In July 2004, she left YK Tan & Co and joined GHL Transact Sdn Bhd (a wholly-owned subsidiary of GHL Systems Berhad), a company involved in the sales and rental of electronic data capture equipment and related software and services, as an Assistant Accountant. Her key responsibilities in the company included assisting in preparing announcements and quarterly reports for Bursa Securities and Bank Negara Malaysia as well as managing corporate exercises. She was promoted in July 2005 to Assistant Manager where she was responsible for liaising with Bank Negara Malaysia on exchange control related matters as well as seeking their approval on foreign remittance and investment matters. She received her final promotion with the company in January 2007 to Finance Manager where she was involved in the company's overseas investment projects from business planning to, income statements forecast, and cash flow projections. She left the company in November 2007.

In December 2007, she joined Popular Books (Co) Sdn Bhd, a company managing a Malaysian retail bookstore chain, as a Financial Accountant where she was mainly responsible for preparing financial reports, annual budget for all outlets, monitoring and management of the company's assets. She left the company in July 2008.

In July 2008, she joined Symphony House Berhad, a company which was then providing contact management solutions, share issuance and registration solutions, human resource solutions, cheque processing solutions, financial solutions, wealth management solutions as well as corporate secretarial solutions, as an Accountant where she was responsible for preparing the group's monthly financial report and annual budgeting, alongside submitting quarterly reports to Bursa Securities. She left the company in November 2008.

In December 2008, she assumed the position of Accountant at 3D Networks Sdn Bhd, an information technology solutions and services provider, where she oversaw all financial and management reporting duties and supported the operations department in all relevant operational finance matters. She left the company in January 2011.

In February 2011, she joined QI Services (M) Sdn Bhd, a company providing services in areas such as entrepreneurship, technology, education, and travel, as a Group Accountant, where she oversaw all financial and management reporting for the company were in accordance with the company's standards and regulations. She was promoted to Assistant Finance Manager in April 2017 and was tasked with reviewing and revamping the SOP for the company, and overseeing the annual audit and tax submission for the company. She left the company in October 2017.

Following a career break, she then joined Tech Data Advanced Solutions (M) Sdn Bhd, a company involved in provision of information technology products and services, on a short-term contract basis as a Consultant in July 2018. She was tasked with reviewing and analysing accounting entry variances, obtain supporting documents to verify and validate account balances, and provide management with a summary of all corrective actions undertaken. Her 3-month contract ended in October 2018.

In October 2018, she joined CTOS Data Systems Sdn Bhd, a credit reporting agency, as a Project Manager where she applied improvements to further enhance existing policies, procedures and processes. Her role also includes ensuring regulatory compliance with the standards and regulations outlined by the MFRS. She left the company in November 2020.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

Following a brief career break, she joined Travelex Currency Exchange & Payments Sdn Bhd, a foreign exchange and money transfer service provider, in August 2021 as a Finance Manager. Her role involved coordinating month end reporting and initiating operation improvements in order to expedite regional and group reporting deadlines. She left the company upon the expiry of her contract in January 2022. As at the LPD, She is currently not employed with any company.

(d) Yap Ee Ling

Yap Ee Ling, a Malaysian female, aged 47, is our Independent Non-Executive Director. She was appointed to our Board on 6 October 2022.

She graduated from University of Glamorgan (now known as University of South Wales), the United Kingdom with a Bachelor of Laws in 1998. She was called to the Malaysian Bar and admitted as an Advocate and Solicitor of the High Court of Malaya in 2000.

She began her career with Lee Hishammuddin (now known as Lee Hishammuddin Allen & Gledhill) as Legal Assistant in 2001. During her tenure there, her main areas of practice included corporate, conveyancing and banking. In 2004, she left Lee Hishammuddin and joined Mazlan & Associates as Legal Assistant, and subsequently in 2009, was made a Partner. During this time, her main areas of practice consisted of corporate and commercial laws including restructuring, initial public offerings, mergers and acquisitions, joint ventures, carrying out due diligence audits and drafting commercial contracts. In 2014, she left Mazlan & Associates and co-founded Ilham Lee in 2015, a law firm, where she remains as a Partner to date.

As at the LPD, Yap Ee Ling also sits on the board of public limited companies. Please refer to Section 5.2.2 (e) of this Prospectus for further details.

All of our directors have enrolled or attended the Mandatory Accreditation Programme (MAP) by the Institute of Corporate Directors Malaysia as at the LPD.

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5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

5.2.2 Principal business performed outside our Group

Save as disclosed below, none of our Directors has any other principal directorship and/or principal business activities performed outside our Group in the past 5 years up to LPD:

(a) Dr. Chong Tze Sheng

<u>Company</u>	<u>Principal activities</u>	<u>Position held</u>	<u>Date of appointment</u>	<u>Date of resignation</u>	<u>% of shareholdings held</u>	
					<u>Direct</u>	<u>Indirect</u>
<u>Past involvement</u>						
BTL Beauty Sdn Bhd	Sales of skincare products, consumables and medical supplies ⁽¹⁾	Director	24 November 2016	31 May 2022	(2)-	-
Chong Skin & Laser	Beauty centre, skincare products and laser machine trading (Business expired on 23 February 2019)	Sole proprietor	-	-	-	-

Notes:

(1) Ceased operations in 2020.

(2) Disposed his 20.00% equity interest to third party on 28 April 2022.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

(b) Dr. Lai Ngan Chee

Company	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholdings held	
					Direct	Indirect
<u>Past involvement</u>						
BTL Beauty Sdn Bhd	Sales of skincare products, consumables and medical supplies ⁽¹⁾	Director	24 November 2016	31 May 2022	(2)-	-

Notes:

(1) Ceased operations in 2020.

(2) Disposed her 10.00% equity interest to third party on 28 April 2022.

(c) Datuk Dr. Mohd Noor Bin Awang

Company	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholdings held	
					Direct	Indirect
<u>Present involvement</u>						
Athira Jitu (M) Sdn Bhd	⁽¹⁾	Director	19 July 1992	-	29.97	-
Abdary Resources Sdn Bhd	Event management and organiser	Director	12 January 2022	16 September 2022	35.00	-
Keldey Sdn Bhd	Real estate, construction and other management consultancy services	Director	25 February 2019	-	-	-

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

Company	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholdings held	
					Direct	Indirect
Best Assets Solution Sdn Bhd	Provision of management consultancy services and general trading	Director	3 December 2019	-	40.00	-
Beverly Wilshire Aesthetic Dental Centre Sdn Bhd	Provision of aesthetic dental care services	Director	14 January 2014	-	-	-
Abdary Marketing Sdn Bhd	Advertisement services	Director	1 March 2022	16 September 2022	50.00	-
Abdary Engineering Sdn Bhd	Construction activities	Director	1 March 2022	16 September 2022	50.00	-
Natasha Beverly Dental Sdn Bhd	Provision of aesthetic dental care	Director	11 March 2023	-	-	-
Beverly Dentistree Sdn Bhd	Provision of aesthetic dental care	Director	11 March 2023	-	-	-
<u>Past involvement</u>						
MYQR Technology Sdn Bhd	Computer consultancy, website designer, multimedia promoter and general trading	Director	21 December 2016	1 July 2020	-	-
Sina Surgical Industries Sdn Bhd	Dormant (Dissolved on 18 January 2019)	Director	2 March 2000	-	Negligible	(2)10.00

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

Company	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholdings held	
					Direct	Indirect
La Harta Sdn Bhd	Dormant (Dissolved on 13 November 2020)	Director	6 September 2001	-	51.00	-
Zuwealth Sdn Bhd	Wholesale of a variety of goods and provision of management consultancy services (Dissolved on 31 January 2022)	Director	12 April 2018	-	100.0	-
La Kasuma Urus	Supply of islamic cooked food and cleaning services (Dissolved on 5 June 2018)	Partner	-	-	-	-
Treasure Trading Industry	Retail and wholesale of agriculture goods (Dissolved on 4 January 2022)	Partner	-	-	-	-
Elmed Healthcare (M) Sdn Bhd	Supply of surgical and medical instruments (Wound up on 19 March 2014)	Director	16 October 2000	-	5.00	-

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

Company	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholdings held	
					Direct	Indirect
Imedline Resources Sdn Bhd	Manufacture of medical and dental instrument and supplies (Dissolved on 5 May 2023)	Director	26 June 2016	-	-	-

Notes:

- (1) The intended principal business for the company is trading activities. However, the company did not commence any business activity since incorporation.
- (2) Deemed interest by virtue of his interest in La Harta Sdn Bhd pursuant to Section 8 of the Act.

(d) Rekha A/P Palanysamy

Company	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholdings held	
					Direct	Indirect
<u>Present involvement</u>						
VR Advisory	Audit related advisory and consultation services	Partner	24 September 2019	-	100.00	-
VR Tax Ser Sdn Bhd	Provision of accounting and tax consultancy services	Director	19 May 2021	-	50.00	-
Vastramz Sdn Bhd	Supply and trading of apparels and cosmetics	Director	23 June 2020	-	50.00	-

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

Company	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholdings held	
					Direct	Indirect
<u>Past involvement</u>						
INA2ND Formation Sdn Bhd	Business management consultancy services	Director	5 July 2019	14 December 2020	-	-
VR Corporate Advisory Sdn Bhd	Provision of accounting and advisory services	Director	15 October 2019	6 May 2021	-	-
Asrhika Enterprise Sdn Bhd	Provision of cleaning and maintenance services (Dissolved on 26 November 2019)	Director	9 April 2013	-	-	-

(e) Yap Ee Ling

Company	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholdings held	
					Direct	Indirect
<u>Present involvement</u>						
Ilham Lee	Provision of legal services (law firm)	Partner	1 January 2015	-	30.00	-
Mobilia Holdings Berhad	Investment holding company. Its subsidiaries are involved in investment holding, design, manufacturing and sale of furniture and furniture parts	Independent Non-Executive Director	17 August 2022	-	-	-

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

Company	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholdings held	
					Direct	Indirect
Cloudpoint Berhad	Technology Investment holding company. Its subsidiaries are involved in the provision of information technology solutions comprising enterprise and data centre networking, cybersecurity solutions as well as professional information technology services	Independent Non-Executive Director and shareholder	30 May 2022	-	0.03	-
<u>Past involvement</u>						
Quantum Three Sdn Bhd	Trading of air disinfection and purification system and related activities	Director	15 June 2009	29 March 2022	⁽¹⁾ 30.00	-

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5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (*Cont'd*)

Note:

(1) Disposed her equity interest on 4 April 2022.

As at the LPD, the directorships of our Directors in other companies are in compliance with the Listing Requirements.

As at the LPD, our Executive Directors are not involved in other businesses. The involvement of our Independent Non-Executive Directors in those business activities outside our Group are not expected to affect their contribution to our Group as they are not involved in our Group's day-to-day operations and does not give rise to any conflict of interest situation with our business.

5.2.3 Board practice

(a) Board

Our Board has adopted the following duties and responsibilities for effective discharge of its functions:

- (i) to provide leadership and oversee the overall conduct of the Group's businesses to ensure that the businesses are being properly managed;
- (ii) to review and adopt strategic plans for the Group and to ensure that such strategic plans and the risk, performance and sustainability thereon are effectively integrated and appropriately balanced;
- (iii) to review and adopt corporate governance best practices in relation to risk management, legal and compliance management and internal control systems to safeguard the Group's reputation, and the employees and assets and to ensure compliance with applicable laws and regulations;
- (iv) to ensure that the Company has effective Board committees as required by the applicable laws, regulations, rules, directives and guidelines and as recommended by the Malaysian Code on Corporate Governance;
- (v) to review and approve the annual business plans, financial statements and annual reports;
- (vi) to monitor the relationship between the Group and the management, shareholders and stakeholders, and to develop and implement an investor relations programme or shareholders' communications policy for the Group; and
- (vii) to appoint the Board committees, to delegate powers to such committees, to review the composition, performance and effectiveness of such committees, and to review the reports prepared by the Board committees and deliberate on the recommendations thereon.

In accordance with our Constitution, at the first annual general meeting of the Company, all the Directors shall retire from the office and be eligible for re-election and an election of Directors shall take place each year at the annual general meeting of our Company, where one-third of our Directors for the time being, or, if their number is not 3 or a multiple of 3, then the number nearest to one-third shall retire from office. This is provided always that all Directors shall retire from office once at least in each 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.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

All our Directors were only appointed to our Board on 6 October 2022, and have served for less than one year as at LPD. All our Directors will retire and be eligible for re-election at our forthcoming first annual general meeting.

As at the LPD, our Group's practices are in line with the Malaysian Code on Corporate Governance ("MCCG") recommendations.

(b) Audit and Risk Management Committee

The main function of our Audit and Risk Management Committee is to assist our Board in fulfilling its fiduciary responsibilities relating to corporate accounting, financial reporting practices, system of risk management and internal control, the audit process and the process of monitoring compliance with laws and regulations. The Audit and Risk Management Committee's duties and responsibilities as stated in its terms of reference include, amongst others, the following:

- (i) to review and approve the quarterly and annual financial statements of the Group for recommendation to the Board, focusing particularly on:
 - (aa) any changes in or implementation of major accounting policies and practices;
 - (bb) significant matters highlighted including financial reporting issues, significant judgments made by management, significant and unusual events or transactions, and how these matters are addressed;
 - (cc) significant adjustments arising from the audit;
 - (dd) compliance with accounting standards and other legal requirements; and
 - (ee) going concern assumption;
- (ii) to review the engagement, compensation, performance, qualifications and independence of the external auditors, its conduct of the annual statutory audit of the financial statements, and the engagement of external auditors for all other services;
- (iii) to consider the effectiveness of the internal control system and risk management framework adopted within the Group and to be satisfied that the methodology employed allows identification, analysis, assessment, monitoring and communication of risks in a regular and timely manner that will allow the Group to mitigate losses and maximise opportunities;
- (iv) to recommend to the Board steps to improve the system of internal control derived from the findings of the internal and external auditors and from the consultations of the Audit and Risk Management Committee itself;
- (v) to review any related party transactions and conflict of interest situations that may arise within the Group including any transaction, procedure or course of conduct that raises questions of management integrity;
- (vi) to review the external auditors' findings arising from audits, particularly any comments and responses in audit recommendations as well as the assistance given by the employees of the Group in order to be satisfied that appropriate action is being taken; and
- (vi) to perform such other functions as may be requested by the Board.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (*Cont'd*)

The recommendations of our Audit Committee are subject to the approval of our Board.

Our Audit and Risk Management Committee was formed by our Board on 25 November 2022. The members of our Audit and Risk Management Committee as at the LPD are as follows:

Name	Designation	Directorship
Sim Lee San	Chairperson	Independent Non-Executive Director
Yap Ee Ling	Member	Independent Non-Executive Director
Rekha A/P Palanysamy	Member	Independent Non-Executive Director

Our Nominating and Remuneration Committee will review the composition, performance and effectiveness of our Audit Committee annually.

(c) Remuneration Committee

The duties and responsibilities as stated in the terms of reference of our Remuneration Committee include the following:

- (i) to recommend a remuneration framework for the Managing Director, Executive Directors, and key senior management for the Board's approval taking into consideration of the following;
 - (aa) to ensure a balance in determining the remuneration package, which should be sufficient to attract and retain Directors of caliber, and yet not excessive; and
 - (bb) the framework should cover all aspects of remuneration including Director's fee, salaries, allowance, bonuses, options and benefit-in-kind and take into account the complexity of the Company's business and the individual's responsibilities;
- (ii) to recommend specific remuneration packages for the Managing Director, Executive Directors and key senior management taking into consideration of the following:
 - (aa) the remuneration package should be structured such that it is competitive;
 - (bb) salary scales drawn up should be within the scope of the general business policy and not be dependent on short-term performance to avoid incentives for excessive risk-taking;
 - (cc) the remuneration should also be aligned with the business strategy and long-term objectives of the Company and take into consideration the Company's performance in managing material sustainability risks and opportunities; and
 - (dd) for Non-Executive Directors and Independent Directors, the level of remuneration should be linked to their level of responsibilities undertaken and contribution to the effective functioning of the Board;
- (iii) to ensure the establishment of a formal and transparent procedure for developing policies, strategies and framework for the remuneration of the Managing Director, Executive Directors and key senior management.

The recommendations of our Remuneration Committee are subject to the approval of our Board.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (*Cont'd*)

Our Remuneration Committee was formed by our Board on 25 November 2022. The members of our Remuneration Committee as at LPD are as follows:

Name	Designation	Directorship
Yap Ee Ling	Chairperson	Independent Non-Executive Director
Sim Lee San	Member	Independent Non-Executive Director
Rekha A/P Palanysamy	Member	Independent Non-Executive Director

(d) Nomination Committee

The duties and responsibilities as stated in the terms of reference of our Nomination Committee include the following:

- (i) to assist our Board in ensuring that our Board is of an effective composition, size and commitment to adequately discharge its responsibilities and duties;
- (ii) to ensure appropriate selection criteria and processes and to identify and recommend to our Board, candidates for directorships of our Company and members of the relevant Board committees;
- (iii) to evaluate the performance and effectiveness of our Board and the relevant Board committees annually;
- (iv) to ensure appropriate selection criteria and processes and to identify and recommend to the Board, candidates for directorships of the Company and members of the relevant Board committees;
- (v) to assist our Board to assess and evaluate circumstances where a Director's involvement outside our Group may give rise to a potential conflict of interest with our Group's businesses, upon receiving declaration of the same from our Director and thereafter, to inform our Audit and Risk Management Committee of the same. After deliberation with our Audit and Risk Management Committee, to recommend to our Board the necessary actions to be taken in circumstances where there is a conflict of interest; and
- (vi) to ensure an appropriate framework and succession planning for our Board and management succession, including our future chairman, Executive Directors and Managing Director.

The recommendations of our Nomination Committee are subject to the approval of our Board.

Our Nomination Committee was formed by our Board on 25 November 2022. The members of our Nomination Committee as at LPD are as follows:

Name	Designation	Directorship
Rekha A/P Palanysamy	Chairperson	Independent Non-Executive Director
Yap Ee Ling	Member	Independent Non-Executive Director
Sim Lee San	Member	Independent Non-Executive Director

5.2.4 Existing or proposed service agreements

As at the LPD, there are no existing or proposed service agreements entered into between our Company with our Directors which provides for benefits upon termination of employment. For avoidance of doubt, the employment agreements are not service agreements as the same do not provide for benefits upon termination of employment.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

5.2.5 Directors' shareholdings

The shareholdings of our Directors in our Company before and after the IPO are set out below:

Name	Designation/ Nationality	⁽¹⁾ After Pre-IPO Restructuring but before our IPO				⁽²⁾ After our IPO			
		Direct		Indirect		Direct		Indirect	
		No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Datuk Dr. Mohd Noor Bin Awang	Independent Non-Executive Chairman/ Malaysian	-	-	-	-	⁽³⁾ 280,000	0.03	-	-
Dr. Chong Tze Sheng	Managing Director/ Malaysian	106,255,900	13.33	⁽⁴⁾⁽⁵⁾ 690,784,100	86.67	46,477,900	4.67	⁽⁴⁾⁽⁵⁾ 650,932,100	65.33
Dr. Lai Ngan Chee	Executive Director/ Malaysian	69,246,800	8.69	⁽⁴⁾⁽⁵⁾ 727,793,200	91.31	29,394,800	2.95	⁽⁴⁾⁽⁵⁾ 668,015,200	67.05
Rekha A/P Palanysamy	Independent Non-Executive Director/ Malaysian	-	-	-	-	⁽³⁾ 280,000	0.03	-	-
Sim Lee San	Independent Non-Executive Director/ Malaysian	-	-	-	-	⁽³⁾ 200,000	0.02	-	-
Yap Ee Ling	Independent Non-Executive Director/ Malaysian	-	-	-	-	⁽³⁾ 280,000	0.03	-	-

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

Notes:

- (1) Based on the share capital of 797,040,000 Shares after Pre-IPO Restructuring but before IPO.
- (2) Based on the enlarged share capital of 996,300,000 Shares after IPO.
- (3) Assuming our Directors will fully subscribe for their respective allocation under the Pink Form Allocations.
- (4) Deemed interest by virtue of his/her spouse's interest pursuant to Section 8 of the Act.
- (5) Deemed interest by virtue of his/her interest held in DCHG pursuant to Section 8 of the Act.

5.3 KEY SENIOR MANAGEMENT

5.3.1 Profiles of key senior management

The profiles of the other key senior management of our Group are as follows:

(a) Yong Yew Sun

Yong Yew Sun, a Malaysian male, aged 53, is our Chief Financial Officer. He is responsible for overseeing our Group's overall accounting, financial, treasury, human resource and administrative. In addition, he is also responsible for budget planning, tax and to ensure compliance of financial processes with statutory and regulatory requirements, accounting standards and company policies and procedures.

In August 1997, he obtained his professional accounting qualification from Malaysian Institute of Certified Public Accountants (MICPA). He was admitted as a member of the MICPA in November 1997 and has been a member of the Malaysian Institute of Accountants since July 1998.

He began his career in February 1990 with Kassim Chan & Co (subsequently Deloitte Kassim Chan), a firm involved in providing audit and tax advisory services, and a member of Deloitte Touche Tohmatsu International as an Audit Assistant. He was mainly involved in conducting statutory audit for private and public listed companies. He was promoted to Senior Audit Assistant II in 1994 and led a team of auditors in conducting statutory audits. In 1995, he was promoted to Senior Audit Assistant I, where he was in charge of overseeing and managing client business portfolios and assisting various audit assignments including audit planning, preparation of reports and financial statements and computing corporate taxes for companies from various type of industries. He left the company in January 1996.

In January 1996, he joined MBF Finance Berhad, a financial institution, as an Assistant Manager. He was responsible for leading an audit team under the Internal Audit Division to conduct audit reviews of the branches' internal control systems, ensure compliance of regulatory procedures and company policies as well as recommendation of appropriate remedial actions. He was also tasked with assisting the Chief Internal Auditor to implement strategies to support the Internal Audit Division in achieving objectives set out by Senior Management. He left the company in May 1999.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

In June 1999, he joined Fima Securities Sdn Bhd, a company providing stockbroking services, as its Head of Department of Accounts. His key responsibilities included leading the implementation of business plans, overseeing the quarterly forecast and ensure all statutory reports are submitted on time to the regulatory bodies, alongside supervising all accounting department staff and sourcing opportunities for company growth. He left the company in November 2001.

In December 2001, he joined Inland Sports & Recreation Club Sdn Bhd, a company involved in operating and managing recreation clubs, as a Finance Manager, where he was responsible of its financial reporting and management. He left the company in March 2003. He then joined Songbird Musical World Sdn Bhd, a company involved in operating and managing karaoke lounges and food and beverage outlets, as a Group Finance Manager in April 2003, where he was responsible of its financial reporting and management. He left the company in March 2007.

In April 2007, he joined Binary Pulse Sdn Bhd, a company involved in operating and managing karaoke lounges and food and beverage outlets, as a Senior Manager of Group Finance and was promoted as a General Manager in January 2012 where he managed the overall financial activities and management of the food & beverage division of the company. He left the company March 2013.

In April 2013, he joined Esteem Value Sdn Bhd, a company involved in operating and managing karaoke lounges and food and beverage outlets, as a General Manager of Group Finance, where he was responsible for overseeing the activities relating to accounts and treasury in the finance department and providing financial advice and support to management. He left the company in December 2016.

In January 2017, he joined Suasa Tetap Sdn Bhd, a company involved in operating and managing recreation clubs, as General Manager of Finance where he was responsible for overseeing the financial activities of the finance department. In July 2017, he was transferred to Palmgold Corporate Services Sdn Bhd, a company providing professional and administrative services to entities involved in hospitality, gaming, and food and beverage, as a General Manager of Finance and his scope of work remains the same. In addition, he was also involved in advising the management on matters such as proposed budget plans, project progress and costs and other management proposals. He left the company in March 2022.

He joined our Group in his current position in 25 April 2022 where he is responsible for overseeing our Group's overall accounting, financial, treasury, human resource and administrative departments teams. As at the LPD, our accounts team (which comprises accounting, financial, and treasury personnel) is made up of 9 employees while our human resource and administrative teams are made up of 6 employees and 6 employees respectively. Prior to 25 April 2022, the accounts manager and human resources manager were responsible for his roles. The human resources manager has left our Group while the accounts manager is still with our Group as at the LPD. The accounts manager have been with our Group since February 2019 while the human resources manager was with our Group from August 2020 to May 2023.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

(b) Dr. Leong Chee Yong

Dr. Leong Chee Yong, a Malaysian male, aged 37, is our Medical Director. He is responsible for managing the day-to-day operations of our clinics and training of new doctors.

He received his Doctor of Medicine (MD) from Universiti Kebangsaan Malaysia in August 2009. He later received a Post Graduate Certificate in Primary Care Dermatology from Academy of Family Physicians of Malaysia in April 2016.

He is a Member of American Academy of Aesthetic Medicine since September 2014 and has received his LCP for Aesthetic Medical Practice from MOH in 1 March 2017.

He began his housemanship at Hospital Teluk Intan, Perak in May 2009 where he completed rotations in various departments including obstetrics and gynaecology, paediatrics and surgery. He completed his housemanship in May 2011.

In June 2011, he joined Hospital Taiping, Perak, as a Medical Officer in Obstetrics and Gynaecology department where he was primarily responsible for in-ward patient management. He left this position in July 2011.

He then assumed a position as a Medical Officer at Hospital Tengku Ampuan Rahimah, Selangor in the Obstetrics and Gynaecology Department in August 2011. He was designated to oversee multiple sub-departments and manage Obstetrics and Gynaecology patients. He was also responsible for managing a team of intern doctors and nurses for patient ward management. He left the position in July 2013.

He then joined Klinik Pakar Kulit Ko Sdn Bhd in August 2013 as an Aesthetic Physician where he provides aesthetic consultations and procedures under the supervision of LCP Certified Aesthetic Physicians as well as general medical service consultations. He left the company in February 2015.

In April 2016, he became a founding Medical Director at Klinik Setia Taipan. He served as a general practitioner and attended to patients. In this position, he was also involved in managing the clinic's operations and administration. He left the company in April 2019.

In January 2017, he became a founding Medical Director at Skinfinity Sdn Bhd. In this position, he was involved in clinic operations and administration management where he conducted and oversaw the training programme for doctors. He left the company in December 2019.

He joined our Group in his current position in January 2020.

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5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

5.3.2 Principal business performed outside our Group

Save as disclosed below, none of our key senior management has any other principal directorships and/or principal business activities performed outside our Group in the past 5 years up to the LPD:

(a) Yong Yew Sun

<u>Company</u>	<u>Principal activities</u>	<u>Position held</u>	<u>Date of appointment</u>	<u>Date of resignation</u>	<u>% of shareholdings held</u>	
					<u>Direct</u>	<u>Indirect</u>
<u>Present involvement</u>						
Peardon Sdn Bhd	Investment holding in food and beverage as well as leisure industry	Shareholder	-	-	2.38	-
SPA Odyssey Venture Berhad	Investment holding companies; organisation, promotions and/or management of event; activities of sauna, steam baths, massage salons	Shareholder	-	-	0.07	-
<u>Past involvement</u>						
Factor Credit & Leasing Sdn Bhd	Licensed money lender	Director	4 October 2018	30 March 2022	-	-
Palmgold Security Sdn Bhd	Licensed money lending activities	Director	16 November 2012	25 September 2019	-	-
BTL Element Sdn Bhd	(i) Investment holding (ii) Trading (iii) Consultancy and management services	Director	18 June 2019	27 January 2021	-	-

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

(b) Dr. Leong Chee Yong

Company	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholdings held	
					Direct	Indirect
<u>Past involvement</u>						
Skinfinity Sdn Bhd	Skincare, slimming and other beauty treatment	Director	7 March 2017	13 December 2019	-	-

The involvements of Yong Sew Sun in those business activities outside our Group are not expected to require a significant amount of his time or attention as these companies are mainly investment holding.

5.3.3 Existing or proposed service agreements

As at the LPD, there are no existing or proposed service agreements entered into between our Company with our key senior management which provides for benefits upon termination of employment. For avoidance of doubt, the employment agreements are not service agreements as the same do not provide benefits upon termination of employment.

5.3.4 Key senior management shareholdings

The details of our key senior management and their direct and indirect shareholdings before and after the IPO are set out below:

Name	Designation/ Nationality	Before IPO				⁽¹⁾⁽²⁾ After IPO			
		Direct		Indirect		Direct		Indirect	
		No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Yong Yew Sun	Chief Financial Officer/ Malaysian	-	-	-	-	3,240,000	0.33	-	-
Dr. Leong Chee Yong	Medical Director/ Malaysian	-	-	-	-	2,150,000	0.22	-	-

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

Notes:

- (1) Based on our enlarged share capital of 996,300,000 Shares after our IPO.
- (2) Assuming our key senior management will fully subscribe for their respective allocation under the Pink Form Allocations.

5.4 RELATIONSHIPS AND/OR ASSOCIATIONS

As at the LPD, save for the following, there are no other family relationships or association between or amongst our Promoters, substantial shareholders, Directors and key senior management:

- (a) Dr. Chong Tze Sheng who is the spouse of Dr. Lai Ngan Chee; and
- (b) Dr. Chong Tze Sheng and Dr. Lai Ngan Chee are the Directors and shareholders of DCHG.

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5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

5.5 REMUNERATION AND BENEFITS

5.5.1 Directors remuneration and benefits

The remuneration of our Directors including fees, salaries, bonuses, other emoluments and benefits-in-kind, must be reviewed and recommended by our Nominating and Remuneration Committee and subsequently, be approved by our Board. The Director's fees and any benefits payable to Directors shall be subject to annual approval by our shareholders pursuant to an ordinary resolution passed at a general meeting in accordance with our Constitution. Please refer to Section 14.3 for further details.

The aggregate remuneration and material benefits-in-kind paid and proposed to be paid to our Directors for services rendered in all capacities to our Group for FYE 2020, FYE 2021 and FYE 2022 and proposed to be paid for FYE 2023 are as follows:

	Directors' fees	Salaries	Bonuses	Other emolument	Benefits- in-kind	Total
	RM'000					
FYE 2020						
Dr. Chong Tze Sheng	-	437	50	200	-	687
Dr. Lai Ngan Chee	-	359	40	179	-	578
FYE 2021						
Dr. Chong Tze Sheng	-	630	10	350	-	990
Dr. Lai Ngan Chee	-	510	10	207	-	727
FYE 2022						
Datuk Dr. Mohd Noor Bin Awang	(1)14	-	-	1	-	15
Dr. Chong Tze Sheng	(1)14	720	-	539	-	1,273
Dr. Lai Ngan Chee	(1)14	600	-	365	-	979
Rekha A/P Palanysamy	(1)14	-	-	1	-	15
Sim Lee San	(1)14	-	-	1	-	15
Yap Ee Ling	(1)14	-	-	1	-	15
FYE 2023 (Proposed)						
Datuk Dr. Mohd Noor Bin Awang	72	-	-	-	-	72
Dr. Chong Tze Sheng	60	960	(2)-	420	-	1,440
Dr. Lai Ngan Chee	60	900	(2)-	300	-	1,260
Rekha A/P Palanysamy	60	-	-	-	-	60
Sim Lee San	60	-	-	-	-	60
Yap Ee Ling	60	-	-	-	-	60

Notes:

(1) Pro-rated based on their respective appointment dates.

(2) The bonuses for FYE 2023 are not included. Such bonuses, if any, will be determined at a later date based on our Group's performance, and will be subject to recommendation of our Remuneration Committee and approval by our Board.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (*Cont'd*)

5.5.2 Key senior management remuneration and benefits

The remuneration of our key senior management including salaries, bonuses, other emoluments and benefits-in-kind, must be reviewed and recommended by our Remuneration Committee and subsequently, be approved by our Board.

The aggregate remuneration and material benefits-in-kind (in bands of RM50,000) paid and proposed to be paid to our key senior management for services rendered in all capacities to our Group for FYE 2020, FYE 2021 and FYE 2022 and proposed to be paid for FYE 2023 are as follows:

	⁽¹⁾ Remuneration band			
	FYE 2020 (Paid)	FYE 2021 (Paid)	FYE 2022 (Paid)	⁽²⁾FYE 2023 (Proposed)
	RM'000			
Yong Yew Sun	⁽³⁾ -	⁽³⁾ -	⁽⁴⁾ 350-400	500-550
Dr. Leong Chee Yong	300-350	500-550	600-650	600-650

Notes:

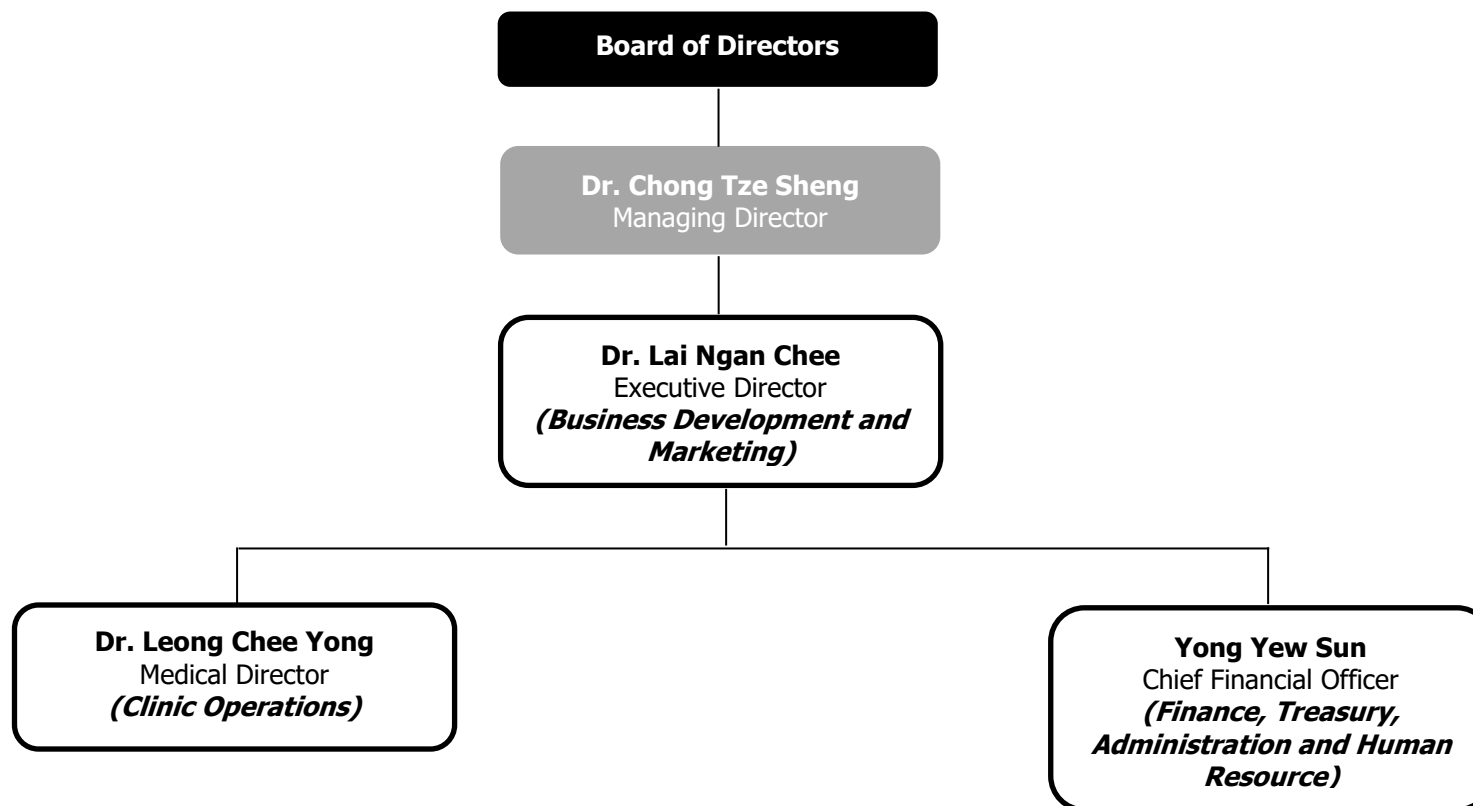
- (1) The remuneration for key senior management includes salaries, bonuses, allowances and other emoluments.
- (2) The bonuses for FYE 2023 are not included. Such bonuses, if any, will be determined at a later date based on our Group's performance, and will be subject to recommendation of our Remuneration Committee and approval by our Board.
- (3) Yong Yew Sun joined our Group as Chief Financial Officer in 25 April 2022.
- (4) Pro-rated based on his joined date in 25 April 2022.

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5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

5.6 MANAGEMENT STRUCTURE

The management reporting structure of our Group is as follows:



5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

5.7 DECLARATIONS FROM PROMOTERS, DIRECTORS AND KEY SENIOR MANAGEMENT

As at the LPD, none of our Promoters, Directors or key senior management is or has been involved in any of the following (whether in or outside Malaysia):

- (a) in the last 10 years, a petition under any bankruptcy or insolvency laws that was filed (and not struck out) against him or any partnership in which he/she was a partner or any corporation of which he/she was a director or a member of key senior management;
- (b) disqualified from acting as a director of any corporation, or from taking part directly or indirectly in the management of any corporation;
- (c) in the last 10 years, charged or convicted in a criminal proceeding or is a named subject of a pending criminal proceeding;
- (d) in the last 10 years, any judgment that was entered against him/her, or finding of fault, misrepresentation, dishonesty, incompetence or malpractice on his part, involving a breach of any law or regulatory requirement that relates to the capital market;
- (e) in the last 10 years, was the subject of any civil proceeding, involving an allegation of fraud, misrepresentation, dishonesty, incompetence or malpractice on his/her part that relates to the capital market;
- (f) being the subject of any order, judgment or ruling of any court, government, or regulatory authority or body temporarily enjoining him/her from engaging in any type of business practice or activity;
- (g) in the last 10 years has been reprimanded or issued any warning by any regulatory authority, securities or derivatives exchange, professional body or government agency; and
- (h) has any unsatisfied judgment against him/her.

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6. INFORMATION ON OUR GROUP

6.1 BACKGROUND INFORMATION

6.1.1 Incorporation

Our Company was incorporated in Malaysia under the Act on 18 April 2022 as a public limited company under our present name, DC Healthcare Holdings Berhad.

We are principally an investment holding company. Through our subsidiaries, we provide Aesthetic Services specialising in Non-Invasive and Minimally-Invasive procedures.

Non-Invasive procedures are medical procedures that do not involve entering the body through surgical incisions; whilst Minimally Invasive procedures limits the size and quantity of incisions and injections thereby reducing wound healing time, associated pain and risk of infection.

There have been no material changes in the manner in which we conduct our business or activities since the incorporation of our Company up to the LPD.

6.1.2 History and development

Klinik Dr Chong was incorporated in 4 March 2016 as a private limited company. We opened our 1st "Dr Chong Clinic" at Kepong, Kuala Lumpur in July 2016 to focus on providing General Medical Services. We started with an initial personnel team comprising our founder Dr. Chong Tze Sheng, 1 clinic manager and 1 clinic consultant. Our clinic first started with 1 consultation room and 1 treatment room. In April 2017, Dr. Lai Ngan Chee, the spouse of Dr. Chong Tze Sheng joined our Group and we started to transition and focus on providing Aesthetic Services in June 2017. Our services were well received and by June 2017, we opened our 2nd aesthetic medical clinic branch at Shah Alam, Selangor which focused on providing General Medical Services. In November 2019, we started to focus on providing Aesthetic Services in our Shah Alam Branch.

In 2018, we introduced a range of Non-Invasive procedure to complement our existing services in tandem with the growing demand for aesthetic and dermatological treatments. We further opened our 1st aesthetic medical clinic branch in Southern Region (i.e. Johor Bahru Branch) in October 2018 focusing on General Medical Services and expanding to focus on Aesthetic Services beginning December 2019. The close proximity of our Johor Bahru Branch to Singapore allowed us to offer our services to the Singaporean clientele/market. In 2018, we were also recognised by the Asia Medical Aesthetic Exchange Association ("AMAEA") with the Top Medical Aesthetic Clinic and also awarded the Brand Laureate Small Medium Enterprises Best Brands Award in Wellness Aesthetique Solutions.

Our Group utilises a common "Dr Chong" branding (e.g. Dr Chong Clinic). However, the Group utilises slight variation to the branding for certain clinics depending on the target market and location. For example, the brand name of "Klinik Dr Chong" in Bahasa Malaysia is to enable our Group to target the Malay customers market. Further, the brand name of "Klinik Dr Chong Premium" of Bangsar Branch is to target the customers with higher spending power in the particular area and offer a better customer experience. For avoidance of doubt, clinics under the "Dr Chong Clinic" and "Klinik Dr Chong" brands offers similar treatments and services to our customers.

In September 2019, we opened our 4th branch clinic outlet at Bangsar, Kuala Lumpur under a new brand name, "DC Clinic". Under this branding, our aim was to utilise this clinic to target the customers with higher spending power in the particular area and offer a better customer experience. In the same year, we were also awarded the SME100 Award - Malaysia' Fast Moving Companies. Dr. Chong Tze Sheng was also recognised by Star Outstanding Business Award ("SOBA"), and was awarded the Young Entrepreneur of the Year – Outstanding Achievement (Gold).

6. INFORMATION ON OUR GROUP (Cont'd)

We strengthened our presence in the Central Region with the opening of our 5th branch clinic outlet at Taman Tun Dr. Ismail, Kuala Lumpur in September 2020. In October 2020, we renamed the "DC Clinic" at Bangsar to "Klinik Dr Chong Premium" in line with our rebranding of Dr Chong Clinic. At our Bangsar Branch, we offer our customers similar treatments with a better customer experience in line with the branch's premium tag.

In the same year, our Group was recognised by SOBA in a few categories – Malaysia Business of the Year (Grand Winner), Male Entrepreneur of the Year (awarded to Dr. Chong Tze Sheng), Best Brand (Gold), Best Use of Technology (Gold) and Best in Customer Service (Silver).

We further opened our 6th and 7th aesthetic medical clinic branch at Sunway Velocity, Kuala Lumpur and Seremban, Negeri Sembilan in October 2021 and January 2022 respectively.

In April 2022, we opened our 8th and 9th aesthetic medical clinic branch at Puchong, Selangor and Mid Valley, Kuala Lumpur respectively. In June 2022, we opened our 10th aesthetic medical clinic branch at Sri Petaling, Kuala Lumpur. We further opened our 11th and 12th aesthetic medical clinic branch at Bukit Tinggi, Selangor and Melawati, Kuala Lumpur in December 2022 and February 2023 respectively. Subsequently, we opened our 13th aesthetic medical clinic branch at Putrajaya in June 2023.

As at the LPD, our Group has a total of 13 aesthetic medical clinics. Our Group is supported by a staff force made up of 10 LCP Certified Aesthetic Physicians, 29 resident medical doctors, 21 clinic managers, 65 clinic consultants and 11 clinic assistants (including 5 of our former customer service personnel which have been converted to clinic assistants).

In terms of facilities, our Group has a cumulative total of 32 consultation rooms and 69 treatment rooms. Meanwhile, in terms of medical machines and equipment, as at the LPD, our Group operates a cumulative total of 14 Pico laser machines, 13 Fractional CO2 laser machines, 12 Q-Switched Nd:YAG machines, 13 Yellow laser machines, 7 HIFU machines, 6 Diode laser machines, 17 Profacial machines, 11 Shockwave machine, 7 Cryolipolysis machines, 6 EM stimulation machines and 2 radiofrequency machines.

6.1.3 Pre-IPO Restructuring

In preparation for our Listing, we have undertaken an internal reorganisation exercise, which involved the following:

(a) Acquisition of Klinik Dr Chong

On 11 November 2022, our Company has entered into a conditional share sale agreement with DCHG, Dr. Chong Tze Sheng and Dr. Lai Ngan Chee to acquire the entire equity interest in Klinik Dr Chong comprising 200,100 ordinary shares for a purchase consideration of RM7,737,000. The purchase consideration of the Acquisition of Klinik Dr Chong was satisfied via the issuance of 644,750,000 new Shares to DCHG, Dr. Chong Tze Sheng and Dr. Lai Ngan Chee at an issue price of RM0.012 each.

6. INFORMATION ON OUR GROUP (Cont'd)

Vendors	No. of shares acquired	% of share capital	Purchase consideration RM	No. of Shares issued
DCHG	150,075	75.00	5,802,750	483,562,500
Dr. Chong Tze Sheng	30,015	15.00	1,160,550	96,712,500
Dr. Lai Ngan Chee	20,010	10.00	773,700	64,475,000
Total	200,100	100.00	7,737,000	644,750,000

The Acquisition of Klinik Dr Chong was conditional upon the approval of Bursa Securities being obtained for the Listing, which was obtained on 19 May 2023. The Acquisition of Klinik Dr Chong was completed on 29 May 2023. Thereafter, Klinik Dr Chong became our wholly-owned subsidiary. The total purchase consideration of RM7,737,000 for the Acquisition of Klinik Dr Chong was arrived based on a "willing-buyer willing-seller" basis after taking into consideration the audited NA of Klinik Dr Chong as at 31 May 2022 of RM7,737,080.

The new Shares issued under the Acquisition of Klinik Dr Chong rank equally in all respects with our existing Shares including voting rights and will be entitled to all rights and dividends and/or other distributions, the entitlement date of which is subsequent to the date of issuance of the new Shares.

(b) Acquisition of Ten Doctors

On 11 November 2022, our Company has entered into a conditional share sale agreement with DCHG, Dr. Chong Tze Sheng and Dr. Lai Ngan Chee to acquire the entire equity interest in Ten Doctors comprising 300,100 ordinary shares for a purchase consideration of RM572,568. The purchase consideration for the Acquisition of Ten Doctors was satisfied via the issuance of 47,714,000 new Shares to DCHG, Dr. Chong Tze Sheng and Dr. Lai Ngan Chee at an issue price of RM0.012 each.

Vendors	No. of shares acquired	% of share capital	Purchase consideration RM	No. of Shares issued
DCHG	210,070	70.00	400,798	33,399,800
Dr. Chong Tze Sheng	60,020	20.00	114,514	9,542,800
Dr. Lai Ngan Chee	30,010	10.00	57,256	4,771,400
Total	300,100	100.00	572,568	47,714,000

The Acquisition of Ten Doctors was conditional upon the approval of Bursa Securities being obtained for the Listing, which was obtained on 19 May 2023. The Acquisition of Ten Doctors was completed on 29 May 2023. Thereafter, Ten Doctors became our wholly-owned subsidiary. The total purchase consideration of RM572,568 for the Acquisition of Ten Doctors was arrived based on a "willing-buyer willing-seller" basis after taking into consideration the audited NA of Ten Doctors as at 31 May 2022 of RM572,751.

The new Shares issued under the Acquisition of Ten Doctors rank equally in all respects with our existing Shares including voting rights and will be entitled to all rights and dividends and/or other distributions, the entitlement date of which is subsequent to the date of issuance of the new Shares.

6. INFORMATION ON OUR GROUP (Cont'd)**(c) Acquisition of DC Lasers**

On 11 November 2022, our Company has entered into a conditional share sale agreement with DCHG to acquire the entire equity interest in DC Lasers comprising 300,100 ordinary shares for a purchase consideration of RM1,254,900. The purchase consideration for the Acquisition of DC Lasers was satisfied via the issuance of 104,575,000 new Shares to DCHG at an issue price of RM0.012 each.

Vendor	No. of shares acquired	% of share capital	Purchase consideration RM	No. of Shares issued
DCHG	300,100	100.00	1,254,900	104,575,000
Total	300,100	100.00	1,254,900	104,575,000

The Acquisition of DC Lasers was conditional upon the approval of Bursa Securities being obtained for the Listing, which was obtained on 19 May 2023. The Acquisition of DC Lasers was completed on 29 May 2023. Thereafter, DC Lasers became our wholly-owned subsidiary. The total purchase consideration of RM1,254,900 for the Acquisition of DC Lasers was arrived based on a "willing-buyer willing-seller" basis after taking into consideration the audited NA of DC Lasers as at 31 May 2022 of RM1,254,942.

The new Shares issued under the Acquisition of DC Lasers rank equally in all respects with our existing Shares including voting rights and will be entitled to all rights and dividends and/or other distributions, the entitlement date of which is subsequent to the date of issuance of the new Shares.

(d) Transfer

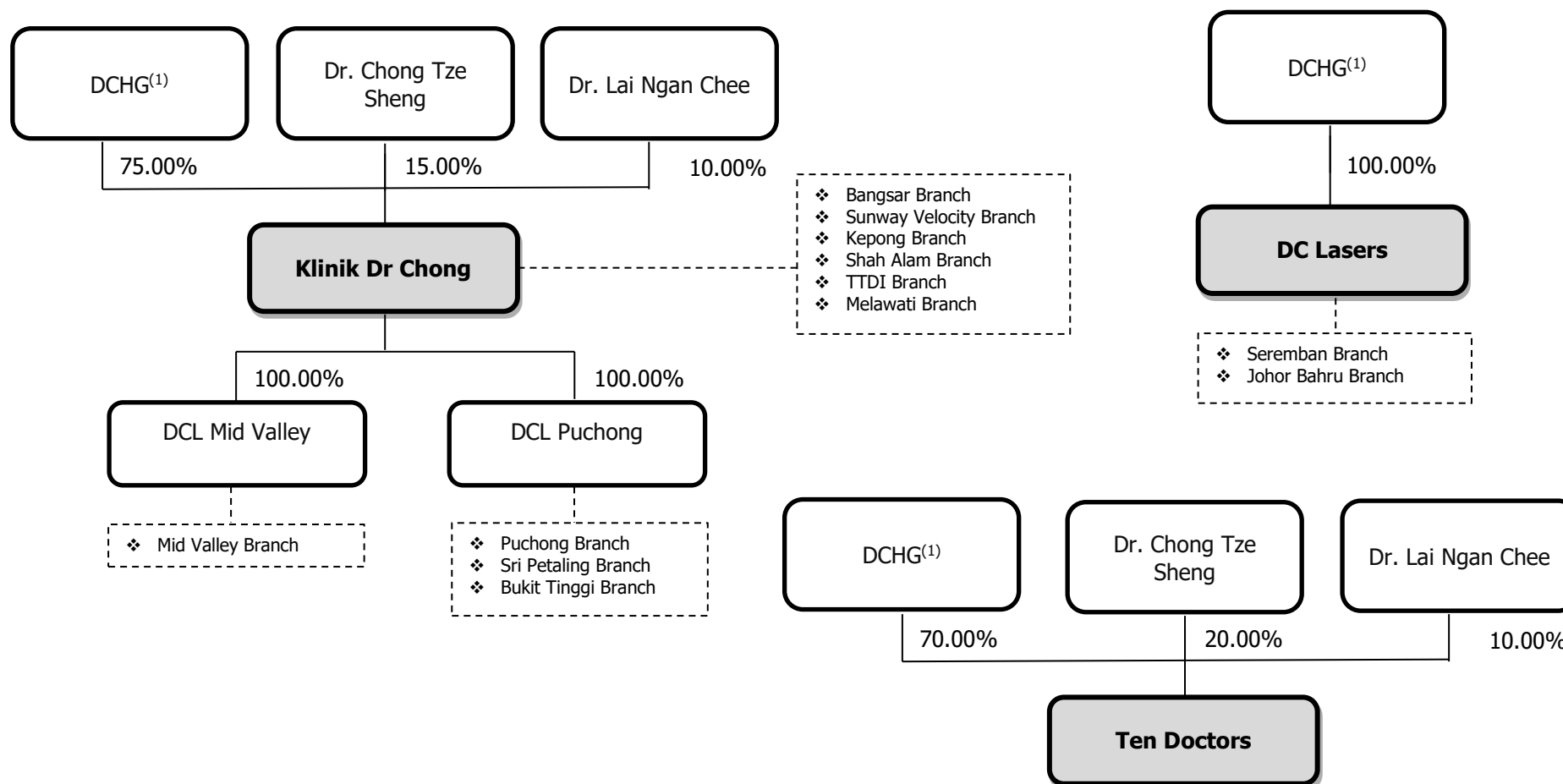
On 31 May 2023, Klinik Dr Chong has completed the transfer of 100.00% equity interest in DCL Mid Valley and DCL Puchong to the Company upon the completion of the Acquisition of Klinik Dr Chong. Following the Transfers, DCL Mid Valley and DCL Puchong will become direct wholly-owned subsidiaries of our Company.

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6. INFORMATION ON OUR GROUP (Cont'd)

6.1.4 Group structure

(a) Before the Pre-IPO Restructuring and our IPO

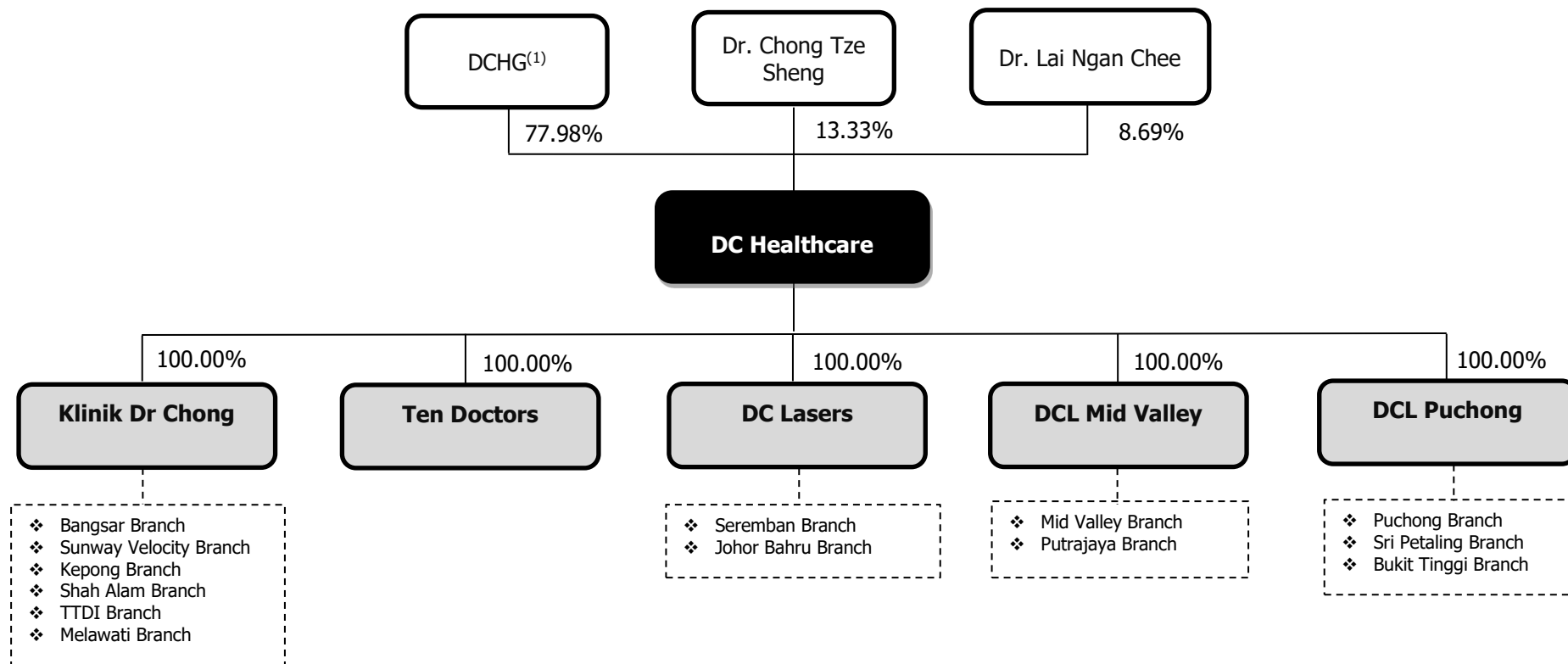


Note:

⁽¹⁾ Kindly refer to Section 5.1.2(a) for the details of DCHG.

6. INFORMATION ON OUR GROUP (Cont'd)

(b) After the Pre-IPO Restructuring but before our IPO

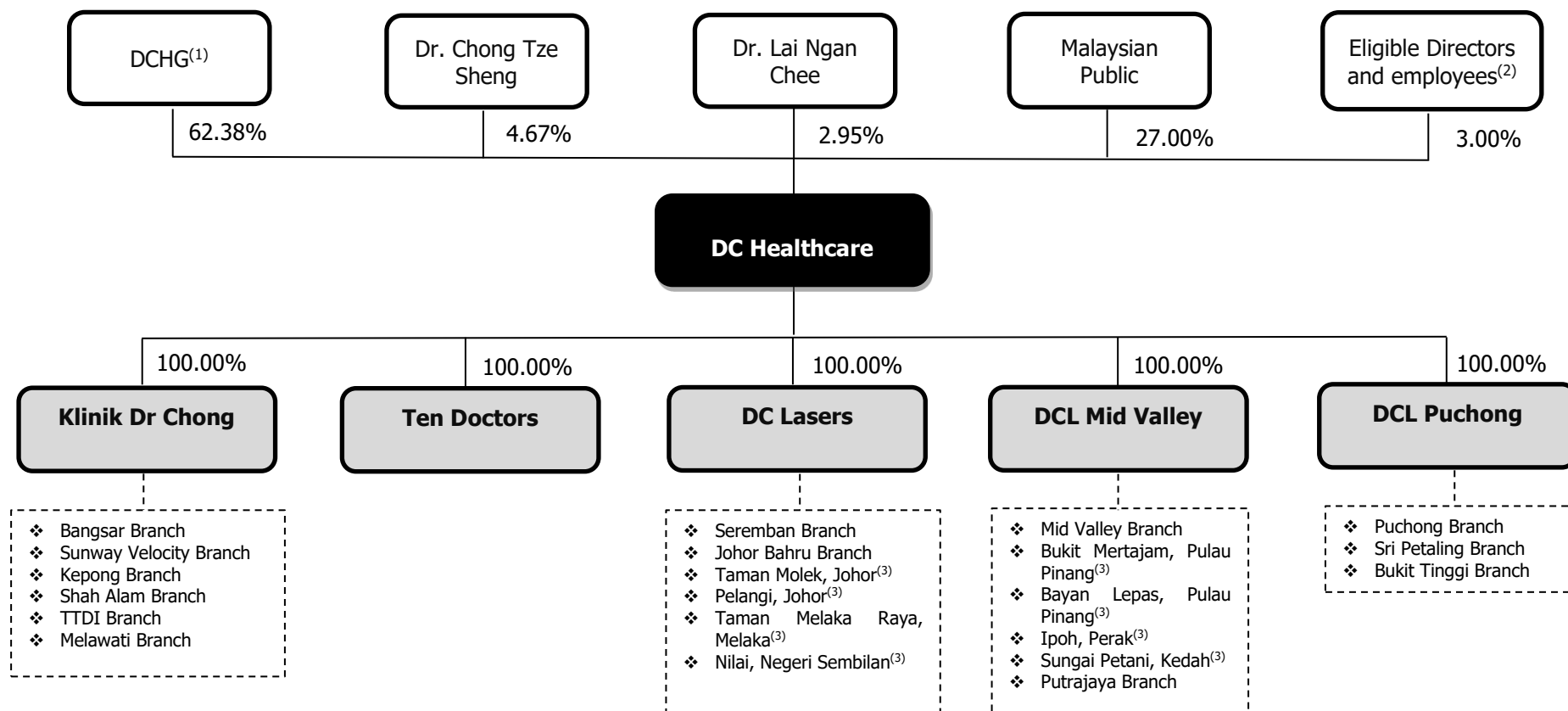


Note:

(1) Kindly refer to Section 5.1.2(a) for the details of DCHG.

6. INFORMATION ON OUR GROUP (Cont'd)

(c) After the Pre-IPO Restructuring and our IPO



Notes:

- (1) Kindly refer to Section 5.1.2(a) for the details of DCHG.
- (2) Assuming that all our eligible Directors and employees will subscribe for the Pink Form Allocations.
- (3) New aesthetic medical clinics to be opened.

6. INFORMATION ON OUR GROUP (Cont'd)**6.2 OUR SUBSIDIARIES**

As at the LPD, we do not have any associated companies. Details of our subsidiaries are as follows:

Company	Date/ Place of incorporation	Principal place of business	Effective equity interest (%)	Principal activities
DC Lasers	8 January 2021 / Malaysia	Malaysia	100.00	<ul style="list-style-type: none"> ▪ Aesthetic services; ▪ General medical services; and ▪ Sale of skincare products
DCL Mid Valley	10 November 2021 / Malaysia	Malaysia	100.00	<ul style="list-style-type: none"> ▪ Aesthetic services; ▪ General medical services; and ▪ Sale of skincare products
DCL Puchong	10 November 2021 / Malaysia	Malaysia	100.00	<ul style="list-style-type: none"> ▪ Aesthetic services; ▪ General medical services; and ▪ Sale of skincare products
Klinik Dr Chong	4 March 2016 / Malaysia	Malaysia	100.00	<ul style="list-style-type: none"> ▪ Aesthetic services; ▪ General medical services; and ▪ Sale of skincare products
Ten Doctors	6 March 2020 / Malaysia	Malaysia	100.00	Sale of skincare products

Initially, our Group's first 6 clinics were set up under Klinik Dr Chong. Subsequently, we have set up the 7 clinics under DC Lasers, DCL Mid Valley and DCL Puchong based on geographical location to facilitate monitoring of business performance. Further details of our clinics under our respective subsidiaries are set out in Section 6.1.4 above.

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6. INFORMATION ON OUR GROUP (Cont'd)**6.3 MATERIAL CAPITAL EXPENDITURES AND DIVESTITURES****6.3.1 Material capital expenditures**

Save for the expenditures disclosed below, there were no other capital expenditures (including interests in other corporations) made by us for the Financial Years Under Review and up to the LPD:

Capital expenditures	FYE 2019	FYE 2020	FYE 2021	FYE 2022	1 January 2023 up to LPD
	RM'000	RM'000	RM'000	RM'000	RM'000
Computer and office equipment	92	81	187	452	42
Furniture and fittings	91	19	44	294	25
Medical machines and equipment	2,059	726	3,109	4,398	649
Motor vehicle	-	211	-	789	-
Renovation	257	402	1,524	4,431	591
Total	2,499	1,439	4,864	10,364	1,307

The above capital expenditures were primarily financed by a combination of bank borrowings and internally generated funds.

In FYE 2019, we incurred capital expenditure of RM2.50 million mainly due to establishment of Bangsar Branch where the costs incurred were mainly on the renovation costs of RM0.26 million and purchased of new medical machines and equipment of RM2.06 million.

In FYE 2020, we incurred capital expenditure of RM1.44 million mainly due to renovation of RM0.40 million and purchase of medical machines and equipment of RM0.73 million. These capital expenditures were related to the establishment of a new clinic at TTDI. The purchase of a new motor vehicles of RM0.20 million was for day-to-day operations use and other business activities.

In FYE 2021, we incurred capital expenditures of RM4.86 million mainly on purchase of medical machines and equipment of RM3.11 million and renovation cost of RM1.52 million for the purpose of the establishment of Sunway Velocity Branch and Seremban Branch.

In FYE 2022, we incurred capital expenditure of RM10.36 million mainly on renovation and purchase of medical machines and equipment. We incurred RM4.43 million in renovation cost for 5 new clinics namely Mid Valley Branch, Puchong Branch, Melawati Branch, Sri Petaling Branch, and Bukit Tinggi Branch as well as the renovation of our offices in Kepong and Mid Valley, and our Johor Bahru Branch which was relocated to a new location in the first quarter of 2023. We incurred RM4.40 million for the purchase of medical machines and equipment for our new clinics namely Mid Valley Branch, Puchong Branch, Melawati Branch, Sri Petaling Branch, and Bukit Tinggi Branch and to increase the number of medical machines and equipment available at our existing clinics, namely the Kepong Branch, TTDI Branch, Bangsar Branch, Sunway Velocity Branch and Seremban Branch.

From 1 January 2023 up to the LPD, we incurred capital expenditure of RM1.31 million mainly on purchase of medical machines and equipment, and renovation. We incurred RM0.65 million for the purchase of medical machines and equipment for our new clinic, namely the Melawati Branch, as well as for our existing clinics, namely the Kepong Branch and Sri Petaling Branch. We incurred RM0.59 million in renovation costs to renovate the Melawati Branch and TTDI Branch.

6. INFORMATION ON OUR GROUP (Cont'd)

6.3.2 Material divestitures

For the Financial Years Under Review and up to the LPD, we do not have any material divestitures.

6.3.3 Material plans to construct, expand or improve our facilities

Save for the proceeds from our Public Issue to be used for establishing of 8 new aesthetic medical clinics and purchase of new medical machines and equipment as set out in Section 4.9, our Group does not have any other immediate plans to construct, expand and improve our facilities as at the LPD.

6.4 PUBLIC TAKE-OVERS

During the last financial year and the current financial year/period up to LPD, there were:

- (a) No public take-over offers by third parties in respect of our Shares; and
- (b) No public take-over offers by our Company in respect of other companies' shares.

6.5 BUSINESS OVERVIEW

6.5.1 Description of our business

Our Group is an aesthetic medical services provider specialising in the provision of Non-Invasive and Minimally Invasive procedures. We do not provide Invasive procedures which includes surgical procedures such as plastic surgery.

We operate 13 aesthetic medical clinics located in the Central Region and Southern Region. Our business activities are set out as follows:



6. INFORMATION ON OUR GROUP (Cont'd)

Our business activities are categorised into 2 segments, the Aesthetic Services and General Medical Services.

We have 10 LCP Certified Aesthetic Physicians and 29 resident medical doctors, who are supported by 21 clinic managers, 65 clinic consultants and 11 clinic assistants (including 5 of our former customer service personnel which have been converted to clinic assistants). We are also supported by administrative and finance staff who carry out activities on administration and financial matters for our clinics and customers.

(a) Aesthetic Services

Our Aesthetic Services can be categorised into (i) facial and skin treatments; (ii) facial sculpting; (iii) body contouring; (iv) hair growth and removal and (v) sales of skincare products. All treatments are performed by our highly skilled and experienced team of LCP Certified Aesthetic Physicians utilising Non-Invasive or Minimally-Invasive procedures, and are personalised to each individual based on the analysis of their skin and personal objective.

(i) Facial and skin treatments

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

Our Group's facial and skin treatment services are catered towards 3 primary skin concerns, namely acne, hyperpigmentation, and scars. The facial and skin treatment services that we principally offer are as follows:

No. Skin concerns	Facial and skin treatments
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1. Acne

Acne occurs when pores are congested with hair, sebum, bacteria and dead skin cells. This causes whiteheads, blackheads and pimples to form on the surface of the skin. Whilst acne commonly occurs on the face and forehead, it can also form on other parts of the body such as the chest, shoulders, and upper back.

(i) Oxy Facial



This procedure extracts pore blockages by applying gentle pressure around the pore opening using extraction tools. The visible effects of this treatment can be seen in the diminished acne scars, reduced redness resulting from a damaged skin barrier, and control of oil for oily skin. An oxygen spray is then applied to the skin to stimulate repairs and soothe inflammation.

6. INFORMATION ON OUR GROUP (Cont'd)

No. Skin concerns

Facial and skin treatments

(ii) Pico laser treatment



Pico laser treatment is a non-ablative laser treatment that produces wavelength of 1,064 nm by sending ultra-short pulses of energy (in picoseconds) with minimal heat to the skin to directly deliver energy to the targeted site. The laser's impact on the pigment is intense; shattering the problematic melanin or skin pigment particles. These shattered particles are then eliminated naturally by the body. The visible results of Pico laser treatments include reducing the appearance of skin pigmentation, removal of birthmarks and tattoos, as well as evening out skin tones for a clear complexion.

Other benefits include increased elastin and collagen production of the skin which results in softer, fuller and a more youthful complexion. The Pico lasers can effectively help in reducing skin scars by causing collagen remodelling underneath our skin. The Group uses Pico laser machine to carry out this treatment.

(iii) Yellow laser treatment



Yellow laser treatment is a non-ablative laser treatment that does not affect the overlying skin of the treated area. Yellow laser machines produce wavelengths at the range between 577 nm and 589 nm, which makes it suitable to treat a wide range of skin issues and on all skin types. It can be used to eradicate active acne by reducing its inflammation, soothing and calming the skin, as well as lighten hyperpigmentation and spider veins, or treat vascular related issues. We use Yellow laser machine to carry out this treatment.

6. INFORMATION ON OUR GROUP (Cont'd)

No. Skin concerns

Facial and skin treatments

(iv) Acne injections

Acne injections involve injecting medication known as Triamcinolone. It can help to shrink large and inflamed acne by using micro needles which is inserted directly into the acne to dispense a small amount of diluted Triamcinolone. Triamcinolone is an anti-inflammatory that shrinks the swollen wall of the cyst. This area is typically numbed beforehand as the customer may experience mild discomfort. The size and redness of the acne will visibly be reduced within days.

(v) Baby facial treatment



Baby facial treatment is a medical facial technique that is designed for deep cleansing, skin hydration and nourishment. It involves aqua peeling treatment which exfoliates dead skin cells and removes impurities to unveil smooth and brighter looking skin. Our baby facial treatment includes a skin analysis by our doctors, deep cleansing, microdermabrasion, extraction of blackheads and whiteheads, antiseptic application, ultrasound machine treatment, hydration serum application, face massage and a moisturising face mask. Exxo Labs CFU200 Wellness Intensive Serum (**Exxo Labs Serum**) is usually applied topically on the skin to enhance the post treatment repairs and effect as it helps the cells for cell repair, promote healing, hydration and protection of the skin as well as anti-aging benefits. Our Group uses Profacial machine to carry out this treatment.

6. INFORMATION ON OUR GROUP (Cont'd)

No. Skin concerns

Facial and skin treatments

(vi) Carbon laser treatment



This procedure requires activated carbon powder to be applied to the face as this will absorb oil and dirt as well as remove dead skin cells from deep within the pores. The laser is passed over the skin at a low energy setting to evenly heat up the carbon to allow it to bind to the outermost layer of the skin (epidermis). The laser also heats up the tissue underneath the skin (subdermal tissue) which boosts collagen production and plumps up fine lines. Attached to the laser is a smoke evaporator which will remove the carbon along with the debris and impurities it contains. Once the treatment is completed, a hydrating moisturiser and sunscreen are applied to prevent drying and to protect against sun damage, respectively. Our Group uses Q-Switched Nd:YAG laser machines to carry out this treatment.

(vii) Fractional CO2 laser treatment



Local anaesthetic is applied to the treated area prior to the treatment. Short-pulsed energy is then blasted onto the outer surface of the skin through a scanning pattern in order to remove the damaged outer surface of the skin in thin layers. Once the dead skin cells are eliminated, the procedure activates the production of multiple microthermal zones which are columns of treatment that reaches deep into the skin. This stimulates the body's natural healing process which boosts collagen and skin remodelling by stimulating collagen production. This treatment aims to replace old and damaged skin cells with new healthy ones. Once the treatment is completed, a hydrating moisturiser

6. INFORMATION ON OUR GROUP (Cont'd)

No. Skin concerns

Facial and skin treatments

and sunscreen are applied to prevent the skin from drying and to protect against sun damage respectively. There is a short period of 5-7 days of downtime after treatment where our customers are recommended to avoid certain situations such as excessive sun exposure or other facial or skin treatments. Exxo Labs Serum is usually applied topically on the skin to enhance the post treatment repairs and effect as it helps the cells for cell repair, promote healing, hydration and protection of the skin as well as anti-aging benefits. Our Group uses Fractional CO2 laser machines to carry out this treatment.

(viii) PDT



PDT, also known as monochromatic light therapy, is a Non-Invasive therapy that uses a monochromatic light source to improve the condition of the skin. PDT emits a specific wavelength of light using light-emitting diodes, which is customised according to the customer's skin condition, to improve their skin with no pain and no downtime. PDT is useful to improve skin conditions such as acne, pigmentary disorders, skin redness and others.

2. Hyperpigmentation

Hyperpigmentation of the skin occurs when there is an excess production of melanin, a pigment which gives skin its colour. Increased pigmentation in the skin can be triggered by several factors such as the consumption of certain medication, hormonal changes during pregnancy, results from acne scarring or excessive sun exposure. There are different levels of treatment available for hyperpigmentation ranging from incorporating a high-quality sun protection factor ("SPF") sunscreen and topical retinoids into daily

(i) Q-Switched Nd:YAG laser treatment



Q-Switched Nd:YAG laser is a non-ablative laser, which targets melanin cells in the skin by heating up the underlying skin tissue without damaging the skin surface. Our Group uses Q-Switched Nd:YAG laser machines to carry out this treatment. The frequencies from this laser are calibrated for optimal absorption by the cells containing melanin pigments, where powerful

6. INFORMATION ON OUR GROUP (Cont'd)

No. Skin concerns

routine, to undergoing professional treatments currently offered by our Group.

Facial and skin treatments

bursts of energy will break up the pigment into smaller particles. These small pigment particles will be absorbed into the bloodstream and eventually expelled from the body.

The Q-Switched Nd:YAG laser can also be used for laser tattoo removal whereby it provides lightening of most tattoo colours.

(ii) Prolift facial treatment



Prolift facial treatment is a Non-Invasive way of delivering cosmeceuticals (a combination of cosmetics and pharmaceuticals) and injection-grade ingredients into the skin via water-based channels. This treatment addresses skin damage caused by oxidative stress and sun damage from prolonged exposure to harmful ultraviolet rays. This skin treatment utilises dermo-electroporation technology, an alternative to injections, to push the ingredients deep into the skin using electrical pulses and vibrations that increase the skins permeability for maximum product absorption. Without the use of needles, this method effectively minimises the risk of common side effects associated with injections such as mild bruising or infection. Exxo Labs Serum is usually applied topically on the skin to enhance the post treatment repairs and effect as it helps the cells for cell repair, promote healing, hydration and protection of the skin as well as anti-aging benefits.

3. Scars

Scars are formed when wounds do not heal properly and may result from injuries, acne, burns or surgery. At the same time, our face is constantly exposed to harsh environments like damaging sun rays or pollution, and as a result, scars may take longer time or become more difficult to heal.

(i) Chemical peels

Chemical peels help boost collagen and elastin production to improve elasticity, reduce the appearance of fine lines and even out skin tone through lightening dark spots and scars. It consists of an exfoliating acid solution that is safe and gentle on the skin that is Non-Invasive. Depending on the skin concern and skin type of the customer, our doctors can recommend and administer 2 types of peels, namely superficial and medium. Superficial chemical peels, the

6. INFORMATION ON OUR GROUP (Cont'd)

No. Skin concerns

Facial and skin treatments

mildest option, targets the outer layer of the skin. Medium chemical peels have a stronger concentration of acids than superficial chemical peels as the exfoliating solutions penetrates deeper into the middle layers of the skin. This treatment is suited for deeper set wrinkles and dark spots.

(ii) Dermapen 4 treatment



A form of microneedling treatment that can improve collagen production, reduce the appearance of signs of skin ageing, acne scars and pigmentation. The treatment uses multiple fine needles that pierce the skin vertically to deposit topical nutrients deeper into the skin. This repetitive piercing motion on the skin will trigger the body's natural process of repair, resulting in overall skin renewal, re-surfacing and re-texturising on the treated area. Dermapen 4 treatment is safe for use on the face and other larger surface areas such as the stomach and legs as target treatment for stretch marks. Exxo Labs Serum is usually applied topically on the skin to enhance the post treatment repairs and effect as it helps the cells for cell repair, promote healing, hydration and protection of the skin as well as anti-aging benefits.

(iii) Subcision treatment

Subcision treatment is a simple and safe procedure that is used to treat facial acne scars. The procedure is performed by inserting a special hypodermic needle into the skin to break up the fibres that connect the scar to the skin tissue underneath to diminish its appearance. For visible results, the procedure is usually repeated 3-6 times with a minimum of 4 weeks between each treatment. There is minimal downtime or side effects to the treatment with slight swelling and bruising present at the injection site.

6. INFORMATION ON OUR GROUP (Cont'd)

No. Skin concerns

Facial and skin treatments

(iv) Microneedling treatment

Microneedling treatment involves applying a roller made up of micro titanium needles to the outer layer of the skin. By repeatedly piercing the skin in a rolling motion, the roller creates micro channels in the skin which accelerates the body's natural healing process by triggering an increase in collagen and elastin production. This treatment is effective in diminishing the appearance of scars because as new and healthy tissue forms, it replaces old and damaged tissue on the surface. Exxo Labs Serum is usually applied topically on the skin to enhance the post treatment repairs and effect as it helps the cells for cell repair, promote healing, hydration and protection of the skin as well as anti-aging benefits.

(v) MEDGlass treatment



MEDGlass treatment targets vascular abnormalities, acne, scars and open pores. It is a Non-Invasive laser treatment which helps to rejuvenate the skin, lessen the appearance of wrinkles and fine lines, as well as improve the production of collagen to achieve clear and healthy skin. Unlike traditional lasers, this treatment utilises erbium glass "PulSync" technology that provides instant results with zero downtime and minimal discomfort.

(ii) Facial sculpting

As we age, the natural contours of our face become less pronounced and it can make us look older or distort the symmetry of our faces. Facial sculpting treatments offered by our Group are Non-Invasive procedures which enhances natural beauty by restoring a youthful appearance through professional consultation and personalised treatment planning by our doctors.

Our Group offers facial sculpting treatments which are considered anti-aging treatments to address the signs of aging. The anti-ageing treatments are specifically designed to reduce the appearance of wrinkles, fine lines and sagging skin. These treatments are commonly performed on parts of the body that are most susceptible to showing early signs of aging, such as the face,

6. INFORMATION ON OUR GROUP (Cont'd)

neck and hands. The anti-ageing treatments principally offered by our Group are as follows:

- **Dermal Filler**

A gel-like substance that is injected beneath the surface of the skin to restore lost volume, smoothen lines and wrinkles or enhance facial contours. In general, derma fillers provide immediate and longer lasting results, ranging between 9 to 18 months.

- **BTA**

An injectable substance that contain a toxin that temporarily prevents muscle movement and reduces the appearance of facial wrinkles. They are commonly used to relax facial muscles that cause wrinkles in the forehead and around delicate areas like the eyes and mouth. Depending on the area being treated and the amount of the substance used, results can last between 3 to 6 months.

- **HIFU lifting**



HIFU lifting is a Non-Invasive alternative to traditional facelift surgery to perform a skin tightening treatment. This procedure utilises ultrasound energy to target the layers of skin below the surface to encourage the production of collagen for firmer skin.

(iii) **Body contouring**

There are 2 types of body contouring treatments, namely surgical and nonsurgical. Surgical options include tucks, lifts and liposuction, which may carry more risks and require longer periods for recovery. Our Group specialises in Non-Invasive treatment and as such, our body contouring treatments are non-surgical. These procedures aim to reduce or remove stubborn pockets of fat in order to contour and shape areas of the body as well as tighten the skin.

The body contouring treatments offered by our Group are divided into 3 primary types of treatments targeting 3 areas of concern, namely skin tightening, slimming, and spider veins. The body contouring treatments that our Group principally offer are as follows:

6. INFORMATION ON OUR GROUP (Cont'd)

No. Areas of concern

Body contouring treatments

1. Skin tightening

Young skin is rich in naturally produced proteins called elastin and collagen. However, aging and poor lifestyle choices impacts the body's ability to produce these proteins efficiently. As a result, our skin begins to lose its elasticity. Skin tightening treatments target areas of loose skin and stimulate collagen production underneath the skin.

(i) HIFU treatment

A skin tightening treatment ultrasound energy to target the layers of skin below the surface to encourage the production of collagen for firmer skin.

(ii) Shockwave treatment



This procedure is performed by placing probes on the skin of the targeted areas, which emit radial waves known as Shockwaves. These Shockwaves help to stimulate fat cells for breakdown, increases collagen production, and lymphatic drainage to flush out unwanted fatty acid. This treatment reduces the appearance of cellulite and tightens the skin. Our Group uses Shockwave machine to carry out this treatment.

2. Slimming

Non-Invasive slimming treatments can help target stubborn pockets of fat in the body to tone up areas of concern for a more sculpted appearance.

(i) Cryolipolysis treatment



Cryolipolysis treatment is a procedure commonly known as fat freezing, is a non-surgical fat reduction procedure that uses intense cold temperatures to freeze the layer of fat cells underneath the skin. The cold temperatures damage the fat cells which triggers an inflammatory response by the body which causes the body to dispel the fat cells.

(ii) Medication

Our prescription slimming medication is made up of an active ingredient called phentermine which helps suppress appetite for overall weight loss. It is best used in collaboration with a reduced calorie diet and exercise. This medication is for

6. INFORMATION ON OUR GROUP (Cont'd)

No. Areas of concern

Body contouring treatments

short term use of up to 12 weeks only. Our Group also uses medication containing an active ingredient known as Liraglutide to suppress appetite and encourage weight loss.

(iii) EM Muscle treatment



EM Muscle treatment is an EM stimulation treatment. The EM Muscle treatment penetrates deep into the underlying core muscles to stimulate repetitive intense muscle contractions. This treatment helps to build muscles and achieve fat reduction simultaneously. This treatment can be used for the abdomen, buttocks, arms and thighs. Our Group uses EM stimulation machine for this treatment.

(iv) EM Pelvis treatment



Pregnancy, childbirth, surgery and menopause all affect the bladder, urethra and other muscles like pelvic floor muscles. Pelvic floor muscles are layers of muscles such as gluteal, perianal and vaginal muscles that support the pelvic organs. Weakened pelvic floor muscles could result in weak control of bladder function. EM Pelvis treatment is a Non-Invasive procedures that targets and strengthens the pelvic floor muscles. It is a vibrating chair that guides Kegel exercises

6. INFORMATION ON OUR GROUP (Cont'd)

No.	Areas of concern	Body contouring treatments
3.	Spider veins	(i) Yellow laser treatment
	<p>Varicose veins are the unsightly appearance of swollen and twisted dark blue veins raised on the skin surface. If left untreated the damaged veins may swell and overflow with blood, creating spider veins. Spider veins (mild form of varicose veins) are small damaged veins that appear predominantly on the thighs, calves, and ankles. The veins can appear in blue, purple or red colour and form thin lines, webs, or branches. They are typically not harmful or painful and occur when the valves inside the veins stop working properly, causing a bulge in the veins that branches out.</p>	<p>through the use of EM energy to engage the pelvic floor muscles. Our Group uses EM stimulation machines for this treatment.</p> <p>Yellow laser can be used to treat spider veins because its specific wavelengths of yellow light are able to shrink the blood vessels without harming the surrounding healthy capillaries.</p>

(iv) Hair growth and removal

No.	Areas of concern	Treatments
1.	Hair growth	(i) Medication & supplements
	<p>Common causes for hair loss are genetics, hormonal changes, illness and aging.</p>	<p>Hair growth medication includes supplements like Collasil and vitamin that helps strengthen the integrity of hair follicles. Medication we prescribe for hair growth includes finasteride, which minimises hair thinning in male pattern baldness; and minoxidil, an effective topical spray supplement that stimulates hair growth for both men and women.</p>
		(ii) PDT
		<p>PDT delivers concentrated wavelengths of light to stimulate cellular regrowth and increase circulation for increased hair count, hair density and hair thickness.</p>
		(iii) Microneedling treatment
		<p>Microneedling treatment targets baldness by applying small rollers that are wrapped with micro titanium needles to the skin. A mixture compound consisting of vitamins, hormonal regulators, amino acids, and other ingredients to promote hair growth are first applied to the</p>

6. INFORMATION ON OUR GROUP (Cont'd)

No.	Areas of concern	Treatments
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2. Hair removal

There are many methods for hair removal with varying results lasting from a few months to permanently. Permanent hair removal can only be achieved through electrolysis or laser hair removal.

scalp. When applied to the skin, these micro needles create micro channels in the skin which accelerates the body's natural healing process which can trigger hair growth, as well as allow for deeper penetration of the topical ointment. Exxo Labs Serum is usually applied topically on the skin to enhance the post treatment repairs and effect as it helps the cells for cell repair and promote healing.

(i) Diode laser treatment



Diode laser utilises a single wavelength of light which has a high absorption rate in melanin. As the melanin in the hair follicles heats up, it disrupts blood flow to the hair follicles which damages the root and disables hair growth permanently. The laser is safe to use on all skin colour types. Our Group uses the Diode laser machine to carry out this treatment.

(ii) Q-Switched Nd:YAG laser

Q-Switched Nd:YAG laser contains a special laser setting that can be used to target melanin present deep under the epidermis layer of the skin. This laser works by targeting melanin in hair follicles, heating them up to damage the hair roots to disable and reduce hair growth. This laser is safe for all skin types. Our Group uses Q-Switched Nd:YAG laser machine for this treatment.

The medical machines and equipment used by our Group in its respective services/treatments are neither technology exclusive to our Group nor patented by our Group. Our Group performs routine maintenance and inspection on our medical machines and equipment to ensure that they are in good condition and are fit for use. These medical machines and equipment will be replaced when it is no longer fit to be used. In addition, the medical machines and equipment used by our Group are readily available and sourced from both local and overseas market. Please refer to Section 6.5.4 of this Prospectus for further details of our medical machines and equipment.

6. INFORMATION ON OUR GROUP (Cont'd)

(v) Sale of skincare products

To complement and support our Aesthetic Services for facial and skin treatment, we have our own skincare products under the brand names of Le Perfetto and 10 Drs. These products are formulated and manufactured by OEMs (i.e. CL Cosmetic Industries Sdn Bhd, Giovan Resources Sdn Bhd, HNB Bio Co. Ltd and JM Naturals Sdn Bhd) based on our Group's requirement. Whilst our Group does not play an active role in determining the overall formulation of our skincare products, we are involved in the selection of particular ingredients into our products in order to target and address specific skin concerns. CL Cosmetic Industries Sdn Bhd, Giovan Resources Sdn Bhd and JM Naturals Sdn Bhd appointed by our Group are certified with good manufacturing practice (GMP) which was issued by the National Pharmaceutical Regulatory Agency under MOH while HNB Bio Co. Ltd (incorporated in South Korea) appointed by our Group are certified with GMP which was issued by the Bureau Veritas Certification.

Whilst these products are marketed with our Group's own branding, our Group does not own the rights to the formulations or have any exclusive agreement with the OEMs (save for JM Naturals Sdn Bhd). Save for JM Naturals Sdn Bhd, we do not have any agreement with the other OEMs and we have not experienced any disruption in the supply of our skincare products.

The manufacturing and supply agreement was entered into between Ten Doctors and JM Natural Sdn Bhd on 5 April 2023 to appoint JM Naturals Sdn Bhd to collaborate with Ten Doctors in developing and manufacturing dreamskin ultra-nourishing shower oil and botanical repair body lotion for Ten Doctors ("**OEM Agreement**").

Pursuant to the term of the OEM Agreement, Ten Doctors will be the product owner, importer/exporter, marketer, promoter, distributor and reseller under its own way of business and is entitled to fix products' resale price to its customers, appoint any other reseller of products anywhere world-wide and JM Naturals Sdn Bhd shall not interfere with the re-sale policy and way of business in any way whatsoever.

JM Natural Sdn Bhd's material obligations include the following:

- (a) the products' formulations and specifications and packaging's specifications and artwork design are strictly complied;
- (b) the routine quality tests are regulated by the relevant authority including but not limited to the routine analytical and microbiological tests on the products;
- (c) the manufacturer shall provide to Ten Doctors with the certified true copy of the updated business license(s), manufacturing certificate(s), and/or any other relevant licenses, permits, certificates, approvals or the equivalent in support of Ten Doctors' submission to the authority for the sale and distribution of the products in the desired territory; and
- (d) Ten Doctors may request the manufacturer to provide, after sales support in connection to the product complaints and/or inquiry as and when necessary, all regulatory affair documents and/or information regarding the product as and when requested by the regulatory

6. INFORMATION ON OUR GROUP (Cont'd)

authority. Test report regarding heavy metal test by a third-party lab for the first order, and test report on the stability of the products as per MOH requirement.

Ten Doctors' material obligations include the following:

- (a) Ten Doctors shall ensure that the product comply with the applicable cosmetic laws and regulations in Malaysia; and
- (b) Ten Doctors shall be responsible for any products' notification with the National Pharmaceutical Regulatory Agency, MOH in Malaysia and shall update the manufacturer before the production commences.

Further, JM Naturals Sdn Bhd shall warrant that the formulations, specifications, materials and designs conform to the laws and regulations of Malaysia and does not infringe intellectual property rights and other third party's rights in Malaysia.

Our products are sold at our clinics and on e-commerce platforms such as Lazada (for Le Perfetto brand of products only) and Shopee (for Le Perfetto and 10 Drs brand of products). Our skincare products consist of products for oral consumption as well as for external skin application. The products that we market are as follows:

Le Perfetto

Products sold under our Le Perfetto brand are primarily for topical skincare treatments. These skincare products come in a variety of forms like toners and lotions, and can be used to address a range of skincare issues such as skin dryness, congested pores, and early signs of aging. Our Le Perfetto products include:



Luminosa Stem Cell Series which consist of toner, cleanser, day & night cream, moisturiser, eye cream, and sunscreen.



Puro Purifying Series which consist of toner, moisturiser, cleanser, sunscreen and acne cream.

10 Drs

Products sold under our 10 Drs brand are made up of a variety of topical facial and body treatments and oral wellness supplements. Our topical skincare products come in a variety of forms like facial sheet masks and probiotic cleansers, toners and speciality acne creams. Our body treatment products include repairing body lotions and therapeutic shower oils to address

6. INFORMATION ON OUR GROUP (Cont'd)

dry and sensitive skin concerns. Our oral wellness supplements like Golden Tomato and Bio Berry, can be used to boost the overall health of the immune system and are rich in antioxidant properties to help maintain good skin health. Our 10 Drs products include:



Bio Berry Sachets & Golden Tomato tablets



Dreamskin Ultra-Calming Bio-Cellulose mask



Probiotic series which consist of cleanser, hydrator, toner, cream and sunscreen



Repairing Body Lotion



Therapeutic Shower Oil

6. INFORMATION ON OUR GROUP (Cont'd)

(b) General Medical Services

Our Group provides a range of general medical consultation services which include annual health check-ups (i.e. focusing on wider health scopes including screenings for allergies via blood tests) or providing an assessment to address any existing health concerns of the customers including skin disease treatment. During these medical consultations, our doctors will conduct an assessment to provide a diagnosis and offer a relevant treatment plan for our customers. Some of the main services provided by our Group includes:

Treatments	Details
Eczema treatment	Eczema is the most common type of atopic dermatitis, an inflammatory skin condition which causes redness, irritation, dryness and itchiness of the skin. There are treatments plan that can help in alleviating symptoms and managing periodic flare ups. Eczema appears differently in different people, so each Eczema treatment plan is curated specifically for the individual.
Skin infection treatment	Skin infections commonly occur when bacteria, viruses, fungi or parasites invade the skin through a break, wound or cut in the skin or when our immune system is weakened. Symptoms vary depending on the type of skin infection but some common symptoms include rashes, swelling, redness, pus and itching. Our doctors will perform an assessment on the infected area to determine the necessary course of treatment and prescribe medication like oral antibiotics, if required.
Psoriasis treatment	Psoriasis is a skin disease that causes a rash with itchy, scaly patches most commonly on the knees, elbows, trunk and scalp. It is a chronic disease and treatment options offered by our Group include topical therapy through creams and ointments as well as prescription medication taken orally or by injection. The severity of the psoriasis will determine the suitable treatment plan prescribed by our doctors following a consultation and assessment.
Vitiligo treatment	Vitiligo is a skin disorder that causes the skin to lose its pigment resulting in the formation of smooth white patches on the skin. Vitiligo usually begins with a few small white patches on the body that may gradually spread over time. It generally starts on the hands, forearms, feet and face, but can develop on any parts of the body including eyes and inner ears. Whilst Vitiligo is not painful, individuals with it may become more sensitive to sunlight and at risk of developing other autoimmune diseases. Treatments for Vitiligo offered by our Group include camouflage therapy which involves disguising or concealing the appearance of depigmented areas with makeup or dye; and re-pigmentation therapy which involves prescription oral or topical corticosteroids to stop the spread of white patches. Our doctors will

6. INFORMATION ON OUR GROUP (Cont'd)

Treatments	Details
<p>Medical & surgical treatment for skin lumps & bumps</p>	<p>provide a detailed treatment plan following a consultation and diagnosis.</p> <p>The formation of bumps and lumps on or underneath our skin can be caused by a number of conditions such as infections, allergic reactions, skin disorders or early of skin cancer. The removal procedures of these bumps and lumps like moles, skin tags or cysts are typically performed under local anaesthesia. Once the lesion is removed, it may be sent for a biopsy if its size, shape or colour raises concern with the doctor. Depending on the procedure, recovery is typically quick with minimal side effects like light bleeding and discomfort from the removal site. If necessary, our doctors will administer some pain relief medication to help with any discomfort as the anaesthesia wears off.</p>
<p>Blood test health screening</p>	<p>Blood test screenings detects the presence of abnormalities that can identify underlying health problems in early stage or confirm a diagnosis. Our Group offers a variety of blood test screening combinations which allows our customers to select the elements they wish to test such as allergy testing, basic metabolic panel, lipid panel, thyroid panel and cancer markers. Following a consultation, our doctors will recommend the appropriate blood test health screening. The procedure involves drawing a sample of blood from the individual, which will be sent to the lab for analysis. Our doctors will then discuss the results with our customer once the report is ready.</p>

All products used in our treatments under our Aesthetic Services and General Medical Services that are under the Control of Drugs and Cosmetics Regulations 1984 are duly notified vide notification notes under Regulation 7, Regulation 18A(2) of the Control of Drug and Cosmetic Regulation 1984 and products used for dermal filler treatment are registered and licenced under Section 5 and Section 15 of the Medical Device Act 2012.

In addition, Regulation 8(8) of the Control of Drugs and Cosmetics Regulation 1984 states that upon registration of a product, the authority shall notify the product registration holder and assign a product registration number or a product listing number to each registered product. Therefore, we will ensure all products used for our treatments are assigned a product registration number on the packaging. We will also conduct searches on the products based on the Product Registration & Licensing System QUEST3+ (Sistem Pendaftaran Produk & Perlesanan) under the National Pharmaceutical Regulatory Agency ("NPRA"), MOH and the Registered Medical Device Search System under the Medical Device Authority Register ("MDAR"), MOH.

6.5.2 Mode of operations

The services performed at our aesthetic medical clinics are primarily performed by our 10 LCP Certified Aesthetic Physicians and 29 resident medical doctors. They are supported by 21 clinic managers, 65 clinic consultants and 11 clinic assistant (including 5 of our former customer service personnel which have been converted to clinic assistants).

6. INFORMATION ON OUR GROUP (Cont'd)

LCP Certified Aesthetic Physicians

LCP Certified Aesthetic Physicians are employees of our Group who are required to devote their time, attention, and skills to the performance of their duties for the business and interest of our Group. They are not permitted to provide medical treatment at other clinics or medical centres outside of our Group according to the conditions set out in the employment agreement. Our LCP Certified Aesthetic Physicians work in designated clinics and operate on a fixed schedule. They are designated to perform all aesthetic medical treatments offered by our Group, including performing customer consultations as well as planning and carrying out customised treatments and procedures in accordance with the customers' aesthetic concerns/needs. The LCP Certified Aesthetic Physicians can also perform the General Medical services offered by our Group.

According to Guidelines on Aesthetic Medical Practice for Registered Medical Practitioners published by the MOH, only LCP Certified Aesthetic Physicians are allowed to perform aesthetic medical treatments.

Guidelines for Processing Clinic Registration of Private Medicine and Dental Clinic Registration dated 30 August 2022 provides that a registered medical practitioner is allowed to be the Responsible Person for 1 private clinic only and is not allowed to be the same in other private healthcare facilities and services. Prior to 30 August 2022, the Guidelines for Processing Clinic Registration of Private Medicine and Dental Clinic Registration dated January 2014 states that a registered medical practitioner is allowed to be the Responsible Person for a maximum of 3 private clinics. Further, the location of the designated clinic and schedule of the proposed Responsible Person are subject to MOH's assessment.

Save for the above, there is no other regulation requirements that dictates the minimum number of LCP Certified Aesthetic Physicians or other personnel with relevant expertise for the operation of the Group.

As employees of our Group, all our LCP Certified Aesthetic Physicians, namely Dr. Chong Tze Sheng, Dr. Nur Atiqah Binti Md Nor, Dr. Yong Chi Khoon, Dr. Jeffrey Lim Chung Yeow, Dr. Leong Chee Yong, Dr. Sareswathi A/P R Arunasalam, Dr. Vincent Yap, Dr. Yap Chiou Han, Dr. Michelle Ko Mee Chie and Dr. Muhammad Faiz Bin Nasir are paid a fixed monthly salary and a remuneration package consisting of commission, bonus, and travelling allowances.

The commission is computed by multiplying the commission rate by the daily sales collection of our branch where the LCP Certified Aesthetic Physician is on duty. It is a common practice in the aesthetic medical industry for doctors to have sales based commission to form part of their remuneration package. However, the commission will not affect the professionalism or ethics of our LCP Certified Aesthetic Physician based on the following:

- (a) our LCP Certified Aesthetic Physicians as the members of the medical profession are required to make ethical choices and abide by the Code of Professional Conduct of the Malaysian Medical Council to carry out their ethical obligation to provide and maintain a professional standard of medical care in order to ensure propriety in professional practice by medical practitioners and prevention of abuse of professional privilege.

According to Section 29(2)(b) of the Medical Act 1971, the Malaysian Medical Council shall have disciplinary jurisdiction over any registered medical practitioner who has been guilty of infamous conduct in any professional respect including failure to meet the minimum standards of professional medical practice as set out in the Code of Professional Conduct, guidelines and directives issued by the Malaysian Medical Council.

6. INFORMATION ON OUR GROUP (Cont'd)

The Malaysian Medical Council may in the exercise of its jurisdiction, impose any of the following punishments:

- (i) order the name of such registered person to be struck off from the Malaysian Medical Register;
- (ii) order the name of such registered person to be suspended from the Malaysian Medical Register for such period as it may think fit;
- (iii) order the registered person to be reprimanded; or
- (iv) make any such order as aforesaid but suspend the application thereof, subject to such conditions as the Malaysian Medical Council may think fit for a period, or periods in the aggregate, not exceeding 2 years,

and may, in any case, make such order as the council thinks fit with regard to the payment of the costs of the Registrar of Medical Practitioners and of any complainant or of the registered person, and any costs awarded may be recovered as a civil debt pursuant to Section 30 of the Medical Act 1971;

- (b) our Group does not impose any sales target on our LCP Certified Aesthetic Physicians as the clinic manager and clinic consultants are responsible for achieving the sales;
- (c) our LCP Certified Aesthetic Physicians' commissions are a form of remuneration to retain our LCP Certified Aesthetic Physicians to ensure the continuity of their services in our Group; and
- (d) for FYE 2019 to 2022, the total commission granted to each LCP Certified Aesthetic Physicians does not constitute the majority of their respective total remuneration package as the commission only constitute between 13.0% to 32.0% of their annual total remuneration.

Save for Dr. Chong Tze Sheng, all other LCP Certified Aesthetic Physicians have entered into an employment agreement with our Group. Under the said agreement, amongst other conditions, they are required to remain under our Group's employment for a minimum of 3 years from the commencement date of their employment.

Our Group reserves the right to seek compensation for the cost of training provided to the LCP Certified Aesthetic Physicians under their employment should they resign from our Group within the 3-year period as stated above. In case of termination, the LCP Certified Aesthetic Physicians are not entitled to any further compensation save for the remuneration owing for their services during their term of employment with our Group. Additionally, the LCP Certified Aesthetic Physicians, whilst under the employment of our Group, are prohibited from being employed by a third-party or engage in any business activities that are similarly offered by our Group.

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6. INFORMATION ON OUR GROUP (Cont'd)

Save for Dr. Chong Tze Sheng, who is our Managing Director, all of our Group's LCP Certified Aesthetic Physicians are still bonded with our Group as at the LPD. The details of our Group's LCP Certified Aesthetic Physicians are as follows:

No.	Name	Joined date	(¹)Years of experience up to the LPD
1.	Dr. Chong Tze Sheng	4 March 2016	12 years 3 months
2.	Dr. Leong Chee Yong ⁽²⁾	3 January 2020	12 years 3 months
3.	Dr. Yong Chi Khoon	1 July 2021	12 years 2 months
4.	Dr. Jeffrey Lim Chung Yeow	1 January 2022	17 years 6 months
5.	Dr. Nur Atiqah Binti Md Nor	17 January 2022	9 years 8 month
6.	Dr. Sareswathi A/P R. Arunasalam	1 March 2022	15 years 5 months
7.	Dr. Vincent Yap	1 July 2022	10 years 2 months
8.	Dr. Yap Chiou Han	1 August 2022	11 years 6 months
9.	Dr. Michelle Ko Mee Chie ⁽³⁾	3 January 2023	7 years 10 months
10.	Dr. Muhammad Faiz Bin Nasir	7 February 2023	7 years 9 months

Notes:

- (1) From the date of his/her full registration with the Malaysian Medical Council.
- (2) Dr. Leong Chee Yong's employment agreement has been extended for 5 years upon completion of his 3-year agreement on 2 January 2023.
- (3) Dr. Michelle Ko Mee Chie joined our Group as a resident medical doctor on 3 January 2023 and was subsequently converted to LCP Certified Aesthetic Physician in March 2023 after the official issuance of LCP by MOH.

As at the LPD, save for Dr. Chong Tze Sheng and Dr. Leong Chee Yong, none of our Group's LCP Certified Aesthetic Physicians have been employed by our Group for more than 3 years.

Our Group will provide training to the resident medical doctors (under the supervision of our LCP Certified Aesthetic Physicians) which may allow them to eventually become a LCP Certified Aesthetic Physicians. There is no fixed or specific monetary cost to obtain the LCP. General medical practitioners are required to have a current and valid APC, have minimum 2 years of clinical experience as a medical officer (or equivalent) after full registration and complete 2 years of relevant training in an aesthetic medical practice under supervision (the minimum pre-requisites stated in the Guidelines on Aesthetic Medical Practice for Registered Medical Practitioners by the MOH). Furthermore, applicants are required to undertake relevant training and undergo assessment via interviews by other medical professionals such as dermatologists and plastic surgeons as well as MOH officials before they can be issued with the LCP.

Resident medical doctors

All resident medical doctors who operate in our clinics are classified as employees of our Group and are required to devote their time, attention and skills to the performance of their duties for the business and interest of our Group. They are not permitted to provide medical treatment at other clinics or medical centres outside of our Group. Unlike our LCP Certified Aesthetic Physicians, our Group's resident medical doctors operate on a rotational basis, serving at different clinics within our Group in order to assist our LCP Certified Aesthetic Physicians in performing various aesthetic procedures. As they are not LCP Certified Aesthetic Physicians, they are unable to perform any of the aesthetic procedures (i.e. facial and skin treatments, facial sculpting, body contouring, hair growth and removal) offered by our Group without the presence of a LCP Certified Aesthetic Physician. There is no requirement for the resident medical doctor to be present during the aesthetic procedures, but it is our Group's

6. INFORMATION ON OUR GROUP (Cont'd)

policy to have a resident medical doctor present during the aesthetic procedures to support the LCP Certified Aesthetic Physician during the procedure. They are also responsible for customer consultations as well as planning and carrying out General Medical Services that are offered under our Group's General Medical Services segment.

As the resident medical doctors are employees of our Group, they are paid a fixed monthly salary and a remuneration package consisting of commission, bonus and travelling allowances.

The commission is computed by multiplying the commission rate by the daily sales collection of the branch where the resident medical doctor is on duty. It is a common practice in the aesthetic medical industry for doctors to have sales based commission to form part of their remuneration package. However, the commission will not affect the professionalism or ethics of our resident medical doctor based on the following:

- (a) our resident medical doctors as the members of the medical profession are required to make ethical choices and abide by the Code of Professional Conduct of the Malaysian Medical Council to carry out their ethical obligation to provide and maintain a professional standard of medical care in order to ensure propriety in professional practice by medical practitioners and prevention of abuse of professional privilege.

According to Section 29(2)(b) of the Medical Act 1971, the Malaysian Medical Council shall have disciplinary jurisdiction over any registered medical practitioner who has been guilty of infamous conduct in any professional respect including failure to meet the minimum standards of professional medical practice as set out in the Code of Professional Conduct, guidelines and directives issued by the Malaysian Medical Council.

The Malaysian Medical Council may in the exercise of its jurisdiction, impose any of the following punishments:

- (i) order the name of such registered person to be struck off from the Malaysian Medical Register;
- (ii) order the name of such registered person to be suspended from the Malaysian Medical Register for such period as it may think fit;
- (iii) order the registered person to be reprimanded; or
- (iv) make any such order as aforesaid but suspend the application thereof, subject to such conditions as the Malaysian Medical Council may think fit for a period, or periods in the aggregate, not exceeding 2 years,

and may, in any case, make such order as the council thinks fit with regard to the payment of the costs of the Registrar of Medical Practitioners and of any complainant or of the registered person, and any costs awarded may be recovered as a civil debt pursuant to Section 30 of the Medical Act 1971;

- (b) our Group does not impose any sales target on our resident medical doctors as the clinic manager and clinic consultants are responsible for achieving the sales;
- (c) our resident medical doctors' commissions are a form of remuneration to retain our resident medical doctors to ensure the continuity of their services in our Group; and
- (d) for FYE 2019 to 2022, the total commission granted to each resident medical doctor does not constitute the majority of their respective total remuneration package as the commission only constitute between 2.0% to 38.0% of their annual total remuneration.

6. INFORMATION ON OUR GROUP (Cont'd)

Similar to LCP Certified Aesthetic Physicians, all of our resident medical doctors have entered into an employment agreement with our Group. Under this said agreement, amongst other conditions, they are required to remain under our Group's employment for a minimum of 3 years from the commencement date of their employment. Our Group reserves the right to seek compensation for the cost of training provided to the resident medical doctors under our employment should they resign from our Group within the 3-year period as stated above. In case of termination, the resident medical doctors are not entitled to any further compensation save for the remuneration owing for their services during their term of employment with our Group. Additionally, the resident medical doctors, whilst under our employment are prohibited from being employed by a third-party or engage in any business activities that are similarly offered by our Group.

The details of our Group's resident medical doctors as at the LPD are as follows:

No.	Name	Joined date	⁽³⁾Years of experience up to the LPD
1.	Dr. Lai Ngan Chee ⁽²⁾	5 April 2017	12 years 3 months
2.	Dr. Brendon Chong Khye Chiat ⁽²⁾	11 February 2019	7 years 10 months
3.	Dr. Dana Qurratuaini Binti Zulkifly ⁽²⁾	14 May 2018	10 years 3 months
4.	Dr. Cheah Jern Hsien ⁽²⁾	1 February 2020	5 years 9 month
5.	Dr. Jacqueline Lee Wei Xian ⁽¹⁾	1 December 2020	5 years 9 month
6.	Dr. Chin Joe Yee ⁽¹⁾	2 June 2021	4 years 1 months
7.	Dr. Raja Wahithnissa Binti Jawahar Raja ⁽¹⁾	15 September 2021	3 years 6 months
8.	Dr. Neo Shun Qin ⁽¹⁾	6 December 2021	3 years 6 months
9.	Dr. Chow Zhen Ru ⁽¹⁾	3 January 2022	5 years 5 months
10.	Dr. Ngio Yi Chen ⁽¹⁾	10 January 2022	4 years 3 months
11.	Dr. Lim Su Xian ⁽¹⁾	14 February 2022	4 years 1 months
12.	Dr. Chok Sok Hui ⁽¹⁾	1 March 2022	3 years 1 months
13.	Dr. Chu Yee Ling ⁽¹⁾	7 March 2022	3 years 1 months
14.	Dr. Yan Hui Xin ⁽¹⁾	14 March 2022	3 years 5 months
15.	Dr. Chong Hon Wei ⁽¹⁾	21 March 2022	3 years 2 months
16.	Dr. Kho Jia Ming ⁽¹⁾	9 May 2022	4 years 10 months
17.	Dr. Ku Shi Yun ⁽¹⁾	9 May 2022	3 years 11 months
18.	Dr. Sacha Wong Ee Lyn ⁽¹⁾	13 June 2022	5 years 5 months
19.	Dr. Saw Mei Mei ⁽¹⁾	5 September 2022	2 years 10 months
20.	Dr. Tan Zhe Jack ⁽¹⁾	5 September 2022	3 years 2 months
21.	Dr. Kelvin Teo Wei Kang ⁽¹⁾	15 September 2022	3 years 5 months
22.	Dr. Teoh Wan Ching ⁽¹⁾	3 October 2022	1 year 10 months
23.	Dr. Wong Chia-Fei ⁽¹⁾	11 October 2022	3 years 5 months
24.	Dr. Ji Sue Ting ⁽¹⁾	21 November 2022	1 year 9 months
25.	Dr. Izuddin Bin Zaid ⁽¹⁾	7 February 2023	3 years 11 months
26.	Dr. Justine Danielle Phua Shih Huei ⁽¹⁾	7 February 2023	2 years 6 months
27.	Dr. Justine Ong Shi Teng ⁽¹⁾	7 February 2023	3 years 2 months
28.	Dr. Yan Chan Hao ⁽¹⁾	7 February 2023	3 years 2 months
29.	Dr. Choo Hui Tze ⁽¹⁾	2 May 2023	4 years 1 month

Notes:

⁽¹⁾ The resident medical doctor is still bonded with the Group within the 3 years from employment as at the LPD.

⁽²⁾ The resident medical doctor is employed for more than 3 years and is bonded with the Group for another 3 years as at the LPD.

6. INFORMATION ON OUR GROUP (Cont'd)

(3) From the date of his/her full registration with the Malaysian Medical Council.

Clinic Consultants

Clinic consultants in our Group are in charge of following up with our customers, especially post-procedure where they are able to provide our customers with clarification on post-procedure protocol and basic medical information based on the instructions of our LCP Certified Aesthetic Physicians and/or resident medical doctors. Alongside these duties, they are also tasked with performing basic pre-treatment support services such as facial cleansing and applying numbing cream to the skin as prescribed, in preparation for the attending LCP Certified Aesthetic Physician and/or resident medical doctors treatment plan. There is no prior qualifications and experience in clinical settings required for our clinic consultants as our Group will provide comprehensive training upon them joining our Group.

Clinic assistant

Clinic assistant is responsible for assisting our clinic consultants in taking care of the general duties of clinic operations such as setting appointments, registering customers, as well as billing and collection.

Revenue Model

Our Group provides its services and products to our customers on an as-needed basis. Our customer generally enters into contract with our Group for Aesthetic Services package in which we charge an upfront fixed fee with contract period between 3 months and 24 months. While our packages generally have a contract period of 24 months, we also offer promotional packages during festive periods and at the end of the calendar year with shorter validity periods ranging from 3 months to 6 months. Revenue is recognised over time throughout the contract period when performance obligation in the contract has been provided to customer. Our packages are personalised to our customer's preference and can be customised to the number of sessions and the type of treatment desired. For our Aesthetic Services, our customers may also opt for one-time treatment to address their aesthetic concerns and revenue is recognised when the service is rendered.

Save for the promotional packages, the validity period of our packages shall be 24 months from the date of the first payment. The terms and conditions of our packages are as follows:

- (a) All skincare products, treatment and packages sold are non-refundable and non-returnable;
- (b) All deposits made are non-refundable;
- (c) All treatment and credits are non-transferable and non-shareable;
- (d) The treatment packages are to be utilised within the validity period and any remaining unutilised treatments shall be forfeited at the end of the validity period and shall not be converted into cash; and
- (e) The treatment packages are not refundable, shareable, or transferable and valid only after full payment has been received from our customers.

For our General Medical Services, our Group primarily generates revenue through one-time payments by our customers after the provision of our medical services.

6. INFORMATION ON OUR GROUP (Cont'd)

During the Financial Years Under Review, we derived a majority of our revenue from package sale as shown below:

	FYE 2019		FYE 2020		FYE 2021		FYE 2022	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Package sale								
- Aesthetic Services	9,549	78.21	11,627	80.47	19,488	76.49	41,824	80.48
One-time sale								
- Aesthetic Services	1,416	11.60	1,016	7.03	2,139	8.39	4,921	9.47
- General Medical Services	1,245	10.20	1,806	12.50	3,852	15.12	5,219	10.04
Total	12,210	100.00	14,449	100.00	25,479	100.00	51,964	100.00

Quality control procedures and management

We recognise the importance of maintaining a system of quality control and practice to ensure our customers' safety and well-being are guarded.

Checklists are utilised by employees to reflect the consistency, effectiveness and efficiency of daily, weekly and monthly tasks to ensure our operations are running smoothly and efficiently. Our daily operations checklists are individual checklists for our laser machines to assess their performance, and a checklist to ensure all necessary medical instruments are sanitised, prepped and ready to be used in treatments. Our weekly and monthly checklists are used to monitor and verify that our aesthetic medical clinics are operating in accordance to the guidelines set out by MOH. We also utilise weekly checklist on our machinery to determine if maintenance work is required.

Additionally, each treatment procedure is accompanied with a detailed checklist that specifies the treatment protocol and the necessary tools needed. It is our standard protocol to have every item in the checklist accounted for and checked by the clinic consultant in charge.

Health and safety and environment management

Our Group prioritises maintaining a high standard of management in areas of environmental, health and safety for our employees, staff, suppliers and the general public. Our environmental, health and safety considerations are well evaluated in all circumstances, and where necessary we incorporate the appropriate actions to preserve good health and promote a safe environment.

For the safety and health of our employees, our management has implemented the following provisions to be adhered to by all employees:

(a) Emergency and disaster preparedness

It is the responsibility of all clinical staff to ensure that they understand the medical emergency procedures as a first response to common life-threatening injuries and acute illness for all customers of the clinic. Additionally, it is our Group policy to ensure that all our clinic staff are trained and familiar with disaster evacuation plans in the event of a fire or other disasters to ensure the safety of all customers and staff.

6. INFORMATION ON OUR GROUP (Cont'd)

A designated area of each clinic will be prepared to receive and provide basic life support for emergency customers in the event of an emergency. The nature and scope of such emergency care services rendered by our clinics are limited to providing basic life support. If a customer requires further medical attention or has become stable for transfer, our clinic staff will notify an ambulance service which will transport the customer to the nearest hospital for the necessary treatment. Any referral of customer to another healthcare facility shall be recorded into the referral register.

(b) Transportation of lab specimen

All specimen samples taken from customers will be transported securely to the testing laboratory. To prevent cross contamination, the samples will be stored in sterile and clearly labelled bottles and containers as per the requirements set out by the laboratory. All specimen samples are transported to the testing labs within 24 hours, and are kept in a temperature-controlled environment, such as our medication room, beforehand.

(c) Maintenance and housekeeping

The clinic manager is fully responsible to ensure the cleanliness and order of the clinic at all times. To uphold our strong hygiene standards, no eating or drinking is permitted in the clinic common areas like the waiting room or the treatment rooms. Staff are only permitted to eat in the pantry where there is a designated fridge to store food.

All cleaning equipment such as mops, cloths and sponges are stored in the janitor's closet. It is also common practice at our clinics to clean and sanitise all cleaning equipment after each use.

(d) Clinical waste management

According to the MOH, clinical wastes are defined as below:

- (i) Any waste which consists wholly or partly of human or animal tissue, blood or other body fluid, excretions, drugs or other pharmaceutical products, swabs or dressings, syringes, needles or other sharp instruments, being waste which unless rendered safe may prove hazardous to any person coming into contact with it; and
- (ii) Any other waste arising from medical, nursing, dental, veterinary, pharmaceutical or similar practices, investigation, treatment, care, teaching or research, or the collection of blood for transfusion, being waste which may cause infection to any person coming into contact with it.

To reduce the contact with and the impact of hazardous waste, our clinics have strict clinical waste management protocols in place which are also in line with health and safety regulations as outlined by MOH.

(e) General Procedures for waste management

To ensure our waste management procedures operate smoothly and efficiently, all waste from our clinics is segregated into 2 primary categories, namely general waste and clinical waste.

6. INFORMATION ON OUR GROUP (Cont'd)

(i) General waste

General waste refers to any waste that does not fulfil the aforementioned criteria for clinical waste, this includes waste materials such as food residue, wrapping paper, plastic and glass. As these waste materials are not hazardous, they do not require additional disposal protocols and can be discarded into the bins which will be collected by the general waste management company who has been appointed by the local authority.

(ii) Clinical waste

Clinical waste is as defined above, regarding the disposal of any materials such as syringes, gauze and gloves that have been in contact with bodily fluids like blood. This type of waste can only be discarded in the specifically designated yellow bins that are clearly labelled for biohazard waste only. Other clinical waste such as surgical blades, syringe and suture needles, are disposed in a separate bin designed specifically for sharp objects. Once these bins are filled, the plastic lining bags will be removed and sealed with plastic zip ties to prevent any waste material from falling out. A new plastic lining bag is then replaced in the yellow biohazard bins. The sealed bags are then placed in a designated storage area before being collected by an appointed clinical waste management contractor, based on the agreed schedule.

(iii) Electrical and Plumbing Facilities

In the event any malfunctions in the air-conditioning, lighting, plumbing or power outlets occur, the clinic manager will be informed to organise the relevant repair or maintenance services. All billed services will be recorded down.

(f) Grievance policy

Our Group is committed to providing quality customer care and maintaining customer satisfaction. All customers or their representatives (such as family members, guardians, etc) will be informed of their right to file a complaint or express their grievance in the event of an unsatisfactory treatment or experience with our clinic or staff. All complaints or grievances can be made directly to the clinic's email at enquiry@drchongclinic.com, where all claims will be investigated and responded to by the management team within 14 days. If the outcome of the filed complaint or grievance is not to the satisfaction of the customer, further action can be taken by referring the matter to the Director General of Health of Malaysia.

(g) Medical malpractice liability policy and indemnity insurance

Our LCP Certified Aesthetic Physicians and resident medical doctors are required to maintain their medical malpractice liability and indemnity insurance for individual practitioners. In addition, we also maintain medical malpractice insurance policy for medical establishment to protect against any and all losses, damages and liabilities incurred or suffered by our Group or that may arise from any negligence, demands, actions, claims, lawsuits or proceedings that are threatened or pending against our Group arising from medical negligence.

6. INFORMATION ON OUR GROUP (Cont'd)

No.	Medical malpractice liability policy and indemnity insurance	Insured amount
1.	Medical malpractice for medical establishment	RM20,000,000.00
2.	Medical malpractice liability for Dr. Chong Tze Sheng	RM10,000,000.00
3.	Medical malpractice liability for individual practitioner (save for Dr. Chong Tze Sheng)	Ranging from RM500,000.00 – RM2,000,000.00 for each doctor

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6. INFORMATION ON OUR GROUP (Cont'd)

6.5.3 Business Processes and Facilities

We have a chain of 13 aesthetic medical clinics in Malaysia operating under the brand names of "Dr Chong Clinic", "Klinik Dr Chong", and "Klinik Dr Chong Premium" that are located in the Central Region and Southern Region. All aesthetic medical clinics are rented by our Group and the details of these aesthetic medical clinics are as follows:

Our Aesthetic Medical Clinics in Malaysia



Our Group operates from the following premises in Malaysia:

Central Region

1. Bangsar Branch



6. INFORMATION ON OUR GROUP (Cont'd)

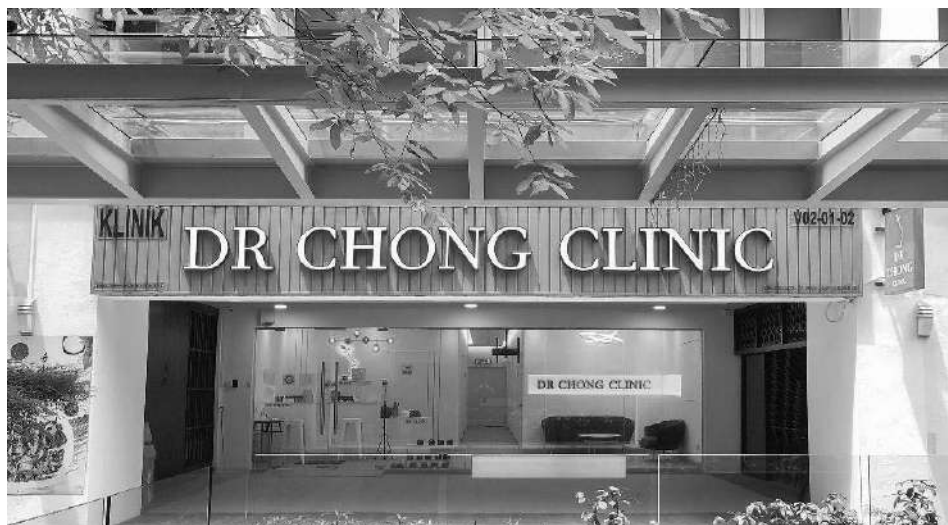
Address: 40G & 42G, Jalan Telawi, Bangsar Baru, 59100 Kuala Lumpur Wilayah Persekutuan Kuala Lumpur	Year of Commencement: September 2019	Approximate built-up area (sq ft): 2,880.00 sq ft
Facilities: Consultation room(s): 1 Treatment room(s): 7	Services provided as at the LPD: Aesthetic Services and General Medical Services	Responsible Person: Dr. Chong Tze Sheng
Validity of CF/CCC: (1) Validity CF was issued on 14 April 1993.		
Salient terms of rental: No. 40G, Jalan Telawi, Bangsar Baru, 59100 Kuala Lumpur Term : 2 years commencing on 1 April 2022 to 31 March 2024 Rental : RM16,500.00 monthly Renewal : 6 months written notice in advance by tenant before tenancy expires for a further term of 2 years subject to an increase of not more than 10.00% in monthly rental to be mutually agreed by both parties No. 42G, Jalan Telawi, Bangsar Baru, 59100 Kuala Lumpur Term : 3 years commencing on 15 September 2020 to 14 September 2023* Rental : RM14,000.00 monthly for the first year; RM15,000.00 for the second and third year Renewal : 3 months written request by tenant before tenancy expires for a further period of three years which shall be subject to a rent review and the new rent shall be at prevailing market rate, to be mutually agreed upon by both parties but shall not exceed 10.00% of the preceding monthly rental		

* The Company had on 16 June 2023 submitted a letter to the landlord requesting for the renewal of tenancy for a further period of 3 years from 15 September 2023 to 14 September 2026.

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6. INFORMATION ON OUR GROUP (Cont'd)

2. Sunway Velocity Branch



<p>Address:</p> <p>V02-01-02, Office 2, Lingkaran SV, Sunway Velocity, 55100 Kuala Lumpur Wilayah Persekutuan Kuala Lumpur</p>	<p>Year of Commencement:</p> <p>October 2021</p>	<p>Approximate built-up area (sq ft):</p> <p>1,538.65 sq ft</p>
<p>Facilities:</p> <p>Consultation room(s): 2 Treatment room(s): 4</p>	<p>Services provided as at the LPD:</p> <p>Aesthetic Services and General Medical Services</p>	<p>Responsible Person:</p> <p>Dr. Leong Chee Yong</p>
<p>Validity of CF/CCC:</p> <p>(¹)Valid CCC was issued on 28 December 2017.</p>		
<p>Salient terms of rental:</p> <p>Term : 2 years commencing on 15 March 2023 to 14 March 2026 Rental : RM27,250.00 monthly Renewal : 3 months written request by tenant before tenancy expires for a further term of 2 years at market rate, maximum up to 10.00% increment</p>		

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6. INFORMATION ON OUR GROUP (Cont'd)

3. Kepong Branch



<p>Address:</p> <p>35G, 37G & 39G, Jalan Metro Perdana Barat 1, Taman Usahawan Kepong, 52100 Kuala Lumpur Wilayah Persekutuan Kuala Lumpur</p>	<p>Year of Commencement:</p> <p>July 2016</p>	<p>Approximate built-up area (sq ft):</p> <p>4,130.46 sq ft</p>
<p>Facilities:</p> <p>Consultation rooms: 3 Treatment rooms: 7</p>	<p>Services provided as at the LPD:</p> <p>Aesthetic Services and General Medical Services</p>	<p>Responsible Person:</p> <p>Dr. Chong Tze Sheng</p>
<p>Validity of CF/CCC:</p> <p>(¹)Valid CF was issued on 30 May 2005.</p>		
<p>Salient terms of rental:</p> <p>35G, Jalan Metro Perdana Barat 1, Taman Usahawan Kepong, 52100 Kuala Lumpur</p> <p>Term : 3 years commencing on 1 September 2020 to 31 August 2023*</p> <p>Rental : RM5,500.00 monthly for the first year; 1 September 2021 onwards will be based on market rate</p> <p>Renewal : 2 months written request by tenant before tenancy expires from 1 September 2021 onwards for a further term of other duration as may be agreed by the parties. The adjustment of the rental shall be at the prevailing market rate</p> <p>37G, Jalan Metro Perdana Barat 1, Taman Usahawan Kepong, 52100 Kuala Lumpur</p> <p>Term : 9 years commencing on 1 April 2019 to 31 March 2028</p> <p>Rental : RM6,000.00 monthly for the first to third year; RM6,600.00 for the fourth to sixth year; RM7,200.00 for the seventh to ninth year</p> <p>Renewal : 2 months written request by tenant before tenancy expires for a further term at a rental and service charges (if any) to be mutually agreed upon between the landlord and the tenant based on the prevailing market rate together with the proportionate increase in the rental deposit and utility deposit</p>		

6. INFORMATION ON OUR GROUP (Cont'd)

39G, Jalan Metro Perdana Barat 1, Taman Usahawan Kepong, 52100 Kuala Lumpur
 Term : 3 years commencing on 1 October 2022 to 30 September 2025
 Rental : RM7,000.00 monthly
 Renewal : Tenant shall be given the first option to renew the tenancy for a further term of 3 years and the rental shall not be increased more than 10.00% of the current monthly rental

* The Company had on 19 June 2023 submitted a letter to the landlord requesting for the renewal of tenancy for a further period of 3 years from 1 September 2023 to 31 August 2026.

4. Mid Valley Branch



<p>Address:</p> <p>No. 59G, The Boulevard Mid Valley City Lingkaran Syed Putra 59200 Kuala Lumpur Wilayah Persekutuan Kuala Lumpur</p>	<p>Year of Commencement:</p> <p>April 2022</p>	<p>Approximate built-up area (sq ft):</p> <p>2,713.00 sq ft</p>
<p>Facilities:</p> <p>Consultation room(s): 2 Treatment room(s): 6</p>	<p>Services provided as at the LPD:</p> <p>Aesthetic Services and General Medical Services</p>	<p>Responsible Person:</p> <p>Dr. Yong Chi Khoon</p>
<p>Validity of CF/CCC:</p> <p>(1)Valid CF was issued on 8 December 2001.</p>		

6. INFORMATION ON OUR GROUP (Cont'd)

Salient terms of rental:	
Term	: 3 years commencing on 1 February 2022 to 31 January 2025
Rental	: RM54,000.00 monthly
Renewal	: 6 months written notice by tenant before tenancy expires for a further term of 3 years upon terms and conditions to be mutually agreed upon by both parties with the monthly rent being subject to the market rate prevailing for similar premises in the vicinity of the demised premises of 10% increase in the rent, whichever is the higher

5. Puchong Branch

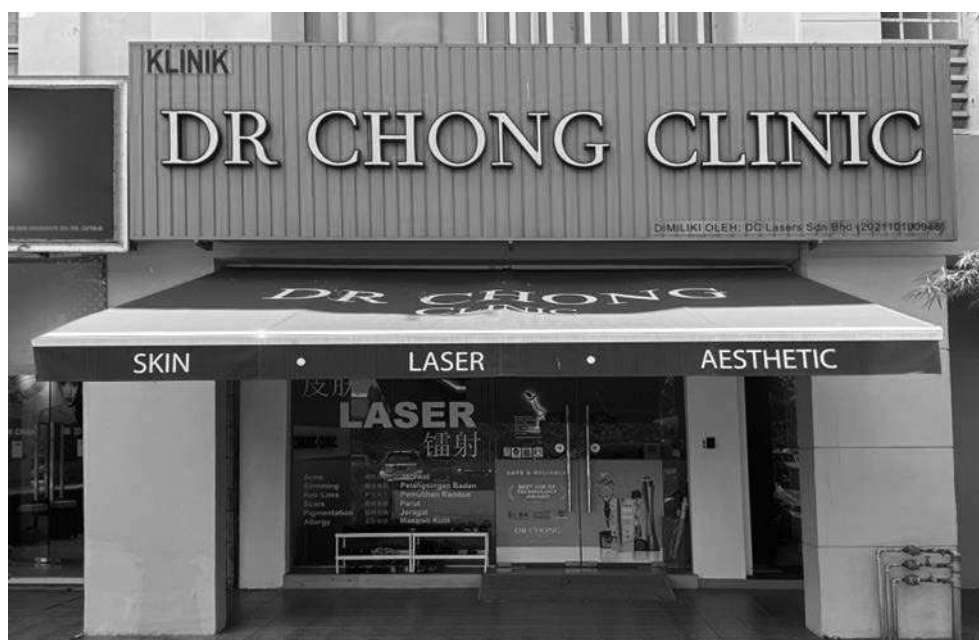


Address: B-G-2 & B-G-3, IOI Boulevard Jalan Kenari 5, Bandar Puchong Jaya 47100 Puchong Selangor	Year of Commencement: April 2022	Approximate built-up area (sq ft): 4,262.00 sq ft
Facilities: Consultation room(s): 2 Treatment room(s): 7	Services provided as at the LPD: Aesthetic Services and General Medical Services	Responsible Person: Dr. Leong Chee Yong
Validity of CF/CCC: (1)Valid CF was issued on 14 August 2009.		

6. INFORMATION ON OUR GROUP (Cont'd)

Salient terms of rental:	
B-G-2, IOI Boulevard, Jalan Kenari 5, Bandar Puchong Jaya, 47100 Puchong Selangor	
Term	: 2 years commencing on 4 December 2021 to 3 December 2023
Rental	: RM14,000.00 monthly
Renewal	: 3 months written request by tenant before tenancy expires for a further term of 2 years commencing from the day following the expiry date provided always that the revised monthly rent shall not be increased more than the rate of 12.5% of the monthly rent of the preceding term of tenancy
B-G-3, IOI Boulevard, Jalan Kenari 5, Bandar Puchong Jaya, 47100 Puchong Selangor	
Term	: 2 years commencing on 4 December 2021 to 3 December 2023
Rental	: RM14,000.00 monthly
Renewal	: 3 months written request by tenant before tenancy expires for a further term of 2 years commencing from the day following the expiry date provided always that the revised monthly rent shall not be increased more than the rate of 12.5% of the monthly rent of the preceding term of tenancy

6. Seremban Branch



Address:	Year of Commencement:	Approximate built-up area (sq ft):
No. 20 (Ground Floor) Jalan S2 B18 Biz Avenue Seremban 2 70300 Seremban Negeri Sembilan	January 2022	1,496.00 sq ft

6. INFORMATION ON OUR GROUP (Cont'd)

Facilities: Consultation room(s): 1 Treatment room(s): 2	Services provided as at the LPD: Aesthetic Services and General Medical Services	Responsible Person: Dr. Yong Chi Khoon
Validity of CF/CCC: (1)Valid CF was issued on 14 February 2006.		
Salient terms of rental: Term : 3 years commencing on 1 February 2021 to 31 January 2024 Rental : RM8,500.00 monthly Renewal : 2 months written notice by tenant before tenancy expires to renew for a further term of 3 years at a new rental rate to be based on the prevailing market rate mutually agreed by parties. Increase in the rental shall be a maximum of 10% of the current rental or prevailing market rate whichever is higher		

7. Shah Alam Branch



Address: 33G, Vista Alam Jalan Ikhtisas 14/1 Seksyen 14 40000 Shah Alam Selangor	Year Commencement: June 2017	of	Approximate built-up area (sq ft): 1,789.20 sq ft
Facilities: Consultation room(s): 1 Treatment room(s): 1	Services provided as at the LPD: Aesthetic Services and General Medical Services	Responsible Person: Dr. Nur Atiqah Binti Md Nor	

6. INFORMATION ON OUR GROUP (Cont'd)

Validity of CF/CCC:

(1)Valid CCC was issued on 30 September 2015.

Salient terms of rental:

Term : 1 year commencing on 1 June 2023 to 31 May 2024
 Rental : RM13,800.00 monthly
 Renewal : 3 months written notice by tenant before tenancy expires to renew for a further term of 1 year. The rental rate is subject to the then prevailing market rates and also to negotiation between both parties

8. Sri Petaling Branch



<p>Address:</p> <p>36G, Jalan Radin Anum Bandar Baru Sri Petaling 57000 Kuala Lumpur Wilayah Persekutuan Kuala Lumpur</p>	<p>Year of Commencement:</p> <p>June 2022</p>	<p>Approximate built-up area (sq ft):</p> <p>2,507.62 sq ft</p>
<p>Facilities:</p> <p>Consultation room(s): 2 Treatment room(s): 5</p>	<p>Services provided as at the LPD:</p> <p>Aesthetic Services and General Medical Services</p>	<p>Responsible Person:</p> <p>Dr. Nur Atiqah Binti Md Nor</p>

6. INFORMATION ON OUR GROUP (Cont'd)

Validity of CF/CCC:	
⁽¹⁾ Valid CCC was issued on 12 June 2020.	
Salient terms of rental:	
Term	: 3 years commencing on 15 April 2022 to 14 April 2025
Rental	: RM24,000.00 monthly
Renewal	: 60 days written request by tenant before tenancy expires to renew for a further term of 3 years provided that such increased rental if any shall not be more than 15% of the current rental and the security deposit and utility deposit will be adjusted accordingly

9. TTDI Branch



Address:	Year of Commencement:	Approximate built-up area (sq ft):
No. 14 & 16, Jalan Wan Kadir Taman Tun Dr Ismail 60000 Kuala Lumpur Wilayah Persekutuan Kuala Lumpur	September 2020	3,343.70 sq ft
Facilities:	Services provided as at the LPD:	Responsible Person:
Consultation room(s): 5 Treatment room(s): 4	Aesthetic Services and General Medical Services	Dr. Leong Chee Yong
Validity of CF/CCC:		
⁽¹⁾ Valid CF was issued on 12 December 1987.		
Salient terms of rental:		
Term	: 3 years commencing on 1 November 2022 to 31 October 2025	
Rental	: RM22,000.00 monthly	
Renewal	: 2 months written request by tenant before tenancy expires to renew for a further term of 3 years at the prevailing market rates	

6. INFORMATION ON OUR GROUP (Cont'd)

10. Bukit Tinggi Branch



<p>Address:</p> <p>G-1 & TA-G-2 MTBBT2 (The Landmark), Jalan Batu Nilam 16/KS06 Bandar Bukit Tinggi 2 41200 Klang Selangor</p>	<p>Year of Commencement:</p> <p>December 2022</p>	<p>Approximate built-up area (sq ft):</p> <p>3,584.30 sq ft</p>
<p>Facilities:</p> <p>Consultation room(s): 3 Treatment room(s): 8</p>	<p>Services provided as at the LPD:</p> <p>Aesthetic Services and General Medical Services</p>	<p>Responsible Person:</p> <p>Dr. Yong Chi Khoon</p>
<p>Validity of CF/CCC:</p> <p>(1)Valid CF was issued on 15 February 2016.</p>		
<p>Salient terms of rental:</p> <p>Term : 3 years commencing on 1 June 2022 to 31 May 2025 Rental : RM9,000.00 and RM11,000.00 monthly Renewal : 3 months written notice by tenant before tenancy expires to renew for a further term of 3 years at RM10,000 monthly rentals</p>		

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6. INFORMATION ON OUR GROUP (Cont'd)

11. Melawati Branch



<p>Address:</p> <p>G-6, Level G, Melawati, Corporate Centre (MCC), Jalan Bandar Melawati Taman Melawati 53100 Kuala Lumpur</p>	<p>Year of Commencement:</p> <p>February 2023</p>	<p>Approximate built-up area (sq ft):</p> <p>1,969.80 sq ft</p>
<p>Facilities:</p> <p>Consultation room(s): 2 Treatment room(s): 5</p>	<p>Services provided as at the LPD:</p> <p>Aesthetic Services and General Medical Services</p>	<p>Responsible Person:</p> <p>Dr. Jeffrey Lim Chung Yeow</p>
<p>Validity of CF/CCC:</p> <p>⁽¹⁾Valid CF was issued on 18 April 2017.</p>		
<p>Salient terms of rental:</p> <p>Term : 3 years commencing on 1 June 2022 to 31 May 2025 Rental : RM25,000.00 monthly Renewal : 3 months written request by tenant and an agreement to be signed by the tenant 1 month before tenancy expires to renew for a further term of 3 years at a revised monthly rent not exceeding 10% of the total prevailing gross rental</p>		

6. INFORMATION ON OUR GROUP (Cont'd)

12. Putrajaya Branch



<p>Address:</p> <p>L2-57, Second Floor IOI City Mall Lebuh IRC, IOI Resort City 62502 Putrajaya</p>	<p>Year of Commencement:</p> <p>7 June 2023</p>	<p>Approximate built-up area (sq ft):</p> <p>2,329.00 sq ft</p>
<p>Facilities:</p> <p>Consultation room(s): 4 Treatment room(s): 4</p>	<p>Services provided as at the LPD:</p> <p>Aesthetic Services and General Medical Services</p>	<p>Responsible Person:</p> <p>Dr. Muhammad Faiz Bin Nasir</p>
<p>Validity of CF/CCC:</p> <p>(1)Valid CF was issued on 17 November 2014.</p>		
<p>Salient terms of rental:</p> <p>Term : 3 years commencing on 27 February 2023 to 26 February 2026 Rental : RM30,277.00 base rent and RM5,822.50 service and promotional charge monthly Renewal : A further term of 3 years at a revised monthly rent to be negotiated according to rental rate at market value</p>		

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6. INFORMATION ON OUR GROUP (Cont'd)

Southern Region

1. Johor Bahru Branch



Address: No 15 & 17 (Ground Floor), Jalan Indah 15/2, Taman Bukit Indah, Iskandar Puteri 79100 Johor	Year of Commencement: January 2023*	Approximate built-up area (sq ft): 3,802 sq ft
Facilities: Consultation room(s): 4 Treatment room(s): 9	Services provided as at the LPD: Aesthetic Services and General Medical Services	Responsible Person: Dr. Sareshwathi A/P R. Arunasalam
Validity of CF/CCC: (1) Valid CF was issued on 23 May 2012.		
Salient terms of rental: Term : 3 years commencing on 15 July 2022 to 14 July 2025 Rental : RM12,000.00 and RM6,000.00 monthly Renewal : Can be renew upon expiry of the tenancy for a further term of 3 years with maximum rental increment of not more than 10%		

* The Group has relocated the Johor Bahru Branch to a bigger branch in January 2023 within close proximity to cater for more customers and to offer a better customer experience.

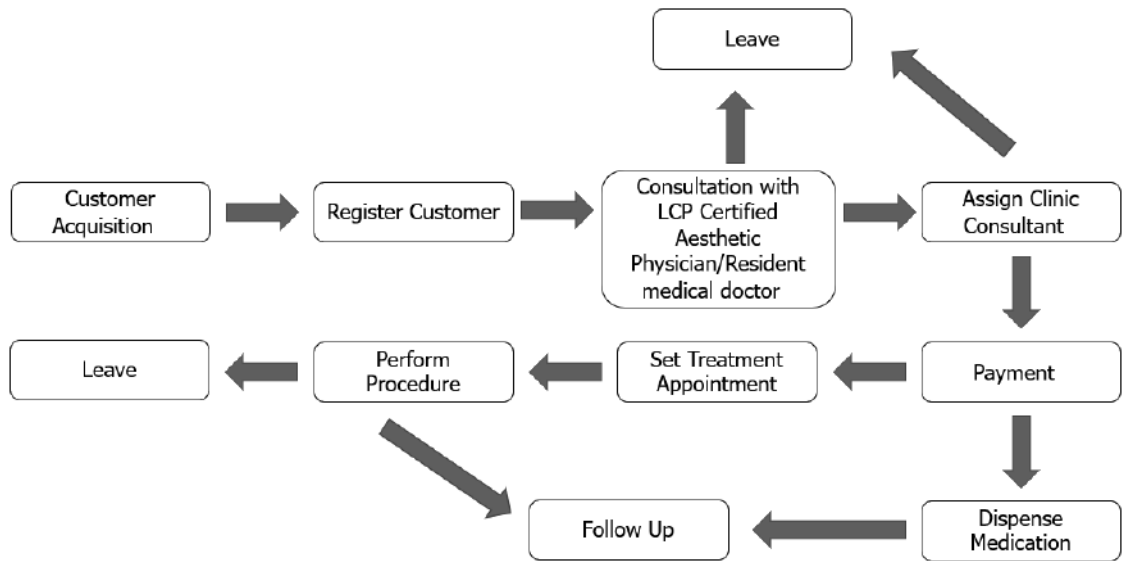
6. INFORMATION ON OUR GROUP (Cont'd)

Note:

(1) Pursuant to the Street, Drainage and Building Act 1974, there is no requirement to apply for a new CCC/CF for renovation work. A new CCC/CF will be required if there are any structural changes to the building. In addition, the architect has confirmed that the properties tenanted by our Group have been duly issued with CCC/CF and the properties are also in compliance with the approved building layout plans.

General Process Flow

The operational process flow of our aesthetic medical clinics is illustrated below:



Customer acquisition

We acquire our customers through our strategic marketing campaigns via various platforms which include online broadcasting on social media and radio announcements. We also acquire new customers through referrals from existing customers.

Customer registration

Generally, the process flow of our aesthetic medical clinics begins with customers’ registration. Customers have the option to either visit our aesthetic medical clinics on a walk-in basis or by appointment at a particular aesthetic medical clinic branch. First-time customers are required to fill in their personal information such as name, date of birth, emergency contacts and medical history. For existing customers, their personal records will be extracted from our IT systems upon registration and prepared for their appointment with the attending LCP Certified Aesthetic Physicians or resident medical doctors.

Consultation with LCP Certified Aesthetic Physicians/Resident medical doctor

Depending on our customers concerns/needs, they will be attended to by either our LCP Certified Aesthetic Physician or resident medical doctor. For all aesthetic related concerns, the customer will be referred and treated by our LCP Certified Aesthetic Physician or resident medical doctor under the supervision of the LCP Certified Aesthetic Physician. For all other general health or medical concerns, that are not aesthetic related, a resident medical doctor

6. INFORMATION ON OUR GROUP (Cont'd)

will attend to the case. In the event that a resident medical doctor is unavailable, our LCP Certified Aesthetic Physicians are also qualified to assess and treat any general health or medical concerns.

(a) Resident medical doctors

For non-aesthetic related concerns/needs, customers will be attended to by the resident medical doctors, who will conduct a detailed medical history assessment during the initial consultation. Depending on the customer's concerns/needs, a series of medical health screenings such as blood tests or allergy tests, or assessments may be administered in order to devise a relevant treatment plan. If necessary, prescription medication may also be administered to the customer to be taken over a period of time determined by the attending resident medical doctor.

(b) LCP Certified Aesthetic Physicians

Customers will be provided with a complementary consultation with our attending LCP Certified Aesthetic Physicians who will then evaluate and recommend suitable treatment procedures and plans according to the customer's skin or aesthetic concern/needs. During the consultation, our LCP Certified Aesthetic Physicians will also carry out an assessment on the customer's medical history and explain the risk associated with the aesthetic procedure to the customer. If required, the course of treatment may also include prescription medication to be taken over a short period of time. Once the personalised treatment plan is developed and is agreeable by the customer, they will be required to sign a consent form for the procedure. The consulting LCP Certified Aesthetic Physician will then pass the treatment plan forward to the assigned clinic consultant to begin pre-treatment preparations such as facial cleansing and application of numbing cream.

Leave

Following the consultation, customers may decide not to proceed with the treatment services provided by our Group. Customers whom do not wish to engage in our services will be contacted by our customer support staff for feedback about their experience with us and to enquire about the reason for not engaging with our services. These feedbacks may be used for our services improvement as well as training purposes moving forward.

Assign clinic consultant

A designated clinic consultant will be assigned to the customer who will be responsible for performing the pre-treatment preparations such as facial cleansing and applying numbing cream to the skin as prescribed by the LCP Certified Aesthetic Physician. The clinic consultant is allowed to perform such pre-treatment preparations.

Payment

Payment for the procedure will be processed, prior to setting an appointment date or the collection of prescribe medication.

Dispense medication

If required by the assigned treatment course, medication will be dispensed.

6. INFORMATION ON OUR GROUP (Cont'd)

Set appointment date

Our Group does not provide our customer the option to select a specific LCP Certified Physician. The customer's appointment will be scheduled according to the availability of the LCP Certified Physician following the consultation and completion of payment.

Perform procedure

On the day of appointment, customers will arrive at the clinic and register before being escorted to a treatment room by their assigned clinic consultant. The LCP Certified Aesthetic Physicians will perform the necessary treatment.

Follow up

Following the completion of the procedure, if necessary, customers may be advised to come for periodic follow-up visits to monitor the healing process of the treated area. Additionally, our customer support staff will carry out regular follow up calls to provide information on new treatments that are appropriate and relevant to the customer.

General laser treatment flow

The process flow of our general laser treatments offered by our aesthetic medical clinics is illustrated below:



Pre-treatment

Before starting any treatment, our clinic consultant will obtain the customer's consent. Upon obtaining their consent, the clinic consultant will guide the customer to the assigned treatment room, which has been sanitised and equipped with the necessary medical machines and equipment and positioned on the treatment bed accordingly. Following the instructions of the LCP Certified Aesthetic Physician, the clinic consultant will perform facial cleansing and apply numbing cream to the skin 30 to 45 minutes prior to the treatment.

Laser treatment

Once the numbing cream has taken effect, the clinic consultant will inform the attending LCP Certified Aesthetic Physician to begin the laser treatment. Following the outlined treatment plan, the attending LCP Certified Aesthetic Physician will perform the laser treatment. Typically, the laser treatment will be assisted by the resident medical doctor. The duration of the laser treatments ordinarily last approximately 5 to 15 minutes.

6. INFORMATION ON OUR GROUP (Cont'd)**Post treatment**

Once the laser treatment is completed, the clinic consultant will carry out the standardised post laser treatment procedure, which consists of a powder mask or PDT. This involves cleansing the treatment area followed by applying post-treatment care cream. If required, additional medication such as topical antibiotic creams will be prescribed and dispensed to the customer before being discharged.

6.5.4 Technologies used

We mainly utilise various technologies to provide our Aesthetic Services. Our medical machines and equipment are as follows:

Medical machines and equipment	Services/treatment	Quantity	NBV as at 31 December 2022⁽¹⁾ (RM'000)	Range of age as at the LPD (Years)	Estimated useful lifespan (Years)
Cryolipolysis machine	Body contouring	7	648	1 to 7	10
Fractional CO2 laser machine	Facial treatment	13	630	1 to 5	10
Diode laser machine	Hair removal	6	332	1 to 4	10
Q-Switched Nd:YAG laser machine	Facial treatment	12	858	1 to 7	10
HIFU machine	Facial sculpting	7	759	1 to 4	10
EM stimulation machine	Body contouring	6	750	1 to 2	10
Pico laser machine	Facial treatment	14	2,607	1 to 4	10
Yellow laser machine	Facial treatment	13	2,030	1 to 5	10
Profacial machine	Facial treatment	17	149	1 to 7	10
Shockwave machine	Body contouring	11	177	3 to 6	10
Radiofrequency machine	Facial treatment	2	180	1	10

Note:

⁽¹⁾ Not inclusive of 1 Fractional CO2 laser machine, 1 Q-Switched Nd:YAG laser machine, 1 Pico laser machine and 1 yellow laser machine purchased subsequent to 31 December 2022.

We engage our medical machines and equipment suppliers to carry out preventive maintenance works on our medical machines and equipment on a regular basis. All types of maintenance work carried out on our medical machines and equipment will be properly documented and recorded. Additionally, we keep a record of the maintenance frequency required for our medical machines and equipment based on the respective suppliers' recommendations and past medical machines and equipment breakdown records.

In respect to the replacement and/or upgrade technology, we are constantly on the lookout for technologies which may potentially benefit our Group's operations. Aside from the cost of the machine, we will generally consider purchasing a machine if it provides us one or more of these benefits:

- (a) enables us to expand our service offerings;
- (b) provides us a wider range of value-added functionalities; and
- (c) a technological upgrade, hence providing improve results.

6. INFORMATION ON OUR GROUP (Cont'd)

We attend medical conventions relating to aesthetic medical machines and equipment to stay up-to-date with the latest technological development within the aesthetic medical industry. In addition, suppliers will contact us regarding any new medical machines and equipment. The purchasing of any new medical machines and equipment will have to be reviewed and approved by our Group's Managing Director and Medical Director before an order for the new medical machines and equipment are placed.

Our policies on decision-making for the replacement or upgrade of medical machines and equipment include the following:

- (a) Identify benefits of the new medical machines and equipment to the customers and our business, as well as take into consideration operational benefits and issues;
- (b) Ascertain affordability;
- (c) Discussion and consideration of merits and benefits by our Managing Director and if necessary together with our LCP Certified Aesthetic Physicians; and
- (d) Discussion with our Board, if required.

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6. INFORMATION ON OUR GROUP (Cont'd)**6.5.5 Principal markets****(a) Geographical locations**

We derive all our revenue from Malaysia for the Financial Years Under Review. The breakdown of our revenue by geographical locations for the Financial Years Under Review is as follows:

Geographical locations	Audited							
	FYE 2019		FYE 2020		FYE 2021		FYE 2022	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Central Region	9,154	74.97	12,427	86.01	22,943	90.05	47,207	90.85
Southern Region	3,056	25.03	2,022	13.99	2,536	9.95	4,757	9.15
Total	12,210	100.00	14,449	100.00	25,479	100.00	51,964	100.00

(b) Revenue segmentation

Details of our Group's revenue by segment for the Financial Years Under Review are as follows:

Revenue by business segments	Audited							
	FYE 2019		FYE 2020		FYE 2021		FYE 2022	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Aesthetic Services	10,965	89.80	12,643	87.50	21,627	84.88	46,745	89.96
General Medical Services	1,245	10.20	1,806	12.50	3,852	15.12	5,219	10.04
Total	12,210	100.00	14,449	100.00	25,479	100.00	51,964	100.00

6. INFORMATION ON OUR GROUP (Cont'd)

6.5.6 Significant products/services introduced

There are no other significant products/services introduced or to be introduced by our Group as at the LPD.

6.5.7 Competitive strengths

We believe our success and potential for future growth are attributable to our competitive strengths set out below:

(a) An experienced team of LCP Certified Aesthetic Physicians supported by clinic staff and clinic consultants

We have an experienced operational team headed by Dr. Chong Tze Sheng, our Managing Director, who has approximately 13 years of experience in medical services, including approximately 11 years of experience in aesthetic medical services. As at the LPD, he is supported by a team of 9 LCP Certified Aesthetic Physicians and 29 resident medical doctors. His active involvement in our business has established a strong foundation for our success and has led to an increase in customer referrals. This has allowed us to grow our customer volume and improve our customer relation. Our aesthetic medical clinics serves as an avenue for our resident medical doctor to focus on developing their skills in their specialised fields, with the opportunity to leverage the use of our medical machines and equipment and facilities, and gain first hand support from our LCP Certified Aesthetic Physicians.

On the key senior management team, we are supported by our Chief Financial Officer, Yong Yew Sun who brings with him approximately 31 years of experience in the finance and accounting operations. He is primarily responsible for managing the overall financial operations of our Group.

We believe our experienced team of LCP Certified Aesthetic Physicians, resident medical doctors and other clinical staff as well as the key senior management team will help to sustain our business and provide the platform for future growth.

(b) Our aesthetic medical clinics are equipped with modern medical machines and equipment

As part of our efforts to provide comprehensive Aesthetic Services and General Medical Services, we have invested in medical machines and equipment that include Pico laser machines and Q-Switched Nd:YAG laser machines. All of our aesthetic medical clinics are equipped with medical machines and equipment such as Q-Switched Nd:YAG laser machine, Pico laser machine, Yellow laser machine, Profacial machine, and Shockwave machine which enable our Group to offer aesthetic treatments with higher demand to our customers at all our aesthetic medical clinics. Please refer to Section 6.5.4 of this Prospectus for further details on our medical machines and equipment.

Certain medical machines and equipment such as Cryolipolysis machine, Fractional CO2 laser machine, Diode laser machine, HIFU machine, EM stimulation machine, and Radiofrequency machine are not currently available at all of our aesthetic medical clinics. This is in line with our strategy of observing the demand for our specific services according to each aesthetic medical clinic and equipping them accordingly.

Nevertheless, we intend to gradually purchase additional medical machines and equipment to equip all our aesthetic medical clinics with the same types of medical machines and equipment to cater for increased demand for our services in the future.

6. INFORMATION ON OUR GROUP (Cont'd)

Whilst we aim to keep up to date with the latest aesthetic technology, the health safety of our customers remains our top priority. Before introducing new medical machines and equipment, we undertake stringent evaluation and approval process to assess the risks involved. We have also implemented quality control procedures across each of our aesthetic medical clinics. Our LCP Certified Aesthetic Physicians and resident medical doctors receive training on these procedures periodically and are required to strictly follow them in daily operations.

(c) We have an established brand through extensive marketing strategies and track records

We have accumulated a track record of approximately 7 years of experience in providing Aesthetic Services and General Medical Services since the commencement of our first aesthetic medical clinic in Kepong. We have an established brand of Aesthetic Services and General Medical Services under the brand name of "Dr Chong Clinic" since 2016. Since then, we have expanded our chain to 13 aesthetic medical clinics in Central Region and Southern Region.

We are committed to providing safe and quality Aesthetic Services and General Medical Services through our team of skilled and experienced LCP Certified Aesthetic Physicians supported by resident medical doctors, stringent safety controls procedure and carefully customised aesthetic treatment procedures. Specifically, our customer service team will make follow up calls after the completion of our services in order to obtain customers' feedback and provide necessary assistance. Our customer service team also closely monitors the feedbacks on our online platforms and provides timely explanation and responses.

We maintain and attract our customers by engaging in extensive marketing strategies. In the case of print media, we have strategically placed billboard and banner advertisements at selected locations such as near shopping malls and along highways. Further, we have secured primetime advertisement on popular radio station, Hitz FM, Era FM and MyFM. Our Group's advertisements and interviews have also been published in printed newspapers such as The Star and China Press' publications.

Please refer to Section 6.5.10 of this Prospectus for further details on our sales and marketing strategies.

6.5.8 Seasonal or cyclical effects

Our business operations are not subjected to any material seasonality.

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6. INFORMATION ON OUR GROUP (Cont'd)**6.5.9 Types, sources and availability of inputs**

Inputs	Audited							
	FYE 2019		FYE 2020		FYE 2021		FYE 2022	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Pharmaceutical products	1,833	90.21	1,235	89.11	2,633	88.18	5,352	92.69
Consumable items	199	9.79	151	10.89	353	11.82	422	7.31
Total	2,032	100.00	1,386	100.00	2,986	100.00	5,774	100.00

The above table shows the types of supplies and consumables that we purchase for our operations over the Financial Years Under Review. The main input materials that required for our operations are pharmaceutical products which mainly consist of aesthetic treatments products (i.e. anti-inflammatory tablet, local anaesthetic cream, facial serum, carbon powder, dermal fillers and acids for chemical peeling), medical supplies such as medicated cream and antibiotic and antifungal that are mainly prescribed and dispensed on-site at our respective clinics. The purchase of these materials accounted for 90.21%, 89.11%, 88.18% and 92.69% of our total purchases of the above supplies and consumables for the FYE 2019, FYE 2020, FYE 2021 and FYE 2022, respectively.

The next material purchased for our operations are consumables items such as gauzes, needles, gloves, mask and other disposable medical consumables items. The purchase of consumable items accounted for 9.79%, 10.89%, 11.82% and 7.31% of the total purchases of materials for the FYE 2019, FYE 2020, FYE 2021 and FYE 2022, respectively.

As an aesthetic service provider, our main material purchase are pharmaceutical products and medical consumables which are not globally traded commodities. Hence, we are not subjected to volatility of prices. We have not experienced major cost differentials for any of our required medical materials for the Financial Years Under Review which has materially affected our financial performance.

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6. INFORMATION ON OUR GROUP (Cont'd)

6.5.10 Sales and marketing

Our sales and marketing approach uses a direct distribution channel approach where we market our services through our in-house sales and marketing team to secure new customers. The advertisement and marketing expenses for the FYE 2019, FYE 2020, FYE 2021 and FYE 2022 were RM1.53 million, RM1.16 million, RM2.08 million and RM4.26 million, respectively.

Through the direct distribution channel approach, we market our services directly to our customers. It is through this direct distribution channel approach that we have complete control over the delivery of our services in an efficient and timely manner. This also gives us a large degree of command over our branding directly without any risk of distribution problems that can adversely affect our customer relationships; we have a direct connection with the customers which can help support brand loyalty.

The following are our marketing strategies:

(a) Advertisement

Marketing advertisements in the medical industry in Malaysia is regulated by the Medicine Advertisements Board of the Pharmaceutical Services Division under the MOH. We engage with various marketing platforms to reach our targeted customers when promoting our services. In the case of print media, we have strategically placed billboard and banner advertisements at selected locations such as near shopping malls and along highways. We have also appeared in published interviews with our doctors in newspapers with The Star and China Press' Publications.

Occasionally, we engage in mass short message service and email blasts to share our newsletter and ongoing promotions and new product launches with our existing customers upon obtaining their consent, as well as answer some frequently asked questions from our customers that may be common causes of concern for them. We also advertise our Group's service on the radio, specifically on Hitz FM, Era FM and MyFm. Our radio advertising time slots take place during primetimes (i.e. during the morning and after-work rush hours) to maximise our reach with listeners.

We maintain a corporate website at www.dchealthcareholdings.com and a website at www.drchongclinic.com to provide updates and details on our available services to our customers and prospective customers. We also manage and maintain an active social media presence through our corporate Facebook, YouTube Channel, TikTok and Instagram, where we post skincare tips and engage with users via the comments or during our hosted live streams. We also partner with radio to create awareness on our treatments. Additionally, we also utilise other avenues of advertising such as engaging with popular social media influencers to post reviews on our services, google and social media advertisements, video commercials and digitally published articles.

We also engage in the services of EruFu Care, an online medical support network that connects customers with clinics according to their requirements and desired needs.

(b) E-Commerce sales of skincare products

To extend our reach in the aesthetic industry, our skincare products can be purchased by our customers via e-commerce marketplaces such as Lazada and Shopee.

6. INFORMATION ON OUR GROUP (Cont'd)(c) Referrals

Leveraging on the experience of our LCP Certified Aesthetic Physicians, we have also gained new customers via word of mouth from past and existing customers. In addition, third-party medical practitioners also refer their clients to us for diagnosis and treatment. However, this is done without contract or the expectation of any reciprocal benefits for both parties. All referrals are based on goodwill.

(d) Health talks and roadshows

We have organised and participated in a number of health campaigns and talks aimed at increasing public awareness on aesthetic treatments which can improve the overall skins appearance and health by addressing common skin issues such as acne, scarring, pigmentation and early signs of aging. The table below highlights selected health campaigns and talks that we have organised and/or participated in 2022, 2023 and up to the LPD:

Year	Event
2022	<p><u>KL East Mall Ramadhan Roadshow</u></p> <p>We used this opportunity to increase our clinic visibility and expand our customer demographic in the Gombak/Taman Melawati area. We offered promotion packages to attract new customers.</p>
	<p><u>KLPJ Wedding Fair</u></p> <p>We increased our brand awareness and exposure by offering packages for brides and grooms.</p>
	<p><u>TCE Wedding Expo</u></p> <p>We increased our brand awareness and exposure by offering packages for brides and grooms.</p>
	<p><u>AEON Seremban Roadshow</u></p> <p>We used this opportunity to increase our clinic visibility and promote Seremban Branch as a destination for Aesthetic Services and General Medical Services.</p>
	<p><u>AEON Bukit Tinggi Roadshow</u></p> <p>We used this opportunity to introduce our newly-opened Bukit Tinggi Branch to the community, increase our clinic visibility, and to attract new customers.</p>
	<p><u>CNY Feng Shui Show (via our social media channels)</u></p> <p>We invited Mak Ling Ling, a Feng Shui mistress from Hong Kong, for an interview session on physiognomy (face reading) to promote our Aesthetic Services in line with our Chinese New Year promotions.</p>

6. INFORMATION ON OUR GROUP (Cont'd)

Year	Event
2023	<u>KLPJ Wedding Fair</u> We increased our brand awareness and exposure by offering packages for brides and grooms.

6.5.11 Major approvals, licenses and permits




Kindly refer to **Appendix I** for further details of our major approvals, licences and permits.

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6. INFORMATION ON OUR GROUP (Cont'd)

6.5.12 Intellectual property rights



Our Group has applied for a number of our trademarks to be registered with the Intellectual Property Corporation of Malaysia. Details of our trademarks that we have applied to be registered as at the LPD are set out below:

Trademark	Company/ Application or Trademark No./ Application Date	Class/ Description	Status/ Registration Date
	Klinik Dr Chong/ TM2022006496/ 14 March 2022	Class 44/ Medical consultancy; health consultancy; health counselling; medical counselling; health care services; pharmacy advice; pharmacy dispensary services; medical treatment services provided by clinics and hospitals; medical clinic services; health clinic services.	Registration was rejected on 28 September 2022 and appeal has been submitted 24 November 2022 ⁽¹⁾⁽⁷⁾ / N/A
	Klinik Dr Chong / 2017055042/ 27 March 2017	Class 44/ Pharmacy advice, medical assistance, medical clinic services, therapy services.	Registered/ 27 March 2017
	Klinik Dr Chong / 2017055045/ 27 March 2017	Class 3/ Skin whitening creams, cleaning chalk, soap, essential oils, bath salts not for medical purposes, cosmetic preparations for baths, cleaning preparations, oils for cleaning purposes, lotions for cosmetic purposes, soap for foot perspiration, hair and body wash, facial cleanser.	Registered/ 27 March 2017



6. INFORMATION ON OUR GROUP (Cont'd)

Trademark	Company/ Application or Trademark No./ Application Date	Class/ Description	Status/ Registration Date
	Klinik Dr Chong / 2017055046/ 27 March 2017	Class 5/ Supplements, nutritional supplements, protein dietary supplements, dietary fiber, enzyme dietary supplements, antibiotics, mineral food supplements.	Registered/ 27 March 2017
	Ten Doctors/ TM2021026207/ 22 September 2021	Class 3/ Skin whitening cream, cleaning chalk, soap, essential oils, bath salts, cosmetic and beauty preparations, cosmetic facial masks, non-medicated cleansing preparations, lotions for cosmetic purposes, soap for foot perspiration, hair wash preparations, body wash, facial cleansers, bath herbs, not for medical purposes.	Registration was rejected on 28 April 2022 and appeal has been submitted 15 June 2022 ⁽²⁾⁽⁷⁾ / N/A
	Ten Doctors/ TM2021026208/ 22 September 2021	Class 5/ Dietary supplements, herbal dietary supplements, mineral food supplements, nutritional supplements, vitamin preparations and substances, vitamin supplements, plant based protein dietary supplements in powder form, enzyme dietary supplements, powdered fruit-flavoured dietary supplement drink mix.	Registration was rejected on 28 April 2022 and appeal has been submitted 15 June 2022 ⁽³⁾⁽⁷⁾ / N/A
	Ten Doctors/ TM2021026209/ 22 September 2021	Class 35/ The bringing together, for the benefit of others, of a variety of goods, excluding the transport thereof, enabling, customers to conveniently view and purchase those goods, advertising and promotional services, product merchandising, demonstration of goods, business management of retail outlets, computerised on-line retail store services, food kiosk services being retail store services featuring foodstuffs, administration of a discount programme for enabling participants to obtain discounts on goods and services through use of a discount membership card, provision of information and advice to consumers regarding the selection of products and items to be purchased, office functions, retail services provided by	Registration was rejected on 28 April 2022 and appeal has been submitted 15 June 2022 ⁽³⁾⁽⁷⁾ / N/A



6. INFORMATION ON OUR GROUP (Cont'd)

Trademark	Company/ Application or Trademark No./ Application Date	Class/ Description	Status/ Registration Date
	Ten Doctors/ TM2022001279/ 14 January 2022	convenience stores, on-line retail store services featuring confectionery, on-line retail store services featuring foodstuffs, on-line retails store services featuring non-alcoholic beverages, on-line retail store services featuring sanitary installations, retail services for foodstuffs, retail services or wholesale services for food and beverages, online wholesale store services featuring medical instruments, retail services in relation to medical instruments, online retail store services featuring dietary supplements, retail services in relation to dietary supplements, wholesale services in relation to dietary supplements, import-export agency services, business administration. Class 5/ Dietary supplements, herbal dietary supplements, mineral food supplements, nutritional supplements, vitamin preparations and substances, vitamin supplements, plant based protein dietary supplements in powder form, enzyme dietary supplements, powdered fruit-flavoured dietary supplement drink mix.	Registration was rejected on 19 August 2022 and appeal has been submitted 19 October 2022 ⁽⁴⁾⁽⁷⁾ / N/A
	DC Healthcare/ TM2022019534/ 2 August 2022	Class 35/ The bringing together, for the benefit of others, of a variety of goods, excluding the transport thereof, enabling customers to conveniently view and purchase those goods; advertising and promotional services; product merchandising; demonstration of goods; business management of retail outlets; food kiosk services being retail store services featuring foodstuffs; administration of a discount programme for enabling participants to obtain discounts on goods and services through use of a discount membership card; provision of information and advice to consumers regarding the selection of products and items to be purchased; office functions; on-line retail store services featuring foodstuffs; on-line retail store services featuring sanitary installations; retail services for foodstuffs;	Registration was rejected on 16 December 2022 and appeal has been submitted on 9 February 2023 ⁽⁵⁾⁽⁷⁾ / N/A


6. INFORMATION ON OUR GROUP (Cont'd)

Trademark	Company/ Application or Trademark No./ Application Date	Class/ Description	Status/ Registration Date
	DC Healthcare/ TM2022019538/ 2 August 2022	online wholesale store services featuring medical instruments; retail services in relation to medical instruments; online retail store services featuring dietary supplements; retail services in relation to dietary supplements; wholesale services in relation to dietary supplements; import-export agency services; business administration; on-line retail store services featuring cosmetic and beauty products, clothing and accessories; retail services or wholesale services for cosmetics, toiletries, dentifrices, soaps and detergents; marketing research in the fields of cosmetics, perfumery and beauty products. Class 44/ Aesthetician services; facial and body aesthetician services; body skin care treatments; consultation services relating to skin care; cosmetic analysis services for determining the most appropriate cosmetics to be used with a person's face shape and skin tone; cosmetic laser treatment of skin; laser skin rejuvenation services; laser skin tightening services; dermatological services for treating skin conditions; facial skin care treatments; medical services for the treatment of skin cancer.	Registration was rejected on 16 December 2022 and appeal has been submitted on 9 February 2023 ⁽⁵⁾⁽⁷⁾ / N/A
	DC Healthcare/ TM2022019539/ 2 August 2022	Class 44/ Aesthetician services; facial and body aesthetician services; body skin care treatments; consultation services relating to skin care; cosmetic analysis services for determining the most appropriate cosmetics to be used with a person's face shape and skin tone; cosmetic laser treatment of skin; laser skin rejuvenation services; laser skin tightening services; dermatological services for treating skin conditions; facial skin care treatments; medical services for the treatment of skin cancer.	Under substantive examination ⁽⁶⁾ / N/A

6. INFORMATION ON OUR GROUP (Cont'd)

Trademark	Company/ Application or Trademark No./ Application Date	Class/ Description	Status/ Registration Date
	DC Healthcare/ TM2022023197/ 7 September 2022	Class 44/ Aesthetician services; facial and body aesthetician services; body skin care treatments; consultation services relating to skin care; cosmetic analysis services for determining the most appropriate cosmetics to be used with a person's face shape and skin tone; cosmetic laser treatment of skin; laser skin rejuvenation services; laser skin tightening services; dermatological services for treating skin conditions; facial skin care treatments; medical services for the treatment of skin cancer.	Registered/ 7 September 2022
	DC Healthcare/ TM2022023200/ 7 September 2022	Class 35/ The bringing together, for the benefit of others, of a variety of goods, excluding the transport thereof, enabling customers to conveniently view and purchase those goods; advertising and promotional services; product merchandising; demonstration of goods; business management of retail outlets; food kiosk services being retail store services featuring foodstuffs; administration of a discount programme for enabling participants to obtain discounts on goods and services through use of a discount membership card; provision of information and advice to consumers regarding the selection of products and items to be purchased; office functions; on-line retail store services featuring foodstuffs; on-line retail store services featuring sanitary installations; on-line retail store services featuring cosmetic and beauty products, clothing and accessories; on-line retail store services featuring dietary supplements; retail services for foodstuffs; retail services in relation to medical instruments; retail services in relation to dietary supplements; retail services or wholesale services for cosmetics, toiletries, dentifrices, soaps and detergents; wholesale services in relation to dietary supplements; import-export agency services; business administration; marketing research in the fields of cosmetics, perfumery and beauty products; online wholesale store services featuring medical instruments.	Registered/ 7 September 2022

6. INFORMATION ON OUR GROUP (Cont'd)

Trademark	Company/ Application or Trademark No./ Application Date	Class/ Description	Status/ Registration Date
	Ten Doctors/ TM2023006932/ 9 March 2023	Class 3/ Skin whitening cream, cleaning chalk, soap, essential oils, bath salts, cosmetic and beauty preparations, cosmetic facial masks, non-medicated cleansing preparations, lotions for cosmetic purposes, soap for foot perspiration, hair wash preparations, body wash, facial cleansers, bath herbs, not for medical purposes.	Under substantive examination ⁽⁶⁾ / N/A

Notes:

(1) Our Company has submitted this application on 14 March 2022 and the application has been provisionally refused for registration by the Intellectual Property Corporation of Malaysia on 28 September 2022 on the following ground, pursuant to Section 23(1)(b) of the Trademarks Act 2019:

(a) Trademarks which are devoid of any distinctive character.

Our Group has on 24 November 2022 submitted a written appeal in response to the provisional appeal. Our Company is still awaiting for the response from the Intellectual Property Corporation of Malaysia on the appeal which is estimated to be received within 12 to 24 months from the date of the written appeal according to the trademark agent.

(2) Our Company has submitted this application on 22 September 2021 and the application has been provisionally refused for registration by the Intellectual Property Corporation of Malaysia on 28 April 2022 on the following ground, pursuant to Section 23(1)(b) of the Trademarks Act 2019:

(a) Trademarks which are devoid of any distinctive character.

Our Company has on 15 June 2022 submitted a written appeal in response to the provisional appeal. As at the LPD, our Company is still awaiting for the response from the Intellectual Property Corporation of Malaysia on the appeal which is estimated to be received within 12 to 24 months from the date of the written appeal according to the trademark agent.

6. INFORMATION ON OUR GROUP (Cont'd)

(3) Our Company has submitted this application on 22 September 2021 and the application has been provisionally refused for registration by the Intellectual Property Corporation of Malaysia on 28 April 2022 on the following grounds, pursuant to Section 23(1)(b) and Section 24(2)(b) of the Trademarks Act 2019:

- (a) Trademarks which are devoid of any distinctive character; and
- (b) Trademark is similar to an earlier trademark and is to be registered for goods or services identical with or similar to the earlier trademark.

Our Company has on 15 June 2022 submitted a written appeal in response to the provisional appeal. As at the LPD, our Company is still awaiting for the response from the Intellectual Property Corporation of Malaysia on the appeal which is estimated to be received within 12 to 24 months from the date of the written appeal.

(4) Our Company has submitted this application on 14 January 2022 and the application has been provisionally refused for registration by the Intellectual Property Corporation of Malaysia on 19 August 2022 on the following ground, pursuant to Section 23(1)(b) and Section 23(1)(c) of the Trademarks Act 2019:

- (a) Trademarks which are devoid of any distinctive character; and
- (b) Trademarks which consist exclusively of signs or indications which may serve, in trade, to designate the kind, quality, quantity, intended purpose, value, geographical origin, other characteristics of goods or service or the time of production of goods or of rendering of services.

On 19 October 2022, our Group's trademark agent has filed its appeal to the Intellectual Property Corporation of Malaysia with respect to the provisional refusal.

(5) Our Company has submitted this application on 2 August 2022 and the application has been provisionally refused for registration by the Intellectual Property Corporation of Malaysia on 16 December 2022 on the following grounds, pursuant to Section 23(1)(b) and Section 24(2)(b) of the Trademarks Act 2019:

- (a) Trademarks does not have distinctive features; and
- (b) Trademark is similar to an earlier trademark and is to be registered for goods or services identical with or similar to the earlier trademark.

6. INFORMATION ON OUR GROUP (Cont'd)

On 9 February 2023, our Group's trademark agent had filed its appeal to the Intellectual Property Corporation of Malaysia with respect to the provisional refusal.

- (6) The application is under formality validation which entails the examination of the submitted documents for compliance with formal requirements.
- (7) The registrations of trademarks are depending on the evaluation and decision of the Intellectual Property Corporation of Malaysia. After assessment by our trademark agents, they are positive with regards to the outcome of the appeal for the registration of our trademarks after taking into consideration the following:
- (a) Our trademarks are not totally devoid of distinctive character since our marks are not common and are not directly descriptive;
 - (b) Our Group has been using the mark "Dr Chong Clinic" substantially for a number of years and therefore the trademark that has been submitted for registration has acquired distinctiveness;
 - (c) The existence of the specially designed device and the stylization of the mark as a whole provides distinctive features; and
 - (d) All submitted documents for appeal are in order.

In the event the aforementioned appeal applications with Intellectual Property Corporation of Malaysia are not successful, the applications will be aborted and a fresh application will be made with an amended name.

In the event the trademarks are not successfully registered, our Group's operations and financial performance will not be materially affected as legal action under the common law of passing off can still be taken by our Group against third-party who uses our unregistered trademarks to prevent misrepresentation and infringement of such unregistered trademarks.

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6. INFORMATION ON OUR GROUP (Cont'd)

6.5.13 Dependency on contracts, intellectual property rights, licenses or processes

As a company providing aesthetic and general medical services, we are fundamentally dependent on licences issued by MOH which allows us to engage in the provision of our services. As at the LPD, all our doctors have valid practicing certificates issued by MOH and all our clinics have valid certificated issued by MOH.

Save for the other major approvals, licences and permits as set out in Appendix I of this Prospectus, we are not materially dependent on any other contracts, intellectual property rights, licences and permits or processes that could materially affect our business as at the LPD.

6.5.14 Research and development

Our Group does not conduct any research activities and we outsource our development activities to the OEMs, namely CL Cosmetics Industries Sdn Bhd, Giovan Resources Sdn Bhd HNB Bio Co. Ltd and JM Naturals Sdn Bhd, for our 10 Drs and Le Perfetto brands of skincare products.

6.5.15 Regulatory requirements and environmental issues

We are in a highly regulated industry. There are guidelines, laws and regulations governing our business operations. The following is an overview of the regulatory requirements governing our Group which are material to our business operation:

(a) Private medical clinic

Private medical clinics are regulated by MOH in accordance with PHFSA and its relevant regulations, including Private Medical Clinic Regulation.

Under the PHFSA, no one shall establish, maintain, operate or provide a private medical clinic or private dental clinic unless it is registered with the Director General of Health of Malaysia.

PHFSA provides that a person who establishes, maintain, operate or provide any private medical clinic without a certificate of registration or approval from the Director General of Health of Malaysia shall commit an offence under the PHFSA.

The certificate of registration to operate private medical clinic will only be issued to a registered medical practitioner under the PHFSA.

Further, the Private Medical Clinic Regulation requires all private medical clinics to have a plan of organisation, which shall include an organisational chart that shall be exhibited in a conspicuous part of the private medical clinics. The holder of a certificate of registration or a person in charge of a private medical clinic shall ensure that all healthcare professional staff are registered under any law regulating their registration and in the absence of such law, hold such qualifications and possess such experience as are recognised by the Director General of Health of Malaysia and have such qualification, training, experience and skill to practise in his particular or other healthcare profession as are recognised by the Director General of Health of Malaysia.

Duties are imposed on the certificate holder to ensure the clinic has written policy, policy statement, staff identification, proper billing procedures and the standard of the private medical clinic in respect of the patient safety and the patient rights is in compliance to the Private Medical Clinic Regulation.

6. INFORMATION ON OUR GROUP (Cont'd)

The Private Medical Clinic Regulation also provides a detailed fee schedule on the chargeable fees for the consultation fees, psychotherapy fees, radiologist fees, general procedures fees, and other fees form as part of the medical services.

Guidelines 2022 also provides that for clinics that provide aesthetic services as an area of interest, a valid LCP is required to be submitted for a Responsible Person. It further provides that a registered medical practitioner is allowed to be the responsible person for 1 private clinic only and is not allowed to be the same in other private healthcare facilities and services.

However, with regards to the applications that has been made prior to the Guidelines 2022, Guidelines 2014 provides that a registered medical practitioner is allowed to be the Responsible Person for a maximum of 3 clinics.

For clarification purpose, for registered medical practitioners who have already registered with at least 1 private clinic, they can no longer register as a Responsible Person for other private clinics after the latest Guidelines 2022 came into force. Hence, there are 4 doctors in our Group that have been registered as the Responsible Person for up to 3 clinics which was previously approved by MOH under Guidelines 2014, namely Dr. Chong Tze Sheng (2 branches), Dr. Leong Chee Yong (3 branches), Dr. Yong Chi Khoo (3 branches) and Dr. Nur Atiqah Binti Md Nor (2 branches). The aforementioned doctors are not allowed to register as a Responsible Person for additional private clinic after the Guidelines 2022 came into force save and except for the application that has been submitted to the MOH before the implementation of Guidelines 2022.

Please refer to Section 6.5.15(c) below for the summary of the LCP Certified Aesthetic Physicians registered as a Responsible Person and their respective aesthetic medical clinic branches.

(b) Medical practitioner

A medical practitioner is required to register with the Malaysian Medical Council in order to practice medicine in Malaysia pursuant to the MA 1971.

Pursuant to the MA 1971, any fully registered person who desires to practise as a medical practitioner after the 21st day of December of any year shall, not later than the 1st day of December of that year, make an application for a certificate to practise as a medical practitioner during the ensuing year. Upon such application, the Registrar of Medical Practitioner shall issue an APC authorising the applicant to practise as a medical practitioner during the year for which the certificate is issued. Any fully registered person who fails to apply for an APC within the period stipulated under the MA 1971, may on making an application in such form and on payment of such addition fee, be granted an APC for the ensuing year. As at the LPD, all LCP Certified Aesthetic Physicians and resident medical doctors hold and maintain valid APC.

It is also provided under the MA 1971 that no person whose name has not been entered into the register shall practise as a specialist in that specialty. Any person who practices without registration with the Malaysian Medical Council shall be subjected to the disciplinary jurisdiction of the Malaysian Medical Council.

(c) Aesthetic medical practice

Guidelines on Aesthetic Medical Practice for Registered Medical Practitioners by the MOH provides that a medical practitioner who intends to practise aesthetic medical practice must be fully registered with the Malaysian Medical Council and possess with a current and valid APC.

6. INFORMATION ON OUR GROUP (Cont'd)

The guideline also provides that all registered medical practitioners who intends to practise aesthetic medical practice to have a minimum of 2 years of clinical experience as a medical officer or equivalent after registration, and subsequently complete 2 years of relevant training in aesthetic medical practice under supervision/attachment and practising as a general practitioner.

Besides, the medical practitioner must be free from any disciplinary actions, exercise strict patient selection criteria, communicate to the potential patient the risks involved, the possible outcome, obtain valid consent for the aesthetic medical procedure planned, generally observe all aspects of the Code of Professional Conduct of the Malaysian Medical Council, place patient safety as the primary concern and should provide aesthetic medical services in a healthcare facility licensed or registered under the PHFSA and Private Medical Clinic Regulation.

All registered medical practitioners who qualify and wish to practise aesthetic medical practice are required to have a LCP for the aesthetic procedure(s) which he intends to perform and register under the National Registry of Registered Medical Practitioners Practising Aesthetic Medical Practice, MOH.

Pursuant to the guideline, general practitioners who wish to embark on aesthetic medical practice as a new area of practice are required to undergo training.

As at the LPD, all our aesthetic medical clinic branches are managed and supervised by a valid LCP Certified Aesthetic Physicians. The table below is the summary of the LCP Certified Aesthetic Physicians registered as a Responsible Person and their respective aesthetic medical clinic branches:

Name	Aesthetic medical clinic branches
Dr. Chong Tze Sheng	<ul style="list-style-type: none"> • Bangsar Branch; and • Kepong Branch
Dr. Leong Chee Yong	<ul style="list-style-type: none"> • Puchong Branch; • Sunway Velocity Branch; and • TTDI Branch
Dr. Yong Chi Khoon	<ul style="list-style-type: none"> • Mid Valley Branch; • Seremban Branch; and • Bukit Tinggi Branch⁽¹⁾
Dr. Nur Atiqah Binti Md Nor	<ul style="list-style-type: none"> • Sri Petaling Branch; and • Shah Alam Branch⁽²⁾
Dr. Sareswathi A/P R. Arunasalam	<ul style="list-style-type: none"> • Johor Bahru Branch⁽³⁾
Dr. Jeffrey Lim Chung Yeow	<ul style="list-style-type: none"> • Melawati Branch
Dr. Muhammad Faiz bin Nasir	<ul style="list-style-type: none"> • Putrajaya Branch

Notes:

⁽¹⁾ Dr. Yong Chi Khoon was able to be registered as the Responsible Person for his third clinics, Bukit Tinggi Branch due to the application for the establishment of Bukit Tinggi Branch and registration of Responsible Person was submitted on 23 June 2022 before the Guidelines 2022 came into force.

6. INFORMATION ON OUR GROUP (Cont'd)

- (2) Shah Alam Branch was opened in June 2017 to provide General Medical Services and was registered under Dr. Chin Chang Hooi as Responsible Person. Subsequently, the Responsible Person has changed to Dr. Jeffrey Lim Chung Yeow on 17 October 2019 and has started to provide Aesthetic Services in November 2019. For information purposes, Dr. Jeffrey Lim Chung Yeow was hired by Klinik Dr Chong under medical consultant agreement in 2019. Subsequently on 13 April 2022, the Responsible Person has changed to Dr. Nur Atiqah Binti Md Nor due to relocation of Dr. Jeffrey Lim Chung Yeow as the Responsible Person to Melawati Branch.
- (3) Johor Bahru Branch was opened in October 2018 to provide General Medical Services and was registered under Dr. Lai Ngan Chee as Responsible Person. Subsequently, the Responsible Person had changed to Dr. Jeffrey Lim Chung Yeow on 17 October 2019 and has started to provide Aesthetic Services in December 2019. For information purposes, Dr. Jeffrey Lim Chung Yeow was hired by Klinik Dr Chong under medical consultant agreement in 2019. Subsequently on 23 June 2022, the Responsible Person had changed to Dr. Sareswathi A/P R. Arunasalam due to relocation of Dr. Jeffrey Lim Chung Yeow as the Responsible Person to Melawati Branch.

For avoidance of doubt, our LCP Certified Aesthetic Physicians are able to practice at any aesthetic medical clinics operating under our Group provided those aesthetic medical clinics are registered as places to practice in their respective APC. However, for the submission of registration of APC through online system, Medical Register Information and Technical System (MeRITS) by the Malaysian Medical Council, each doctor is only allowed to submit 1 address as the principal place of practice and 10 other addresses as other places of practice in their APC.

(d) Cosmetics products

The Control of Drugs and Cosmetics Regulations 1984 provides that no person shall manufacture, sell, supply, import or possess or administrator any product unless the product is a registered product and the person holds the appropriate licence required and issued under the regulation.

Further, no person shall manufacture, sell, import, possess or administer any cosmetic unless the cosmetic is a notified cosmetic and the person is responsible for placing the notified cosmetic in the market or a person authorised in accordance with the notification note which is issued by the Director of Pharmaceutical Services.

The person responsible for placing the cosmetic in the market or the authorised person shall comply to any directives or guidelines issued and any conditions imposed by the Director of Pharmaceutical Services and maintain proper records in the manner as determined by the Director of Pharmaceutical Services.

All of our Group's cosmetics and skincare products fall under the Control of Drugs and Cosmetics Regulations 1984. Up to the LPD, we have obtained the relevant notification notes for all our cosmetics and skincare products issued by the Director of Pharmaceutical Services, MOH pursuant to Regulation 18A(2) Control of Drugs and Cosmetics Regulations 1984.

(e) Medical advertisement

The Medicine (Advertisement and Sale) Act 1956 and its relevant regulations and guidelines which include Medicine Advertisements Board Regulations 1976 that regulates the advertisement and dissemination of information in relation to healthcare matters to general public.

6. INFORMATION ON OUR GROUP (Cont'd)

The information provided in the advertisements must be factually accurate and capable of being substantiated. It must not be exaggerated, false, misleading or deceptive. The authenticity and the accuracy of the information imparted in the advertisements should be verifiable by the MAB.

The Medicine (Advertisement and Sale) Act 1956 also provides that no person shall take part in the publication of any advertisement which refers to any skill or service relating to the treatment, prevention or diagnosis of any ailment, disease, injury, infirmity or condition affecting the human body and which is capable of inducing, or which contains an invitation, whether express or implied, to, any person to seek advice of the advertiser or any person referred to in the advertisement in connection with such skill or service provided that the requirements shall not apply to any advertisement published with the approval of MAB, by any professional body related to the medical profession or to any other allied profession which is established by or registered under any written law or with the approval of the MAB established by the MOH, by any private hospitals or by any private clinic, private radiological clinic, and private medical laboratory operated by a registered medical practitioner having a valid APC under the MA 1971.

Up to the LPD, we have obtained the relevant approvals for all our advertisement from the Medicine Advertisements Board.

(f) Ancillary laws and regulations

The private medical clinic providers are also subject to other ancillary laws and regulations which include, amongst others, the following:

- (i) the business license to run the business legally and properly from the local authority;
- (ii) the approvals, permits and licenses required for the premises, facilities and use of equipment of private medical clinics which include amongst others, the following:
 - (aa) the CCC to occupy the building by the local authority;
 - (bb) the CF by the Department of Occupational Safety and Health Malaysia;
- (iii) the Environmental Quality Act 1974 and its relevant regulation, Environmental Quality (Scheduled Wastes) Regulations 2005 which controls the disposal of the clinical waste arising from medical, nursing or similar practices.

(g) Personal Data Protection Act ("PDPA") 2010

Pursuant to the PDPA 2010, a data user shall not in the case of personal data other than sensitive personal data, process personal data about a data subject unless the data subject has given his consent to the procession of the personal data or in the case of sensitive personal data, process sensitive personal data about a data except the data subject has given his explicit consent to the processing of the personal data, the processing is necessary and the information contained in the personal data has been made public as a result of steps deliberately taken by the data subject.

In respect of the PDPA 2010, all our employees are required to sign an authorisation and disclosure letter in relation to their personal data and information. We are also required to let our customers sign a personal data and information processing consent letter in accordance with the PDPA 2010.

6. INFORMATION ON OUR GROUP (Cont'd)

As at the LPD, save as disclosed below there are no breach of laws, regulations, rules and requirements governing the conduct of our Group's business and environmental issue which may materially affect our Group's business or operations:

- (i) On 27 September 2022, Klinik Dr Chong received a notification letter from IRB informing that there is a shortfall of payment of tax deductions for Dr. Chong Tze Sheng and Dr. Lai Ngan Chee for the year 2019 for the amount of RM5,984.50, resulting in a breach of Regulation 17, Income Tax (Deduction from Remuneration) Rules 1994. As a result of the breach, a compound of RM2,014.84 was imposed by IRB to Klinik Dr Chong and Klinik Dr Chong had on 18 October 2022 paid the compound to IRB.

This was due to an error in data entry made by a former employee in the tax deductions from Dr. Chong Tze Sheng's and Dr. Lai Ngan Chee's remunerations. The shortfall of tax deductions for the year 2019 has been subsequently settled by Dr. Chong Tze Sheng and Dr. Lai Ngan Chee respectively in their tax submission in the year 2020.

The Group had subsequently subscribed to Info-Tech Human Resource Management Software which is a software integrated with payroll calculation with the latest approved Inland Revenue Board of Malaysia, Employment Provident Fund and SOCSO requirements to ensure that tax reductions are appropriately accounted for.

6.6 INTERRUPTIONS TO BUSINESS AND OPERATIONS

We have not experienced any interruptions that had a significant effect on our business and operations during the past 12 months preceding the LPD.

Impact of COVID-19 on our Group's business operations

On 16 March 2020, the Government announced an MCO which took effect from 18 March 2020 for a period of 2 weeks. It was subsequently extended for 4 more weeks. A CMCO was then imposed from 4 May 2020 until 9 June 2020 followed by a RMCO which took effect from 10 June 2020 until 31 December 2020. By the end of 2020, the number of COVID-19 cases increased, and on 11 January 2021, the Government announced a second MCO to be implemented in 6 states, namely Penang, Selangor, Melaka, Johor, Sabah, and the Federal Territories of Kuala Lumpur, Putrajaya and Labuan until 4 March 2021, when we reverted back to CMCO. The country was placed under a third MCO effective 12 May 2021 due to rising COVID-19 infections.

During the different phases of MCO, various measures and restrictions have been implemented including temporary closure and cessation of business by all government and private premises (save for those involved in essential services or industries which included the healthcare and medical sectors); reduction in workforce capacity; as well as travelling restrictions such as prohibition on international, interstate, and inter-district travel.

During the initial lockdown stages, the operational prospects of our clinics experienced some disruptions due to the implementation of COVID-19 SOPs. As a provider of General Medical Services, we were allowed to continue our operations throughout the various stages of the MCOs in 2020 and 2021. However, Aesthetic Services were temporarily suspended from 18 March 2020 until 2 July 2020 and 1 June 2021 until 8 September 2021. While Aesthetic Services were temporarily suspended, we were able to continue offering skin disease treatments and blood test health screenings to our customers.

6. INFORMATION ON OUR GROUP (Cont'd)

To limit and minimise exposure to COVID-19, our management has decided to temporarily suspended our business from 18 March 2020 to 14 April 2020 with head office staff workers working remotely from home to ensure our staff were not infected with COVID-19. As a result of reduced face-to-face customer contact, we experienced an increased demand for online enquiries on skin, facial and aesthetic treatments. In FYE 2019, we did not conduct any online enquiries while in FYE 2020 and FYE 2021, we conducted 10 and 15 online enquiries respectively. The online enquiries involved compiling questions posted by individuals on our social media channels and posting educational videos of our Group's LCP Certified Aesthetic Physicians and resident medical doctors answering the questions raised. Our Group does not generate revenue through the online enquiries. Such online enquiries are acceptable practice as it does not involve any prescription or treatment provided to the customers.

Measures and precautions to safeguard our employees and customers

In response to the COVID-19 outbreak, we had implemented several measures in our business conduct to safeguard and protect our customers and employees. These measures and precautions include the following:

- (a) Temperature measurement of each person prior to their entry into our aesthetic medical clinics;
- (b) Enquiry about the person's general well-being and travel background;
- (c) Acceptance of customers through appointment bookings via telephone or email only. Customers on a walk-in basis will be advised to make appointment bookings via telephone or email instead, to minimise the number of customers at any one time in our clinics;
- (d) Sterilisation and sanitisation of our treatment rooms and aesthetic tools and instruments after each procedure. This is a practised procedure even before the COVID-19 outbreak; and
- (e) In addition to mandatory wearing of face masks, all our employees are required to wear face shield and disposable apron at all times. A new disposable apron is used for every new customer.

COVID-19 cases within our Group

Employees who are exposed to COVID-19 infected persons are required to immediately perform a COVID-19 test with an RTK-Ag COVID-19 (antigen rapid test ("ART")). Employees who has tested positive are required to notify their respective supervisors and human resource department immediately, and upload their COVID-19 test results via the MySejahtera application. They are also required to undergo a quarantine period of 7 days and will be released from quarantine if they tested negative on day 4. However, if the employees test results remain positive, they are required to continue to complete their self-quarantine period of 7 days. Employees are only allowed to return to work once they produce a negative COVID-19 test with an ART.

Up to the LPD, our Group has 3 recorded positive COVID-19 cases in 2021, 89 positive COVID-19 cases in 2022, and 20 positive COVID-19 cases in 2023. The individuals carried out their quarantine period between 6 August 2021 to 15 September 2021, 7 February 2022 to 29 May 2022, and 3 January 2023 to 26 May 2023. A negative COVID-19 test result was produced prior to their return to work.

6. INFORMATION ON OUR GROUP (Cont'd)

Impact of on our supply chain

As a provider of General Medical Services, our business falls within essential services, and thus, we were able to continue operations during the various MCO periods. We did not experience any material disruptions, shortage or delay in the supply of materials, products and medical machines and equipment required for our operations during the MCO periods.

We also do not foresee any disruption, shortage or delay in the supply of raw materials, products, medical machines and equipment required for our operations during the CMCO Period and RMCO Period due to the restrictions put in place to curb the spread of COVID-19. Accordingly, we did not change our inventory holding levels following the COVID-19 outbreak. At this juncture, we have not experienced any difficulties in sourcing the required materials, products, medical machines and equipment from our existing suppliers.

Impact of COVID-19 on the sales of our skincare products

Throughout the various periods of the MCO, there was no major disruption on the sale of our skincare products through Shopee and Lazada.

Impact of COVID-19 on our liquidity, financial position and financial performance

We experienced disruption to our business operations during the imposition of initial phases of MCOs since March 2020. From 18 March 2020 to 14 April 2020 our management had decided to temporarily suspend all our operations with head office staff workers working remotely from home to ensure our staff was not infected with the COVID-19. Both our LCP Certified Aesthetic Physicians and resident medical doctors were still permitted to work at the clinics as General Medical Services were permitted. Thereafter, we were allowed to continue operating as a private healthcare provider throughout the remaining MCO terms in 2020 and 2021.

While we were allowed to operate, we saw fewer customers and experienced a significant drop in our monthly business revenue during the first phase of MCOs in 2020. Our Group served 6,117 customers and generated RM2.75 million in the first quarter of 2020, which decreased to 2,945 customers and RM1.76 million in revenue for the second quarter of 2020. However, after the first MCO was lifted and transitioned into CMCO followed by RMCO, there has been an increase in the number of customers visit. We served 9,684 and 14,318 customers in the third quarter of 2020 and fourth quarter of 2020 respectively.

Despite a decrease in our revenue during the first MCO, whereby our Group's revenue for the second quarter of 2020 decreased to RM1.76 million from RM2.75 million in the first quarter of 2020, as a result of temporary business suspension, we did not experience a negative impact on our financial results and net cash from operating activities in FYE 2020. Through the various phases of MCO and NRP during 2021 and up to the LPD, we did not see a significant reduction in our business volume. During the FYE 2022, we carried out 97,304 treatments for Aesthetic Services (FYE 2021: 58,121 treatments and FYE 2020: 28,218 treatments) and 17,358 treatments for General Medical Services (FYE 2021: 10,732 treatments and FYE 2020: 4,846 treatments).

As at the LPD, we have cash and cash equivalent of approximately RM4.46 million, and our board is confident that our working capital will be sufficient for our existing and foreseeable requirements for a period of 12 months from the date of this Prospectus taking into consideration of the utilisation of proceeds as mentioned in Section 4.9 of this Prospectus.

Based on the above, we do not expect any material adverse effects to our liquidity, financial position and financial performance from the impact of COVID-19.

6. INFORMATION ON OUR GROUP (Cont'd)

6.7 OUR BUSINESS STRATEGIES

(a) Geographical expansion of our services

We currently operate 13 aesthetic medical clinics located in Malaysia.

In addition to our aesthetic medical clinics located in Kepong, Bangsar, TTDI, Shah Alam, Cheras, Puchong, Mid Valley, Sri Petaling, Taman Melawati, Klang and Putrajaya we also have aesthetic medical clinics located in Seremban and Johor Bahru to support our customers outside the Klang Valley.

Based on the IMR Report, the working-age population in Johor, Negeri Sembilan, Selangor and Kuala Lumpur stood at 2.82 million, 0.82 million, 4.99 million and 1.44 million in 2022, compared to 2.53 million, 0.76 million, 4.47 million and 1.31 million in 2016. These states have a growing mean monthly household income as depicted in the table by state in 2016 and 2020:

States	Mean Monthly Household Income (RM)	
	2016	2020
Johor	6,928	7,264
Negeri Sembilan	5,887	6,184
Selangor	9,463	9,668
Kuala Lumpur	11,692	11,728

(Source: IMR)

The growing mean monthly household incomes is in line with a growing middle- and high-income class population. According to the IMR Report, the percentage of household with income above RM10,960 (known as the T20 high-income earners) grew from 46.2% in 2016 to 47.2% in 2020. Meanwhile, the percentage of household with income between RM4,850 to RM10,059 (known as the M40 middle-income earners) has reduced from 37.4% in 2016 to 36.9% in 2020. A growing middle- and high-income class population aspires for better living conditions and thus, willing to seek and engage in elective aesthetic medical services. This is advantageous for aesthetical medical service providers as they are able to align their services to target this segment of the population.

With the growing middle-income and high-income class population as well as the working-age population in the Klang Valley, Seremban and Johor Bahru, the demand for aesthetic medical services is projected to increase. Taking into consideration the historical growth of our revenue which grew at a CAGR of 89.63% from RM 14.45 million in FYE 2020 to RM51.96 million in FYE 2022, we intend to expand our existing clinics by establishing 8 new aesthetic medical clinics mainly in Southern Region and Northern Region.

In determining the potential locations for our new aesthetic medical clinics, our Group's studies take into account factors such as population base, presence of other aesthetic clinics, presence of amenities (i.e., banks and supermarkets), type of area (i.e., commercial/office area or residential area), location of the potential lot (i.e., availability of parking spaces, availability of and distance to public transportation, and safety of the area), and the layout of the potential lot.

6. INFORMATION ON OUR GROUP (Cont'd)

We have earmarked RM9.44 million or approximately 18.95% of the proceeds from our Public Issue to establish 8 new aesthetic medical clinics in other major cities in Malaysia within 18 months upon Listing. These 8 new aesthetic medical clinics will be equipped with all the same medical machines and equipment which are present at all our existing aesthetic medical clinics in order to carry out the same services to our customers in these new locations.

We expect to utilise the funds allocated for establishing 8 new aesthetic medical clinics within 18 months upon Listing.

(b) Expansion of our aesthetic medical team

In order to support the expansion of our aesthetic medical clinics in other major cities in Malaysia, we intend to strengthen our team of LCP Certified Aesthetic Physicians, resident medical doctors, clinic consultants and other support staff by attracting and recruiting highly skilled and experienced personnel. These new personnel will be based either at our current existing aesthetic medical clinics or at our 8 new aesthetic medical clinics as outlined as part of our expansion plan above.

In addition, our Group has 29 resident medical doctors currently undergoing training under the supervision of our LCP Certified Aesthetic Physicians which may allow them to eventually become LCP Certified Aesthetic Physicians. Resident medical doctors that intend to become LCP Certified Aesthetic Physicians currently have to undergo a minimum of 2 years of training in an aesthetic medical practice under the supervision of LCP Certified Aesthetic Physicians (the minimum pre-requisites stated in the Guidelines on Aesthetic Medical Practice for Registered Medical Practitioners by the MOH). The average period of time required for the resident medical doctor to obtain their LCP is 2 to 3 years from the commencement of their training. We anticipate that 4 of our resident medical doctors would have met the minimum pre-requisites stated in the Guidelines on Aesthetic Medical Practice for Registered Medical Practitioners by the MOH in 2023, while 4, 16 and 5 of our resident medical doctors are expected to meet such the minimum pre-requisites by 2024, 2025 and 2026 respectively. Further, the LCP Certified Aesthetic Physicians are also allowed to perform a dual role as resident medical doctor to provide General Medical Services.

In the event that the resident medical doctors successfully obtain their LCP, the estimated cost to be incurred by our Group is up to RM360,000 annually for each newly certified LCP Certified Aesthetic Physician arising from the revised salary scale of the LCP Certified Aesthetic Physician, which will be funded through internally generated funds.

We intend to allocate RM13.90 million or approximately 27.90% of the proceeds from our Public Issue to recruit additional 6 LCP Certified Aesthetic Physicians⁽¹⁾, 16 resident medical doctors, 56 clinic consultants and 16 management/administrative staff. For avoidance of doubt, the abovementioned 29 resident medical doctors do not form part of the recruitment of 6 LCP Certified Aesthetic Physicians⁽¹⁾.

Note:

⁽¹⁾ Inclusive of Dr. Michelle Ko Mee Chie (who joined our Group on 3 January 2023 and subsequently converted to LCP Certified Aesthetic Physician in March 2023). Such salary in relation to Dr. Michelle Ko Mee Chie will be paid first from our internally generated funds and replenish with the proceeds to be received from our Public Issue.

6. INFORMATION ON OUR GROUP (Cont'd)

The breakdown of staff to be allocated to each of our 8 new aesthetic medical clinics is illustrated in the table below:

Location	LCP Certified Aesthetic Physician	Resident medical doctor	Clinic consultant	Management/ administrative
	No. of staff	No. of staff	No. of staff	No. of staff
Taman Molek, Johor	1	2	7	2
Pelangi, Johor	1	2	7	2
Taman Melaka Raya, Melaka	1	2	7	2
Nilai, Negeri Sembilan	1	2	7	2
Bukit Mertajam, Pulau Pinang	1	2	7	2
Bayan Lepas, Pulau Pinang	1	2	7	2
Ipoh, Perak	1	2	7	2
Sungai Petani, Kedah	1	2	7	2
Total	8⁽¹⁾	16	56	16⁽²⁾

Notes:

- (1) Including 3 existing LCP Certified Aesthetic Physicians of our Group, namely Dr. Vincent Yap, Dr. Yap Chiou Han and Dr. Michelle Ko Mee Chie.
- (2) The breakdown of our additional 16 management/administrative staff to support the establishment of our 8 new aesthetic medical clinics is illustrated below:

Department	No. of staff
Finance, human resources and administration	4
Sales operations, marketing and customer service	8
Business development and procurement	4
Total	16

The respective functions of the LCP Certified Aesthetic Physicians, resident medical doctors and clinic consultants are set out in Section 6.5.2 of this Prospectus.

We expect to utilise the above-mentioned funds within 18 months upon the setup of the new aesthetic medical clinics. Prior to recruiting sufficient staff for our new aesthetic medical clinics, we will mobilise our existing staff from our existing aesthetic medical clinics to our new aesthetic medical clinics, if required.

6. INFORMATION ON OUR GROUP (Cont'd)**(c) Purchase of new medical machines and equipment for our existing and new aesthetic medical clinics**

To support our expansion plans, we also intend to purchase the latest medical machines and equipment for the provision of our Aesthetic Services at our new aesthetic medical clinics. The new medical machines and equipment that we intend to purchase mainly includes laser machines used for our facial and skin treatments, hair removal and body contouring treatments. We also intend to purchase additional machines, namely Cryolipolysis machine and EM stimulation machine for our existing aesthetic medical clinics to enhance our services offerings.

We intend to allocate RM13.12 million or approximately 26.35% of the proceeds to acquire new medical machines and equipment. We expect to utilise the funds allocated for the purchase of new medical machines and equipment within 18 months upon Listing.

The medical machines and equipment that our Group intends to purchase include:

Medical machines and equipment	Usage	No. of units	Total estimated cost RM'000
<u>New aesthetic medical clinics</u>			
Pico laser machine	Pico laser treatment	8	2,800
Q-Switched Nd:YAG laser machine	Q-Switched Nd:YAG laser treatment	8	1,520
Yellow laser machine	Yellow laser treatment	8	1,680
Fractional CO2 laser machine	Fractional CO2 laser treatment	8	1,120
Cryolipolysis machine	Cryolipolysis treatment	8	1,120
EM stimulation machine	EM Muscle treatment and EM Pelvis treatment	8	1,440
Radio frequency machine	For skin lifting and firming	8	1,480
Profacial machine	Baby facial treatment	8	184
<u>Existing aesthetic medical clinics</u>			
Cryolipolysis machine	Cryolipolysis treatment	5 ⁽¹⁾	700
EM stimulation machine	EM Muscle treatment and EM Pelvis treatment	6 ⁽¹⁾	1,080
Total			13,124

6. INFORMATION ON OUR GROUP (Cont'd)**Note:**

- (1) The new Cryolipolysis machines and EM stimulation machines will be allocated to the following existing aesthetic medical clinics:

Branches	Cryolipolysis machine	EM stimulation machine
TTDI Branch	-	1
Sunway Velocity Branch	1	1
Sri Petaling Branch	1	1
Seremban Branch	1	1
Bukit Tinggi Branch	1	1
Melawati Branch	1	1
Total	5	6

The medical machines and equipment will be sourced from local suppliers and the estimated cost for the purchase of medical machines and equipment was derived based on suppliers' quotations.

Please refer to Section 4.9 of this Prospectus for further details of the purchase of new medical machines and equipment.

6.8 MATERIAL CONTRACTS

Save as disclosed below, there were no contracts which are or may be material (not being contracts entered into in the ordinary course of business) entered into by our Group for FYE 2019 to 2022 and up to the LPD:

- (a) Sale and purchase agreement dated 10 May 2022 entered into between Klinik Dr Chong and Dr. Chong Tze Sheng for the disposal of property on the freehold land held under Geran 334345 Lot 116710, Mukim Petaling, Daerah Petaling, Negeri Selangor (formerly known as H.S.(D) 312169, PT No. 73152, Mukim Petaling, Daerah Petaling, Negeri Selangor at Unit No. LPC-2F-03, Pavilion, Bandar Puteri measuring approximately 1,195 square feet in area with a unit of shop or office or retail erected thereon bearing postal address C-02-03, Pavilion, Jalan Puteri 7/13, Bandar Puteri, 47100 Puchong, Selangor Darul Ehsan ("**Puchong Property**") at the consideration of RM750,000⁽¹⁾. The Puchong Property which was previously charged to Public Bank Berhad by Klinik Dr Chong has been discharged and the certificate of registration of satisfaction of charge has been issued by Companies Commission of Malaysia on 18 October 2022. Hence, the disposal of Puchong Property has been completed;

Note:

- (1) The disposal consideration was arrived based on a "willing-buyer willing seller" basis after taking into consideration the market value of the Puchong Property as appraised by Raine & Horne International Zaki + Partners Sdn Bhd, an independent firm registered with the Board of Valuers, Appraisers & Estate Agents Malaysia.

6. INFORMATION ON OUR GROUP (Cont'd)

The disposal consideration represents a discount of RM50,000 or 6.25% over the market value of the Puchong Property of RM800,000.

- (b) Conditional share sale agreement dated 11 November 2022 entered into between DC Healthcare with DCHG, Dr. Chong Tze Sheng and Dr. Lai Ngan Chee for the acquisition of 200,100 ordinary shares in Klinik Dr Chong representing 100.00% equity interest in Klinik Dr Chong for a total consideration of RM7,737,000. This transaction has been completed on 29 May 2023;
- (c) Conditional share sale agreement dated 11 November 2022 entered into between DC Healthcare with DCHG, Dr. Chong Tze Sheng and Dr. Lai Ngan Chee for the acquisition of 300,100 ordinary shares in Ten Doctors representing 100.00% equity interest in Ten Doctors for a total consideration of RM572,568. This transaction has been completed on 29 May 2023;
- (d) Conditional share sale agreement dated 11 November 2022 entered into between DC Healthcare and DCHG for the acquisition of 300,100 ordinary shares in DC Lasers representing 100.00% equity interest in DC Lasers for a total consideration of RM1,254,900. This transaction has been completed on 29 May 2023; and
- (e) Underwriting Agreement.

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6. INFORMATION ON OUR GROUP (Cont'd)

6.9 PROPERTY, PLANT AND EQUIPMENT

6.9.1 Material Properties

(a) Properties owned by our Group

There are no material properties owned by our Group as at the LPD.

(b) Properties rented by our Group

The summary of the material properties rented by our Group as at the LPD are set out below:

Aesthetic medical clinics

No.	Address	Landlord/ Tenant	Description/ Existing use	Land area/Built- up area sq ft	Period of tenancy / Rental per annum
(a)	No. 40 (Ground Floor) Jalan Telawi Bangsar Baru, 59100 Kuala Lumpur	Goldpeach Century Sdn Bhd/ Klinik Dr Chong	Bangsar Branch located in a commercial shop lot/ Aesthetic medical clinic	1,797.57/1,440.00	1 April 2022 to 31 March 2024/ (1)RM198,000.00
(b)	No. 42 (Ground Floor) Jalan Telawi Bangsar Baru, 59100 Kuala Lumpur	Pulai Properties Sdn Bhd/ Klinik Dr Chong	Bangsar Branch located in a commercial shop lot/ Aesthetic medical clinic	1,797.57/1,440.00	15 September 2020 to (3)14 September 2023/ (1)1 st year RM168,000.00 2 nd and 3 rd year RM180,000.00
(c)	35 (Ground Floor) Jalan Metro Perdana Barat 1, Taman Usahawan Kepong, 52100 Kuala Lumpur	Ng Say Kwee/ Klinik Dr Chong	Kepong Branch located in a commercial shop lot/ Aesthetic medical clinic	1,205.56/1,381.23	1 September 2020 to (4)31 August 2023/ RM66,000.00

6. INFORMATION ON OUR GROUP (Cont'd)

No.	Address	Landlord/ Tenant	Description/ Existing use	Land area/Built-up area sq ft	Period of tenancy / Rental per annum
(d)	37-G, Jalan Metro Perdana Barat 1 Taman Usahawan Kepong, 52100 Kuala Lumpur	Yap Peng Chong/ Klinik Dr Chong	Kepong Branch located in a commercial shop lot/ Aesthetic medical clinic	1,237.85/1,381.23	1 April 2019 to 31 March 2028/ 1 st to 3 rd year RM72,000.00 4 th to 6 th year RM79,200.00 7 th to 9 th year RM86,400.00
(e)	No. 39-G, Jalan Metro Perdana Barat 1 Taman Usahawan Utara, 52100 Kepong, Kuala Lumpur	Talk Station Sdn Bhd/ Klinik Dr Chong	Kepong Branch located in a commercial shop lot/ Aesthetic medical clinic	1,130.21/1,368.00	1 October 2022 to 30 September 2025/ RM84,000.00
(f)	Lot F-G-33 Vista Alam, Jalan Ikhtisas 14/1 Seksyen 14, 40000 Shah Alam, Selangor Darul Ehsan Lot F-1-33 Vista Alam, Jalan Ikhtisas 14/1 Seksyen 14, 40000 Shah Alam, Selangor Darul Ehsan	Dahlan Bin Mohd Rasaid/ Klinik Dr Chong	Shah Alam Branch located in a commercial shop lot/ Aesthetic medical clinic	330,774.97/3,837.90	1 June 2023 to 31 May 2024/ RM165,600.00
(g)	Ground and 1 st Floors of Nos. 36 & 36-1 Jalan Radin Anum, Bandar Baru Sri Petaling, 57000 Kuala Lumpur	Ng Keat Chin Holdings Sdn Bhd/ DCL Puchong	Sri Petaling Branch located in commercial shop lots (ground and first floor)/ Aesthetic medical clinic	2,637.16/5,147.22	15 April 2022 to 14 April 2025/ RM288,000.00
(h)	V02-01-02, office 2, Lingkaran SV, Sunway Velocity, 55100 Kuala Lumpur	Prima Resources Sdn Bhd/ Klinik Dr Chong	Sunway Velocity Branch located in a commercial shop lot/ Aesthetic medical clinic	974,564.45/ 1,538.65	15 March 2023 to 14 March 2026/ RM327,000.00
(i)	14 & 16 (Ground & 1 st Floor), Jalan Wan Kadir, Taman Tun Dr Ismail, 60000 Kuala Lumpur	Milen Raya Sdn Bhd/ Klinik Dr Chong	TTDI Branch located in a commercial shop lot/ Aesthetic medical clinic	1,754.52/6,863.38	1 November 2022 to 31 October 2025/ RM264,000.00

6. INFORMATION ON OUR GROUP (Cont'd)

No.	Address	Landlord/ Tenant	Description/ Existing use	Land area/Built- up area sq ft	Period of tenancy / Rental per annum
(j)	No. 20 Jalan S2 B18, Biz Avenue Seremban 2, 70300 Seremban, Negeri Sembilan	Tan Chin Faut/ DC Lasers	Seremban Branch located in a commercial shop lot/ Aesthetic medical clinic	1,539.24/1,496.00	1 February 2021 to 31 January 2024/ RM102,000.00
(k)	No. 59-G, The Boulevard, Mid Valley City Lingkaran Syed Putra, 59200 Kuala Lumpur	Wah Seong Corporation Berhad/ DCL Mid Valley	Mid Valley Branch located in a retail or office premise/ Aesthetic medical clinic	1,060,783.40/ 2,713.00	1 February 2022 to 31 January 2025/ RM648,000.00
(l)	B-G-2, IOI Boulevard, Jalan Kenari 5 Bandar Puchong Jaya, 47170 Puchong Selangor	Teh Kan Sing/ DCL Puchong	Puchong Branch located in a retail or office premise in a building known as IOI Boulevard/ Aesthetic medical clinic	1,905.21/2,131.00	4 December 2021 to 3 December 2023/ RM168,000.00
(m)	B-G-3, IOI Boulevard, Jalan Kenari 5 Bandar Puchong Jaya, 47170 Puchong Selangor	Somasundran Property Sdn Bhd/ DCL Puchong	Puchong Branch located in a retail or office premise/ Aesthetic medical clinic	1,905.21/2,131.00	4 December 2021 to 3 December 2023/ RM168,000.00
(n)	G-1, MTBBT2 (The Landmark) Jalan Batu Nilam 16/KS06, Bandar Bukit Tinggi 2, Klang, 41200 Selangor	Progress Acres Sdn Bhd/ DCL Puchong	Bukit Tinggi Branch located in a retail or office premise / Aesthetic medical clinic	171,178.47/ 2,272.51	1 June 2022 to 31 May 2025/ RM108,000.00
(o)	TA-G-2 MTBBT2 (The Landmark) Jalan Batu Nilam 16/KS06, Bandar Bukit Tinggi 2, Klang, 41200 Selangor	Sunmate Trendspot Sdn Bhd/ DCL Puchong	Bukit Tinggi Branch located in a retail or office premise / Aesthetic medical clinic	171,178.47/ 1,311.79	1 June 2022 to 31 May 2025/ 1 st year RM132,000.00 2 nd and 3 rd year RM144,000.00
(p)	G-6, Level G, Melawati, Corporate Centre (MCC), Jalan Bandar Melawati, 53100 Kuala Lumpur	Shahul Hameed Bin Jawahar Ali Khan/ Klinik Dr Chong	Melawati Branch located in a retail or office premise / Aesthetic medical clinic	59,621.30/ 1,969.80	1 June 2022 to 31 May 2025/ RM300,000.00

6. INFORMATION ON OUR GROUP (Cont'd)

No.	Address	Landlord/ Tenant	Description/ Existing use	Land area/Built- up area sq ft	Period of tenancy / Rental per annum
(q)	No. 15, 15A & 15B, Jalan Indah 15/2, Taman Bukit Indah, 79100 Iskandar Puteri, Johor	Lukman Bin Abu Bakar/DC Lasers	Johor Bahru Branch located in a shop office / Aesthetic medical clinic	2,631.79/6,479.00	15 July 2022 to 14 July 2025/ RM144,000.00
(r)	No. 17 (Ground Floor), Jalan Indah 15/2 Taman Bukit Indah, 79100 Iskandar Puteri, Johor	Abdullah Bin Abd Ghani/ DC Lasers	Johor Bahru Branch located in a shop office / Aesthetic medical clinic	1,799.95/1,632.00	15 July 2022 to 14 July 2025/ RM72,000.00
(s)	Lot No. L2-57, Second Floor, IOI City Mall, Lebuhr IRC, IOI Resort City, 62502 Putrajaya	IOI City Mall Sdn Bhd/ DCL Mid Valley	Putrajaya Branch located in a commercial shop lot/ Aesthetic medical clinic	⁽²⁾ Not applicable/2,329.00	27 February 2023 to 27 February 2026/ RM433,194.00
(t)	No. 47(GF), Jalan Molek 1/5A, Taman Molek, 81100 Johor Bahru, Johor	IT Wong Resources Sdn Bhd/ DC Lasers	Our new branch to be opened which is located in a commercial shop lot (ground floor)/ Aesthetic medical clinic	3,756.60/2,753.10	1 May 2023 to 30 April 2026/ RM192,000.00

Notes:

- (1) The differences of rental charges are mainly due to the properties are owned by different owners.
- (2) The property is under a master title.
- (3) The Company had on 16 June 2023 submitted a letter to the landlord requesting for the renewal of tenancy for a further period of 3 years from 15 September 2023 to 14 September 2026.
- (4) The Company had on 19 June 2023 submitted a letter to the landlord requesting for the renewal of tenancy for a further period of 3 years from 1 September 2023 to 31 August 2026.

6. INFORMATION ON OUR GROUP (Cont'd)

Offices

No.	Address	Landlord/ Tenant	Description/ Existing use	Land area/Built- up area sq ft	Period of tenancy / Rental per annum
(a)	37-1, Jalan Metro Perdana Barat 1 Taman Usahawan Kepong, 52100 Kuala Lumpur	Yap Peng Chong/ Klinik Dr Chong	Shop office unit/ Office	1,151.74/1,320.57	1 September 2021 to 31 August 2023/ RM20,400.00
(b)	No. 39-1, Jalan Metro Perdana Barat 1 Taman Usahawan Kepong, 52100 Kuala Lumpur	Wong Hee Tow/ Klinik Dr Chong	Shop office unit/ Office	1,130.21/1,320.57	1 April 2021 to 31 May 2024/ 1 st and 2 nd year RM21,600.00 3 rd year RM22,800.00
(c)	Suite 22.01, 22.02 & 22.05, Level 22 Centrepoint South Midvalley City, Lingkaran Syed Putra, Kuala Lumpur, 59200, Wilayah Persekutuan Kuala Lumpur	Mtrustee Berhad/ Klinik Dr Chong	Shop office unit/ Office	1,060,783.40 /9,848.00	1 November 2022 to 31 October 2025/ RM768,144.00
(d)	No. 2 nd Floor No. 15-2 Jalan Metro Perdana Barat 1, Taman Usahawan Kepong, 52100 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur	Yanda Enterprise Sdn Bhd/ Ten Doctors	Shop office unit/ Office	17,997.26/1,792.18	15 November 2022 to 14 November 2023/ RM21,600.00

The limited space in our former head office in Kepong was insufficient to accommodate the expanding staff force of our Group, hence various office spaces were rented in different locations to accommodate the respective departments and divisions.

The properties rented by our Group are not in breach of any other land use conditions and/or are in non-compliance with current statutory requirements, land rules or building regulations/by-laws, which will have material adverse impact on our operations as at the LPD.

(c) Acquisition of properties

During the FYE 2019 to FYE 2022 and up to the LPD, we did not enter into any agreements to acquire any properties.

6. INFORMATION ON OUR GROUP (Cont'd)**6.9.2 Production Capacities and Output**

Measurement of production and capacity and utilisation do not apply to our business operations as our business activities are service based.

6.10 EMPLOYEES

As at the LPD, we have a total workforce of 200 full time employees. The following depicts the breakdown of our employees in our Group:

Department/Division	Number of employees				As at the LPD
	FYE 2019	FYE 2020	FYE 2021	FYE 2022	
Executive Directors and key senior management team	(1)2	(2)3	(2)3	(2)4	(2)4
Finance, human resources and administration	5	6	11	24	(5)22
LCP Certified Aesthetic Physicians	0	0	1	6	8
Resident medical doctor	8	8	11	25	28
Clinic manager, clinic consultants and clinic assistant	24	25	41	(4)95	(4)97
Sales operations, marketing and customer service	5	8	17	35	(6)23
Business development and procurement	1	3	9	21	(7)18
Total	45	53	93	(3)210	200

Notes:

- (1) Includes Dr. Chong Tze Sheng, who is an LCP Certified Aesthetic Physician and Dr. Lai Ngan Chee who is a resident medical doctor.
- (2) Includes Dr. Chong Tze Sheng and Dr. Leong Chee Yong who are LCP Certified Aesthetic Physicians, and Dr. Lai Ngan Chee who is a resident medical doctor.
- (3) The substantial increase in number of employees in FYE 2022 as compared to FYE 2021 was mainly due to the establishment of new aesthetic medical clinics (i.e. Sri Petaling Branch, Mid Valley Branch, Puchong Branch and Bukit Tinggi Branch) during the FYE 2022.
- (4) The increase in number of clinic manager, clinic consultants and clinic assistant was mainly due to recruitment of 4 additional clinic assistants and conversion of 5 of our former customer service personnel to clinic assistants.

6. INFORMATION ON OUR GROUP (Cont'd)

- (5) The decrease in number of employees as at LPD as compared to FYE 2022 was mainly due to resignation of a human resources manager and an admin executive. The Company is in the process of recruiting new employees to replace the departed employees.
- (6) The decrease in number of employees as at LPD as compared to FYE 2022 was mainly due to:
- (a) the conversion of 5 customer service personnel at branch level to clinic assistants due to centralisation of the customer service responsibilities and functions to headquarter as well as resignation of 1 customer service personnel at branch level;
 - (b) resignation of 3 customer service personnel at headquarter level. The Company is in the process of recruiting new employees to replace the departed employees; and
 - (c) resignation of 3 marketing personnel in line with streamlining of responsibilities and functions within the marketing department to eliminate redundancy.
- (7) The decrease in number of employees as at LPD as compared to FYE 2022 was mainly due to resignation of a business development executive, a warehouse coordinator and a driver. The Company is in the process of recruiting new employees to replace the departed employees.

As at the LPD, our workforce consists of only local employees based in Malaysia and none of the employees are contractual employees.

None of our employees belong to any labour union. As at the LPD, there have not been any major industrial dispute pertaining to our employees. Over the Financial Years Under Review and up to the LPD, there has not been any incidence of work stoppage or labour disputes that has materially affected our operations.

6.11 OUR CUSTOMERS

Our business is not dependent on a single major customer for the Financial Years Under Review as our customers are primarily consumers or individuals. Our customer base primarily comprises of walk-in customers at our physical clinics and customers who purchase products on online platforms. The sales contribution from each customer as a percentage of our Group's revenue is negligible. As such, we do not have any major customers and hence we are not dependent on any single customer for our business.

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6. INFORMATION ON OUR GROUP (Cont'd)**6.12 MAJOR SUPPLIERS**

The table below lists our top 5 major suppliers for the Financial Years Under Review.

FYE 2019

No.	Suppliers/ Country incorporation	of	Products sourced	Purchases value		⁽²⁾ Length of relationship (years)
				RM	⁽¹⁾ %	
1	Venusys Sdn Bhd/ Malaysia	Medical	Medical equipment and consumable items	210,597	5.59	6
2	Essential Sanctuary ⁽³⁾ / Malaysia	Beauty	Skincare products	157,590	4.18	6
3	Lione Global Services PLT ⁽⁴⁾ / Malaysia	Medi	Pharmaceutical products	152,500	4.05	6
4	Zuellig Pharma Sdn Bhd/ Malaysia		Pharmaceutical products and consumable items	126,797	3.37	6
5	DKSH Malaysia Sdn Bhd ⁽⁵⁾ / Malaysia		Pharmaceutical products and consumable items	98,740	2.62	7
Total				746,224	19.81	

FYE 2020

No.	Suppliers/ Country incorporation	of	Products sourced	Purchases value		⁽²⁾ Length of relationship (years)
				RM	⁽¹⁾ %	
1	Venusys Sdn Bhd/ Malaysia	Medical	Medical equipment and consumable items	228,300	10.51	6
2	Zuellig Pharma Sdn Bhd/ Malaysia		Pharmaceutical products and consumable items	130,611	6.01	6
3	Lexys Beauty ⁽⁶⁾ / Malaysia		Pharmaceutical products	112,220	5.16	6
4	Lione Global Services PLT ⁽⁴⁾ / Malaysia	Medi	Pharmaceutical products	71,600	3.29	6

6. INFORMATION ON OUR GROUP (Cont'd)

No.	Suppliers/ Country incorporation	of	Products sourced	Purchases value		⁽²⁾ Length of relationship (years)
				RM	⁽¹⁾ %	
5	GT G Wellness Sdn Bhd ⁽⁷⁾ / Malaysia		Medical equipment and consumable items	66,936	3.08	6
Total				609,667	28.05	

FYE 2021

No.	Suppliers/ Country incorporation	of	Products sourced	Purchases value		⁽²⁾ Length of relationship (years)
				RM	⁽¹⁾ %	
1	Elogio Asia Pacific Sdn Bhd ⁽⁸⁾ / Malaysia		Medical equipment and consumable items	475,040	7.84	4
2	Venusys Medical Sdn Bhd/ Malaysia		Medical equipment and consumable items	422,995	6.98	6
3	Zuellig Pharma Sdn Bhd/ Malaysia		Pharmaceutical products and consumable items	413,874	6.83	6
4	Aesthetic Leader Sdn Bhd ⁽⁹⁾ / Malaysia		Medical equipment and consumable items	402,927	6.65	1
5	MLDS Asia Enterprise ⁽¹⁰⁾ / Malaysia		Pharmaceutical products and consumable items	350,715	5.79	2
Total				2,065,551	34.09	

FYE 2022

No.	Suppliers/ Country incorporation	of	Products sourced	Purchases value		⁽²⁾ Length of relationship (years)
				RM	⁽¹⁾ %	
1	Zuellig Pharma Sdn Bhd/ Malaysia		Pharmaceutical products and consumable items	1,415,378	17.38	6
2	Elogio Asia Pacific Sdn Bhd/ Malaysia		Pharmaceutical products and consumable items	1,182,240	14.51	4
3	Venusys Medical Sdn Bhd/ Malaysia		Medical equipment and consumable items	877,787	10.78	6

6. INFORMATION ON OUR GROUP (Cont'd)

No.	Suppliers/ Country incorporation	of	Products sourced	Purchases value		⁽²⁾ Length of relationship (years)
				RM	⁽¹⁾ %	
4	DKSH Malaysia Sdn Bhd ⁽⁵⁾ / Malaysia		Pharmaceutical products and consumable items	436,485	5.36	6
5	Aesthetic Sdn Bhd ⁽⁹⁾ / Malaysia	Leader	Medical equipment and consumable items	278,462	3.42	1
Total				4,190,352	51.44	

Notes:

- (1) Divided by total cost of purchase of consumables, supplies and medical equipment of the respective financial year or period.
- (2) Length of relationship as at the LPD.
- (3) Essential Beauty Sanctuary is our Group's supplier in FYE 2020.
- (4) Lione Global Medi Services PLT is our Group's supplier in FYE 2021.
- (5) DKSH Malaysia Sdn Bhd is our Group's supplier in FYE 2020 and 2021.
- (6) Lexys Beauty is our Group's supplier in FYE 2021.
- (7) GT G Wellness Sdn Bhd is our Group's supplier in FYE 2021.
- (8) Elogio Asia Pacific Sdn Bhd is our Group's supplier in FYE 2019 and 2020.
- (9) Aesthetic Leader Sdn Bhd is our Group's supplier since FYE 2021.
- (10) MLDS Asia Enterprise is our Group's supplier in FYE 2022.

We do not have any long-term agreements or arrangements with any of our major suppliers. During the Financial Years Under Review, we have not faced any material supply disruptions or delays by our major suppliers. We are not dependent on any single supplier.

6.13 EXCHANGE CONTROL

Our Group has not established any place of business outside of Malaysia and is not subject to any governmental laws, decrees, regulations or other legislations that may affect the repatriation of capital and remittance of profits by or to our Group.

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