

7. IMR REPORT

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The information in this Section 7 is based on the market research conducted by Protégé Associates commissioned by Company for the purpose of the IPO.

The Board of Directors
DC Healthcare Holdings Berhad
Level 5, Block B, Dataran PHB
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40150 Shah Alam
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31 May 2023

Dear Sirs/Madams,

Strategic Analysis of the Aesthetic Medicine Market in Malaysia

Protégé Associates Sdn Bhd ("Protégé Associates") has prepared this independent market research report titled 'Strategic Analysis of the Aesthetic Medicine Market in Malaysia' for inclusion in the prospectus of Company in relation to its listing on the ACE Market of Bursa Malaysia Securities Berhad.

Protégé Associates is an independent market research and business consulting company. Our market research reports provide an in-depth industry and business assessment for companies raising capital and funding in the financial markets; covering their respective market dynamics such as market size, key competitive landscape, demand and supply conditions, government regulations, industry trends and the outlook of the industry.

Mr Seow Cheow Seng is the Managing Director of Protégé Associates. He has 23 years of experience in market research starting his career at Frost & Sullivan where he spent 7 years. He has been involved in a multitude of industries covering Automotive, Electronics, Healthcare, Energy, IT, Oil and Gas, etc. He has also provided his market research expertise to government agencies such as Malaysia Digital Economy Corporation Sdn Bhd, Malaysia Debt Ventures Berhad and Malaysia Technology Development Corporation Sdn Bhd.

We have prepared this report in an independent and objective manner and have taken adequate care to ensure the accuracy and completeness of the report. We believe that this report presents a true and fair view of the industry within the boundaries and limitations of secondary statistics, primary research and continued industry movements. Our research has been conducted to present a view of the overall industry and may not necessarily reflect the performance of individual companies in this industry. We are not responsible for the decisions and/ or actions of the readers of this report. This report should also not be considered as a recommendation to buy or not to buy the shares of any company or companies.

Thank you.

Yours sincerely,



SEOW CHEOW SENG
Managing Director

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1.0 Introduction and Overview of the Aesthetic Medicine Market in Malaysia

Healthcare services refers to the provision of consultation, diagnostic, patient care and medication for the prevention or treatment of diseases, injuries, and other physical and psychological health conditions. Healthcare professionals such as general physicians and specialists, supported by medical assistants, nurses and other healthcare professional, provide these services. The healthcare services in Malaysia are a two-tiered system which is the public and private healthcare services. Public healthcare is government-led and tax-funded healthcare that is made available for Malaysians at heavily subsidised costs, while private healthcare is a fee-for-service in which patients pay according to the healthcare services provided to them. In 2021, the total healthcare expenditure in Malaysia amounted to RM78.22 billion, an increase of 16.7% from RM67.02 billion in 2020, which accounted for 5.1% of the country's gross domestic product of RM1.54 trillion. The public healthcare expenditure contributed about 57.8% or RM45.25 billion of total healthcare expenditure, while the private healthcare expenditure contributed about 42.1% or RM32.97 billion of the total healthcare expenditure in 2021. The total healthcare expenditure in Malaysia has shown an increasing trend from 2017 to 2021, growing by a compounded annual growth rate ("CAGR") of 8.6% from RM56.26 billion in 2017 to RM78.22 billion in 2021. The growth was contributed by both public and private healthcare systems.

Aesthetic medicine is considered part of healthcare services, as it is part of medical specialty that covers dermatology and surgical practices. Aesthetic medicine aims to repair and/or improve appearance and body parts by medical techniques such as drugs, medical devices and surgery. According to the International Society of Aesthetic Plastic Surgery ("ISAPS"), the global plastic surgery procedures for aesthetic purposes rebounded by 26.8% (2020: -10.9%) mainly due recovery in demand for plastic surgery procedures post COVID-19 pandemic as doctors' practices reopened. Meanwhile, the global non-surgical aesthetic procedures (primarily fillers and hair removal treatments) continued to increase by 2.2% in 2021 (2020: 5.7%), albeit by a slower growth compared to the previous year (2019: 7.6%). The top 5 surgical procedures performed were breast augmentation, liposuction, eyelid surgery, rhinoplasty, and abdominoplasty, whilst the top 5 non-surgical procedures performed were Botulinum Toxin ("Botox") fillers, hyaluronic acid fillers, hair removal, nonsurgical fat reduction and non-surgical skin tightening procedures.

Overall, the global plastic surgery procedures grew by a CAGR of 4.5% over the past 5 years from 2017 to 2021, whilst non-surgical aesthetic procedures up by CAGR of 8.7% over the same period. In recent years, the aesthetic medicine market in Asia (covering South Korea, Japan, Thailand, People's Republic of China ("PRC"), India and Taiwan) has grown quickly. Over the period from 2017 to 2021, the number of plastic surgeons in these Asian countries grew at a CAGR of 2.9%. According to ISAPS, these Asian countries ranked among top 30 based on the number of plastic surgeons between 2017 to 2021. The number of plastic surgeons in South Korea (5.9%), Japan (6.2%), Thailand (1.1%), PRC (6.9%), India (5.4%) and Taiwan (1.7%) collectively accounted for 27.1% of the total global number of plastic surgeons in 2021. While countries such as South Korea, Japan and Thailand have long been well-known aesthetics medicine hubs and markets, other countries such as the PRC, India, and Taiwan are quickly taking market share. This change has been driven by rising disposable income, advancement in medical technology and higher interest in beauty as well as increasing demand and awareness of aesthetic medical technologies.

The economic growth in Malaysia over the past 7 years has resulted in the greater affluence of the population, whereby the gross national disposable income grew from RM1,215.10 billion in 2016 to RM1,716.82 billion in 2022. At the same time, the per capita income of Malaysians rose from RM38,412 in 2016 to RM53,043 in 2022. Underpinned by the steady growth of consumer disposable income, consumer acceptance of aesthetic medicine consumption has gradually been boosted under the dual influence of consumption-upgrade phenomenon. The steady increase in disposable income among consumers has given them more financial flexibility to upgrade spending from necessities to luxury goods and services including aesthetic treatments. As standard of living improve, people are becoming more aware of the importance for appearance and are willing to invest to enhance their appearance and improve their self-confidences. Such development provides opportunities for aesthetic clinics to promote these services. This can be seen by the growth of the size of the

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aesthetic medicine market where the revenue of the aesthetic medical providers in Malaysia grew at a CAGR of 30.8% during the period between 2019 and 2021.

In Malaysia, aesthetic medicine can be divided into non-invasive, minimally invasive, and invasive procedures (surgical and non-surgical). According to the Private Healthcare Facilities and Services Act 1998 and the Aesthetic Medical Practice Guidelines 2020, aesthetic medical procedures can be performed only by registered medical practitioners with Letter of Credentialling and Privileging ("LCP") at licensed premises.

Figure 1: Classification of Aesthetic Medicine Procedures

Non-invasive	<p>External applications or treatment procedures that are carried out without creating a break in the skin. They target the epidermis only.</p> <ul style="list-style-type: none"> • Skin care (deep cleansing, anti-wrinkling, skin whitening, removing acne and moles, etc) • Body care (body whitening, scrapping, massage, lymphatic drainage, eye care, etc) • Slimming (bodybuilding, postpartum slimming, breast enhancement, leg slimming, breast beautification, and body care) • Superficial chemical peel • Microdermabrasion • Intense pulsed light
Minimally Invasive	<p>Treatment procedures that induce minimal damage to tissues at the point of entry of instruments. These procedures involve penetration or transgression of integument but are limited to the sub-dermis and subcutaneous fat; not extending beyond the superficial Musculo- aponeurotic layer of the face and neck, or beyond the superficial fascial layer of the torso and limbs.</p> <ul style="list-style-type: none"> • Botulinum toxin injection ("Botox") • Chemical peel (medium depth) • Filler injection (excluding silicone and fat) • Skin tightening procedures- up to upper dermis layer (radiofrequency, infrared and ultrasound) • Superficial sclerotherapy • Lasers for treating skin pigmentation • Lasers for treating benign skin lesions • Lasers for skin rejuvenation (including non ablative) • Lasers for hair removal
Invasive	<p>Treatment procedures that penetrate or break the skin through either perforation, incision or transgression of integument, subcutaneous and/or deeper tissue involvement in both vertical and horizontal planes by various means, such as the use of knife, diathermy, ablative lasers, radiofrequency, ultrasound, cannulae and needles.</p> <ul style="list-style-type: none"> Non-surgical • Laser for treating vascular lesions • Chemical peel (deep) • Radiofrequency (external application) • Ultrasound Device (external application) • Breast implant, enhancement and reduction • Brow lift • Fat grafting (surgery that transfers fat from an area to another) • Hair Transplant • Implant (face and nose) • Lasers, ablative (including fractional and resurfacing) • Liposuction (a type of fat removal procedure) • Rhinoplasty (surgery that changes shape of nose) • Rhytidectomy (surgical procedure for face lift) Surgical • Abdominoplasty (surgery that removes excess skin and to tighten the muscles of the abdominal wall) • Blepharoplasty (surgery that removes excess skin from eyelids)

Sources: Ministry of Health, Malaysia, Protégé Associates

DC Healthcare Group is an aesthetic medicine provider specialising in the provision of non-invasive and minimally invasive procedures. Non-invasive or minimally invasive has become widely accepted and rise in popularity as they have minimal to no pain or discomfort, minimal recovery and downtimes, and lower risk of complication as compared with invasive procedures. A minimally invasive procedure is done with the aid of new technologies, such as lasers and injectables to perform treatments that were once required extensive surgeries and recovery periods. Invasive may require a team of support staffs such as anaesthesiologists and nurses during and after the procedures, whilst the non-invasive, or minimally invasive procedures are generally less complicated and often means lower cost.

7. IMR REPORT (Cont'd)**2.0 Historical Market Performance and Growth Forecast**

Protégé Associates has provided the historical performance and growth forecast of the aesthetic medicine market in Malaysia based on combination of primary and secondary research as well as analytical works conducted, including information from Department of Statistics Malaysia and the Ministry of International and Trade Industry. The size of the aesthetic medicine market is derived from the revenue of the aesthetic medical providers in Malaysia. Based on Protégé Associates' estimation, there is approximately 100 aesthetic medical providers in Malaysia.

Figure 2: Historical Market Size (Revenue) and Growth Forecast for the Aesthetic Medicine Market in Malaysia, 2019-2027

Year	Market Size (Revenue) (RM million)	Growth Rate (%)
2019	214.0	-
2020	298.6	39.5
2021	366.3	22.7
2022e	468.8	28.0
2023f	586.1	25.0
2024f	691.5	18.0
2025f	805.6	16.5
2026f	910.4	13.0
2027f	1,028.7	13.0

Note: CAGR (2022e-2027) (base year of 2021: 18.8%)

e denotes estimation

f denotes forecast

Sources: Companies Commission of Malaysia ("CCM") and Protégé Associates

The Government first announced a movement control order ("MCO") which took effect from 18 March 2020, followed by various phases of MCO throughout 2020 and 2021. 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).

During the initial lockdown stages, aesthetic clinics were allowed to operate however only providing general medical services (i.e., general medical consultation services and providing assessment for existing health concerns including skin disease treatment) which were considered essential services. Aesthetic clinics were only allowed to provide aesthetic medical services after receiving approvals from the Ministry of Health, where the aesthetic medical services were classified as an area of interest in medical practices. The provision of aesthetic medical services was only temporarily suspended during 2 periods, from 18 March 2020 until 2 July 2020, and from 1 June 2021 until 8 September 2021. In 2021, the Malaysian aesthetic medicine market was valued at RM366.3 million, a growth of 22.7% from 2020 mainly due to robust bounce in the beauty related expenditure as consumers readjust to socialising post COVID-19. The Malaysian aesthetic medicine market in 2022 is estimated to value at RM468.8 million.

Growth in the short term (2023-2024) is likely to be affected by continued economic recovery and reopening to borders as Malaysia move to its endemic phase. The per capita income of Malaysian surged to RM53,043 in 2022 from RM46,051 in 2021. The higher disposable income among Malaysians is likely to lead to greater consumption of aesthetic medicine services. In the medium to long term (2025-2027), the Malaysia's growing ageing population and increasing affluence is anticipated to drive demand for aesthetic medicine services. The increased consumerism and growing influence from social media culture that removes the stigma associated with aesthetic medical procedures is anticipated to drive a growing acceptance of these treatments. The Malaysian aesthetic medicine market is projected to remain resilient in the long term and register a CAGR of 18.8% from RM366.3 million in 2021 to RM1.03 billion in 2027.

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2.1 Competitive Landscape

In general, the business of aesthetic and beauty related care is considered highly competitive. On one end, there are aesthetic and surgical centres offered by plastics surgeons, while the other ends are spa and beauty centres operated by beauticians which offer facial care, slimming therapies, and/or acne treatments.

Interspersed with these are aesthetic clinics with general practitioners and dermatologists providing aesthetic medicine services. Protégé Associates estimates that in 2022, there are around 100 aesthetic service providers with their own clinics that provide aesthetic medicine in Malaysia. The number of market players in Malaysia is determined based on a combination of resources, including conducting secondary market research by gathering data from Ministry of Health Malaysia as well as data on the players in the market from public directories such as (<https://www.yellowpages.my>), (<https://www.whatclinic.com>) and (<https://www.erufucare.com>). The data gathered was then reviewed and analysed to determine the products and services provided are in line with the industry. Primary research works were conducted with stakeholders in the local industry such as aesthetic medical providers to gather their insights and opinion on the industry. All the findings are collated, analysed and/or computed to ascertain the number of aesthetic medical providers in the country.

According to the Guidelines on Aesthetic Medical Practice 2020 released by the Ministry of Health Malaysia, aesthetic medical procedures can be performed only by medical practitioners registered under the National Registry of Registered Medical Practitioners Practising Aesthetic Medical Practice. He/ she must have a minimum of 2 years of clinical experience as a medical doctor, undergoes relevant trainings and assessed by plastic surgeons, dermatologists, aestheticians, and officers from the ministry in interviews, before he/she can be issued with LCP. With the LCP, the medical practitioner's name will be listed in the National Registry of Registered Medical Practitioners Practising Aesthetic Medical Practice.

There are 3 categories of registered LCP certified aesthetic physicians namely 1) general practitioners, 2) medical specialists, and 3) surgical specialists. These categories differ based on the scope of aesthetic medical practice. The number of registered LCP certified aesthetic physicians that can perform aesthetic medical practices are as follows:

	Description	Number of registered certified aesthetic physicians of LCP
General practitioners	Allowed to perform non-invasive and minimally invasive procedures	431 ⁽³⁾
Medical specialists ⁽¹⁾	Allowed to perform non-invasive, minimally invasive and invasive (non-surgical) procedures	77 ⁽³⁾
Surgical specialists ⁽²⁾	Allowed to perform non-invasive, minimally invasive and invasive (non-surgical and surgical) procedures	91 ⁽³⁾

Source: Ministry of Health Malaysia

Notes:

- (1) Includes non-core group of medical specialists whose their routine areas of practice are completely unrelated to any form of aesthetic medical practice.
- (2) Includes non-core group of surgical specialists who perform aesthetic medical procedure outside of their domain of practice, that are classified as (i) specialists whose routine anatomical area of practice may present opportunities for them to perform aesthetic surgery (ii) specialists whose routine areas of practice are completely unrelated to any form of aesthetic medical practice.
- (3) As of April 2023.

Factors of competition among aesthetic medicine providers include the following:

- Availability of LCP certified aesthetic physicians as they are the only professional group authorised to provide aesthetic medicine services, including plastic surgery.

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- Availability of type of equipment for the provision of aesthetic and beauty services is also a factor of competition as some of the latest equipment or technology are costly. Rapid adoption of advanced devices for improved treatment can have influence on competition.
- As the provision of aesthetic medical procedures can only be undertaken in licensed aesthetic clinics, the set-up costs may serve as a barrier to entry for potential new entrances.

2.1.1 Selected Market Players

Protégé Associates has looked at competitors for DC Healthcare Group's operations. The criteria used when selecting market players in Malaysia that are involved in the provision of aesthetic medical services for comparison with DC Healthcare Group are:

- Operating more than 3 aesthetic clinics;
- Must have at least 1 LCP certified aesthetic physician; and
- Registered an annual revenue (on a Group level) of up to RM100 million.

Protégé Associates has selected the following Malaysian companies for comparison to DC Healthcare Group.

Figure 3: Selected Market Players in the Aesthetic Medicine Market in Malaysia

Company Name	Company Information						
Alunan Majujaya Sdn Bhd ("Alunan Majujaya")	<ul style="list-style-type: none"> • Alunan Majujaya was registered as a private limited company on 1 August 2013. The company is principally engaged in the rendering of aesthetics consultation services. • Alunan Majujaya operates the 'Premier Clinic' brand of medical aesthetic clinic and has 5 outlets in Malaysia. • For the financial year ended 31 December 2021 (latest available financial year), Alunan Majujaya registered revenue of RM2.9 million. 						
Clinic RX Sdn Bhd ("Clinic RX")	<ul style="list-style-type: none"> • Clinic RX was registered as a private limited company on 8 March 2018. The principal activities of the company are specialized in medical services and other human health services. • Clinic RX Group operates the 'Clinic RX' brand of medical aesthetic clinic and has 12 outlets in Malaysia • For the financial year ended 31 March 2022 (latest available financial year), Clinic RX registered revenue of RM22.4 million. 						
Klinik Pakar Kulit Ko Sdn Bhd ("Dr Ko Skin Specialist")	<ul style="list-style-type: none"> • Dr Ko Skin Specialist was registered as a private limited company on 14 April 2004. The company is principally engaged as a dermatological clinic providing consultations and surgeries. • Dr Ko Skin Specialist has 52 outlets in Malaysia • For the financial year ended 31 December 2021 (latest available financial year), Dr Ko Skin Specialist registered revenue of RM41.3 million. 						
O2 Klinik Group	<ul style="list-style-type: none"> • O2 Klinik Group consists of the following companies: <table border="0" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; vertical-align: top;"> 1) O2 Klinik Sdn Bhd ("O2 Klinik Penang") </td> <td style="width: 50%; vertical-align: top;"> 11) Carellection (Kulim) Sdn Bhd ("O2 Klinik Kulim") </td> </tr> <tr> <td style="width: 50%; vertical-align: top;"> 2) O2 Klinik (BM) Sdn Bhd ("O2 Klinik BM") </td> <td style="width: 50%; vertical-align: top;"> 12) Carellection (Ipoh Garden) Sdn Bhd ("O2 Klinik Ipoh Garden") </td> </tr> <tr> <td style="width: 50%; vertical-align: top;"> 3) O2 Klinik (Desa Park) Sdn Bhd ("O2 Klinik Desa Park") </td> <td style="width: 50%; vertical-align: top;"> 13) Carellection (Mid Valley) Sdn Bhd ("O2 Klinik Mid Valley") </td> </tr> </table> 	1) O2 Klinik Sdn Bhd ("O2 Klinik Penang")	11) Carellection (Kulim) Sdn Bhd ("O2 Klinik Kulim")	2) O2 Klinik (BM) Sdn Bhd ("O2 Klinik BM")	12) Carellection (Ipoh Garden) Sdn Bhd ("O2 Klinik Ipoh Garden")	3) O2 Klinik (Desa Park) Sdn Bhd ("O2 Klinik Desa Park")	13) Carellection (Mid Valley) Sdn Bhd ("O2 Klinik Mid Valley")
1) O2 Klinik Sdn Bhd ("O2 Klinik Penang")	11) Carellection (Kulim) Sdn Bhd ("O2 Klinik Kulim")						
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3) O2 Klinik (Desa Park) Sdn Bhd ("O2 Klinik Desa Park")	13) Carellection (Mid Valley) Sdn Bhd ("O2 Klinik Mid Valley")						

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Company Name	Company Information
	<p>4) O2 Klinik (Jelutong) Sdn Bhd ("O2 Klinik Jelutong")</p> <p>5) O2 Klinik (Relau) Sdn Bhd ("O2 Klinik Relau")</p> <p>6) O2 Klinik (Summerton) Sdn Bhd ("O2 Klinik Summerton"),</p> <p>7) O2 Klinik (Tanjung) Sdn Bhd ("O2 Klinik Tanjung")</p> <p>8) Carellection (Heritage) Sdn Bhd ("O2 Klinik Heritage")</p> <p>9) Carellection (Raja Uda) Sdn Bhd ("O2 Klinik Raja Uda")</p> <p>10) Carellection (Alor Setar) Sdn Bhd ("O2 Klinik Alor Setar")</p> <ul style="list-style-type: none"> O2 Klinik Group operates the 'O2 Klinik' brand of medical aesthetic clinic and has 19 outlets in Malaysia For the financial year ended 30 June 2022 (latest available financial year), O2 Group (saved for O2 Klinik Mount Austin) registered aggregate revenue of RM64.4 million. Please refer to Figure 4 below for the revenue of each company under O2 Klinik Group.
Ur Virtue Berhad ("Ur Virtue")	<ul style="list-style-type: none"> Ur Virtue was registered as a private limited company on 7 November 2017. The company is principally an investment holding company while its subsidiaries are involved in the provision of aesthetic beauty services. Ur Virtue operates the 'UrKlinik' brand of medical aesthetic clinic and has 4 outlets in Malaysia. For the financial year ended 28 February 2022 (latest available financial year), Ur Virtue registered revenue of RM17.7 million.

Based on information as at 19 June 2023

Sources: CCM, the official website of selected market players and Protégé Associates

2.1.2 Estimated Market Share

The revenue generated by DC Healthcare Group in its financial year ended 31 December 2021 and 31 December 2022 was RM25.5 million and RM52.0 million, which is equivalent to 7.0% and 11.1% of the market size (revenue) of the aesthetic medicine market in Malaysia in 2021 and 2022 respectively. The market share for 2021 is derived from dividing the Group's revenue of RM25.5 million for the financial year ended 31 December 2021 with the market size (revenue) of the aesthetic medicine market in Malaysia in 2021 which stood at RM366.3 million. While, the market share for 2022 is derived from dividing the Group's revenue of RM52.0 million for the financial year ended 31 December 2022 with the market size (revenue) of the aesthetic medicine market in Malaysia in 2021 which stood at RM468.8 million.

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Figure 4: Selected Private Aesthetic Medical Service Providers in Malaysia

Company Name	Audited Financial Year End	Revenue (RM million)	Gross Profit ("GP") (RM million)	Profit/ (Loss) before Tax ("PBT") (RM million)	Profit/ (Loss) after Tax ("PAT") (RM million)	GP Margin (%)	PBT Margin (%)	PAT Tax Margin (%)
Alunan Majujaya	31 December 2021	2.9	2.2	0.2	0.3	75.9	6.9	10.3
Clinic RX	31 March 2022	22.4	7.1	0.5	0.6	31.7	2.2	2.7
DC Healthcare Group	31 December 2021	25.5	13.9	6.2	4.6	54.5	24.3	18.0
	31 December 2022	52.0	29.2	12.6	9.6	56.2	24.2	18.4
Dr Ko Skin Specialist	31 December 2021	41.3	10.4	4.1	3.1	25.2	9.9	7.5
O2 Klinik Group								
O2 Klinik Penang	30 June 2022	19.1	6.7	3.8	2.8	35.1	19.9	14.7
O2 Klinik BM	30 June 2022	4.0	1.6	0.7	0.6	40.0	17.5	15.0
O2 Klinik Desa Park	30 June 2022	1.9	1.0	(0.05)	(0.05)	52.6	(2.6)	(2.6)
O2 Klinik Jelutong	30 June 2022	8.1	4.3	3.6	2.8	53.1	44.4	34.6
O2 Klinik Relau	30 June 2022	5.1	2.3	1.6	1.2	45.1	31.4	23.5
O2 Klinik Summerton	30 June 2022	7.2	3.6	2.5	1.9	50.0	34.7	26.4
O2 Klinik Tanjung	30 June 2022	2.9	1.3	0.6	0.5	44.8	20.7	17.2
O2 Klinik Heritage	30 June 2022	3.3	0.9	0.3	0.3	27.3	9.1	9.1
O2 Klinik Raja Uda	30 June 2022	4.6	1.7	1.0	0.8	37.0	21.7	17.4
O2 Klinik Alor Setar	30 June 2022	0.8	0.3	(0.1)	(0.1)	37.5	(12.5)	(12.5)
O2 Klinik Kulim	30 June 2022	0.3	0.1	0.1	0.08	33.3	33.3	26.7
O2 Klinik Ipoh Garden	30 June 2022	0.9	0.3	(0.04)	(0.04)	33.3	(4.4)	(4.4)
O2 Klinik Mid Valley	30 June 2022	0.5	0.2	(0.2)	(0.1)	40.0	(40.0)	(20.0)
O2 Klinik Bangsar	30 June 2022	3.2	1.2	0.5	0.4	37.5	15.6	12.5
O2 Klinik Melawati	30 June 2022	0.5	0.1	(0.4)	(0.3)	20.0	(80.0)	(60.0)
O2 Klinik Puchong	30 June 2022	0.8	0.2	(0.1)	(0.1)	25.0	(12.5)	(12.5)
O2 Klinik Setia Alam	30 June 2022	1.1	0.3	0.04	0.03	27.3	3.6	2.7
O2 Klinik Skudai	30 June 2022	0.1	*	(0.3)	(0.2)	11.2	(300.0)	(200.0)
O2 Klinik Mount Austin	(4)-	(4)-	(4)-	(4)-	(4)-	(4)-	(4)-	(4)-
Ur Virtue	28 February 2022	17.7	9.2	1.0	1.0	52.0	5.6	5.6

Notes:

- 1) The list of selected market players above is not exhaustive.
- 2) The above figures only provide an indication and are not considered directly comparable due to the following reasons:
 - (a) Not all market players have the same financial year end; and
 - (b) Not all companies carry out activities which are completely similar to each other or in the same geographical area.
- 3) The basis for calculating the figures and ratios in the table are as follows:

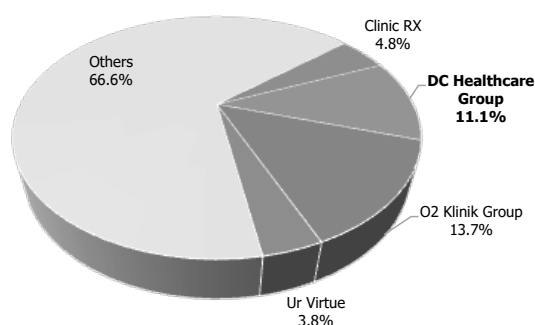
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- (a) *GP Margin = GP / Revenue*
- (b) *PBT Margin = PBT / Revenue*
- (c) *PAT Margin = PAT / Revenue*
- 4) *Not available as this company was only incorporated on 15 December 2022.*

Sources: DC Healthcare Group, CCM and Protégé Associates

Figure 5: Estimated Market Share of Selected Market Player within the Aesthetic Medicine Market in Malaysia, 2022



* *Alunan Majujaya's market share is 0.8% computed based on its revenue of RM2.9 million against the 2021 market size of RM366.3 million. While, Dr Ko Skin Specialist's market share is 11.3% computed based on its revenue of RM41.3 million against the 2021 market size of RM366.3 million. The revenue of Alunan Majujaya and Dr Ko Skin Specialist for FYE 2022 are not available as at 19 June 2023.*

Source: Protégé Associates

2.2 Demand and Supply Conditions

Demand and supply conditions refer to market factors that can positively or negatively affect future market size and growth by specifically altering demand or supply dynamics. The below are demand and supply conditions affecting the value and growth of the aesthetic medicine market in Malaysia over the forecast period from 2023 to 2027.

2.2.1 Demand Conditions

Figure 6: Demand Conditions Affecting the Aesthetic Medicine Market in Malaysia, 2023-2027

Impact	Demand Conditions	Short-Term	Medium-Term	Long-Term
		2023-2024	2025-2026	2027
+	Steady Growth of Population and Consumer Disposable Income	High	High	High
+	Proliferation of Innovative Marketing Tools Helps to Drive Transparency and Increased Consumer Awareness	High	High	High
+	Growing Inclination Towards Well-Being and Beauty Aestheticism	high	High	High

Source: Protégé Associates

Steady Growth of Population and Consumer Disposable Income

The economic growth in Malaysia over the past 7 years has resulted in the greater affluence of the population, whereby the gross national disposable income grew from RM1,215.10 billion in 2016 to RM1,716.82 billion in 2022. At the same time, the per capita income of Malaysian rose from RM38,412 in 2016 to RM53,043 in 2022. The Malaysian Government is also committed in pursuing economic expansion programmes which would lead to rising disposable incomes. The higher disposable income among Malaysians is likely to lead to greater consumption of aesthetic medical services.

Malaysia has a growing middle- and high- income class population. 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

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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. The growing middle- and high- income group in Malaysia provides an opportunity for the beauty and aesthetic clinics to align its service offering to cater for these M40 and T20 groups. This demand condition is expected to have a positive impact throughout the forecast period.

Figure 7: Population by States (2016 and 2022p), Working-age Population by States (2016 and 2022p) and Mean Monthly Household Income by States (2016 and 2020)

State	Population ('000)		Working-age Population (15-65 years old) ('000)		Mean Monthly Household Income (RM)	
	2016	2022p	2016	2022p	2016	2020
Johor	3,651.8	4,022.7	2,527.0	2,819.9	6,928	7,264
Kedah	2,119.7	2,170.9	1,426.6	1,450.2	4,971	5,005
Kelantan	1,796.7	1,829.3	1,133.7	1,167.1	4,214	4,411
Malacca	901.1	1,007.7	621.8	704.4	6,849	7,186
Negeri Sembilan	1,099.3	1,209.0	758.5	819.7	5,887	6,184
Pahang	1,626.7	1,612.5	1,091.5	1,093.3	5,012	5,144
Perak	2,482.1	2,521.7	1,677.9	1,712.2	5,065	5,081
Perlis	251.0	289.8	167.9	208.4	4,998	4,971
Penang	1,717.7	1,738.6	1,238.5	1,270.9	6,771	6,850
Sabah	3,802.8	3,390.9	2,745.6	2,336.3	5,354	5,215
Sarawak	2,738.7	2,470.9	1,878.7	1,749.4	5,387	5,087
Selangor	6,291.5	7,038.2	4,473.3	4,990.1	9,463	9,668
Terengganu	1,183.4	1,187.0	757.4	779.9	5,776	6,051
Kuala Lumpur	1,789.7	1,945.2	1,306.5	1,443.3	11,692	11,728
Labuan	96.8	96.8	66.7	65.8	8,174	7,333
Putrajaya	84.4	120.3	51.4	73.6	11,555	12,322
Total Population/ Mean Monthly Household Income in Malaysia	31,633.5	32,651.6	21,985.3	22,692.9	6,958	7,089

Note: p denotes preliminary

Source: Department of Statistics

Proliferation of Innovative Marketing Tools Helps to Drive Transparency and Increased Consumer Awareness

The aesthetic medicine market has seen a fundamental shift of marketing approach, moving away from web-based advertising and traditional offline promotions towards the utilisation of online-to-offline service platform, short videos, and social media networking platforms to connect to consumers. The online-to-offline service platform originated from group discount website that sells coupons and special deals from aesthetic clinics.

In addition, the emergence of the Internet influencers also further drove the efficient delivery of information to the consumers, creating higher transparency and better information, which ultimately result in more informed consumer decision making. Platforms such as Instagram and YouTube have given beauty influencers the avenues to express their opinions and are pivotal in shaping opinions and buying decisions of consumer. This demand condition is expected to have a positive impact throughout the forecast period.

Growing Inclination Towards Well-Being and Beauty Aestheticism

Increased consumerism and growing influence from social media culture that removes the stigma associated with aesthetic medical procedures to improve one's appearance have resulted in an increase in attention to personal appearance and are driving a growing acceptance of these treatments. There are some who would go for aesthetic procedures to rectify features that drew unwanted attention such as facial moles or witch's nose. Whilst women still make up of majority at about 70.0% to 80.0% of the

7. IMR REPORT (Cont'd)



consumers, there has been growing demand from men and younger Malaysian too. Common procedures sought after by men are body contouring, muscle sculpting, hair transplants, skin tightening and anti-aging. Healthy growth of men doing aesthetic procedures are driven by the rise of metrosexual men who are fastidious of their looks. Meanwhile, youths in their teens and 20s mostly go after acne and skin treatments. More and more younger consumers are spending on aesthetic medical procedures particularly on minimally invasive treatments. Among the popular procedures sought are derma fillers for anti-aging, laser treatments for pigmentation, scars and hair removal, Botox for wrinkles and excessive sweating, platelet rich plasma ("PRP") injections for skin rejuvenation and non-invasive fat reduction treatments. We expect these trends will continue to have positive impact through the forecast period.

2.2.2 Supply Conditions

Figure 8: Supply Conditions Affecting the Aesthetic Medicine Market in Malaysia, 2023-2027

Impact	Supply Conditions	Short-Term	Medium-Term	Long-Term
		2023-2024	2025-2026	2027
+	Technology Improvements and Innovative Aesthetic Procedures	High	High	High
+	Standardisation and Tightening of Regulations Relating to Aesthetic Medical Procedures	Low	Medium	Medium
-	Shortage of registered LCP certified aesthetic physicians	Medium	Medium	Medium

Source: Protégé Associates

Technology Advancement and Innovative Aesthetic Procedures

Constant innovation in the form of aesthetic product and devices will further drive the growth of aesthetic medicine. Manufacturer of aesthetics products and technology are coming up with innovative aesthetic devices has led to increased demand for aesthetic treatments. For example, the introduction of technologically advanced products such as non-invasive body contouring systems that use fat freezing technology which is less risky creates more demand as compared to invasive and riskier liposuction procedures. The development and adoption of new and improved technology, in particular in relation to non-invasive and minimally invasive treatments such as injection procedures, are expected to lower risk associated with procedures and improve their quality, thereby increasing their attractiveness to potential consumers. This supply condition is expected to have a positive impact throughout the forecast period.

Standardisation and Tightening of Regulations Relating to Aesthetic Medical Procedures

The unfortunate death of a young women in 2020, following a liposuction procedure in an unlicensed beauty centre has been widely discussed among the public. The news has called on authorities to take stiffer action and enforcement against unlicensed beauty centre and unregistered doctors/ surgeons to prevent another tragedy. Invasive procedures such as liposuction must only be performed by qualified licensed surgeon.

There are also unqualified beauty centres offering cheaper rates to entice customers. There is currently no price control over aesthetic medical treatments and surgeries. The public can be swayed by cheap prices without doing their research. Furthermore, people tend to be susceptible to social media advertising and aggressive sales pitches by unscrupulous operators. With a high stake on continual injuries and loss of lives, there is need to better enforcement and tighter punishment on medical procedures done by non-medical doctors.

Thus far, the Ministry of Health through Private Medical Practice Control Section under the Medical Practice Division has been carrying integrated enforcement together with other departments to investigate and carrying out punishment against unlicensed beauty centre. Members of public who wished to seek aesthetic treatments are also advised to seek treatment at registered aesthetic clinics though the services of LCP certified aesthetic physicians. This supply condition is expected to have a positive impact throughout the forecast period.

Shortage of Registered LCP Certified Aesthetic Physicians

There are only about 599 LCP certified aesthetic physicians in the field of aesthetics medicine treatment are accredited under the Ministry of Health Malaysia. There are only a small number of LCP certified

7. IMR REPORT (Cont'd)

aesthetic physicians in the country because strict trainings and assessments are mandated due to the relatively high safety risk of the aesthetic treatment procedures. Without medical knowledge, an inexperienced or untrained person can cause injury. Some aesthetic treatments such as laser treatments are not suitable to be done in a regular beauty centre because it is risky when there are problems such as drug allergies, fainting, excessive bleeding and other medical emergencies that may arise. Aesthetic treatment and plastic surgery must be done at a registered hospital or aesthetic clinic that are equipped with the necessary equipment including emergency medicine. Furthermore, due to the long time it takes to become a LCP certified aesthetic physician, the supply gap is unlikely to be filled in the short term. In Malaysia, the process typically involves completing a 5-year Bachelor of Medicine, Bachelor of Surgery ("MBBS") or Doctor of Medicine ("MD") degree followed by 2 years of housemanship. After completing housemanship, the individuals can register as a medical officer with the Malaysia Medical Council and complete 2 years of compulsory government service. After that, they must complete at least 2 years of supervised training in aesthetic medicine to become eligible for LCP certification. In total, it can take approximately 6 years from the completion of the MBBS or MD degree to become a LCP certified aesthetic physician. This supply condition is expected to have a negative impact throughout the forecast period.

3.0 Prospects and Outlook of the Aesthetic Medicine Market

Going forward, the aesthetic medicine market is anticipated to grow at a CAGR of 18.8% from RM366.3 million in 2021 to RM1.03 billion in 2027, mirroring the general upward trend of beauty related expenditure as consumer readjust to socialising post COVID-19. The increase utilisation of aesthetic medical services is underpinned by overall population growth and income growth. The higher disposable income among Malaysians is likely to lead to greater consumption of aesthetic medical services. The middle income and high-income group acts as enablers to more complex treatments or procedures in aesthetic clinics.

The aesthetic medicine market has seen a fundamental shift of marketing approach, moving away from web-based advertising and traditional offline promotions towards the utilisation of online-to-offline service platform, short videos, and social media networking platforms to connect to consumers. The increased consumerism and growing influence from social media culture that removes the stigma associated with aesthetic medical procedures to improve one's appearance have resulted in an increase in attention to personal appearance and are anticipated to drive a growing acceptance of these treatments.

From the supply side, the constant technological innovation in the form of aesthetic product and devices will further drive the growth of aesthetic medicine. On a downside risk, there are a shortage of medical practitioners and specialists in the field of aesthetics medicine treatment because of strict trainings and assessments are mandated due to the relatively high safety risk of the aesthetic treatment procedures. Due to the long time it takes to become a LCP certified aesthetic physician, the supply gap is unlikely to be filled in the short term. The standardisation and tightening of regulations relating to aesthetic medical procedures will have stimulate positive impact towards to the growth of aesthetic medicine market in the long run.

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8. RISK FACTORS

NOTWITHSTANDING THE PROSPECTS OF OUR GROUP AS OUTLINED IN THIS PROSPECTUS, YOU SHOULD CAREFULLY CONSIDER THE FOLLOWING RISK FACTORS THAT MAY HAVE A SIGNIFICANT IMPACT ON OUR FUTURE PERFORMANCE, IN ADDITION TO ALL OTHER RELEVANT INFORMATION CONTAINED ELSEWHERE IN THIS PROSPECTUS, BEFORE MAKING AN APPLICATION FOR OUR IPO SHARES.

8.1 RISKS RELATING TO OUR BUSINESS AND OPERATIONS

8.1.1 Our growth and success depend on our Directors, LCP Certified Aesthetic Physicians and key senior management

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.

Our Group is led by our Managing Director, Dr. Chong Tze Sheng and our Executive Director, Dr. Lai Ngan Chee. 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.

According to Guidelines on Aesthetic Medical Practice for Registered Medical Practitioners published by MOH, only LCP Certified Aesthetic Physicians are allowed to perform aesthetic medical treatments. Hence, our Group's future success depends on our ability to retain and attract qualified, experienced, and reputable LCP Certified Aesthetic Physicians. Our ability to attract and retain highly skilled LCP Certified Aesthetic Physicians is reliant on several major factors such as our reputation, financial remuneration and job satisfaction. To compete with other Aesthetic Service providers for recruitment of these LCP Certified Aesthetic Physicians, we may need to offer more competitive terms, such as higher salaries and other rewards, which may increase our costs of operation. Due to the growing market and the high demand for LCP Certified Aesthetic Physicians, we may be subjected to the risks of our competitors poaching our LCP Certified Aesthetic Physicians with more attractive incentives.

8.1.2 Our operations are reliant on certain approvals, licences, permits and certificates

We operate in an industry that is highly regulated by MOH. Our operations are reliant on certain approvals, licences, permits and certificates which includes licences and certificates granted by the MOH. 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. Such approvals, licences, permits, and certificates are subject to periodical renewal. Please refer to Appendix I of this Prospectus for further details of our major approvals, licences and permits.

8. RISK FACTORS (Cont'd)

Our business operations as a private Aesthetic Services provider is bound by the federal, state and local laws and rules and regulations set by government bodies related to health and aesthetic, such as the MOH. In general, laws and regulations applicable to the healthcare industry have become more stringent with penalties and potential liabilities increasing over the years. These laws and regulations could change with the implementation of new laws and regulations or a change in the interpretation of existing laws and regulations could result in substantially similar risks. There is no assurance that our operations and business will not be affected by future legislatives or regulatory policy changes including the following:

- (a) implementation of new laws, regulations and policies by the relevant authorities;
- (b) changes to current laws, regulations and policies; and/or
- (c) imposition of additional conditions to the existing approvals, licenses and permits.

While we have not experienced any difficulty in renewing and maintaining the approvals, licenses and permits required to operate our aesthetic medical clinics in the past, 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 conditions in the future, particularly when there are changes to any requirements, rules and regulations imposed by the MOH or other relevant authorities.

The failure to comply with any additional terms and conditions imposed by the MOH or other relevant authorities (whether due to our Group's past/future actions, activities or operation) can result in the approvals, licenses and permits required for our operations be revoked, suspended or not renewed, which could have a material adverse effect on our business operations, financial condition and prospects. In addition, if there are any changes imposed on the rules and regulations, standards of compliance or conditions imposed by the relevant regulatory authorities, we may incur additional costs to comply with such new or modified standards or conditions.

8.1.3 We are subject to the risks of 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 all risks and losses associated with our business operations

As a provider of Aesthetic Services and related products, we are exposed to potential liability risks such as malpractice or medical negligence claims on account of alleged misconduct or deficiencies in the provision of our Aesthetic Services and related products.

Additionally, as our customers have varying demands and expectation on the degree of improvement they wish to achieve in their physical appearance through our Aesthetic Services, there is a risk that our LCP Certified Aesthetic Physicians may not be able to deliver such results if they are not feasible given the circumstance. We rely on our LCP Certified Aesthetic Physicians and resident medical doctors to engage in detailed discussions to identify our customers' demands while discovering and managing their expectations. However, there is no guarantee that all our customers will be satisfied with their treatment results. If we fail to manage our customers' expectations of the outcomes of our treatments properly, a dissatisfied customer may request for a refund, post negative comments or feedback on online platforms, or file a legal claim against us. Such actions from dissatisfied customers may materially and adversely affect our brand image and cause deterioration in the level of trust among our customers and potential customers in our services and products, thus affecting our business performance.

8. RISK FACTORS (Cont'd)

To-date, we have not received any complaint that may result in legal proceedings against our Group or any of our LCP Certified Aesthetic Physicians and resident medical doctors. Nonetheless, there is no assurance that we or any of our LCP Certified Aesthetic Physicians will not encounter malpractice, medical negligence, or misconduct claims in the future. In any of these cases, we may be required to pay monetary compensation or damages, or the qualification or registrations of our LCP Certified Aesthetic Physicians may be suspended or revoked or subject to other disciplinary action.

Our LCP Certified Aesthetic Physicians and resident medical doctors are required to maintain their own individual medical indemnity insurance. In addition, we also maintain malpractice liability policies for our Group and for each of our LCP Certified Aesthetic Physicians and resident medical doctors to protect against various losses and liabilities arising from medical malpractice. Please refer to Section 6.5.2(g) of this Prospectus for further details of our medical malpractice liability policy and indemnity insurance.

However, there is no assurance that our insurance coverage or indemnity arrangement will be sufficient to cover every possible incident, potential liabilities (including losses or damages which we may incur) and risks that we face. 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.

8.1.4 There can be no assurance that there would be no unauthorised use of our brand name and trademarks

In view of our established brand name, any unauthorised use of our brand name may adversely affect our business. As such, as at the LPD, we have registered trademarks for certain brand name and logos used in the course of our provision of services to prevent third parties from using trademarks similar to ours in jurisdictions where our trademarks have been registered. As at the LPD, we have submitted the appeals for 7 of our trademarks and currently pending for the response from the Intellectual Property Corporation of Malaysia on such appeals. Please refer to Section 6.5.12 of this Prospectus for further details and status of our trademarks. Nevertheless, there can be no assurance that there will be no unauthorised third party copying, using or exploiting our trademarks and brand name.

Additionally, as we have at this point only proceeded to register our trademarks in Malaysia, there is a risk that any third party may register the "Dr Chong Clinic, Dr Chong Healthcare, DC Healthcare Holdings, The Caring Team, Le Perfetto, 10 Drs and Golden Tomato" before us in other countries outside Malaysia. If any third party uses our trademarks, or registers identical trademarks in jurisdictions other than Malaysia, this may threaten our brand reputation. Likewise, the unauthorised use of our brand name, logo and trademarks may harm our reputation, and if any of our trademarks is infringed, challenged or revoked, our

8. RISK FACTORS (Cont'd)

business, financial performance and business future prospects may be materially and adversely affected. If an unauthorised third-party uses our brand name, logo, and trademarks, it may lead to confusion amongst consumers. Additionally, should any unauthorised third-party provide aesthetic medical services using our brand name, logo, and trademarks be found to provide poor quality or dishonest services, consumers may associate our brand with poor business practices. Furthermore, if an unauthorised third-party using our brand name, logo, and trademark provided services that caused damages or harmed a consumer, our Group may be subject to legal action as a result of our brand's association with the event.

8.1.5 We may not be able to successfully implement our future plans and strategies

We intend to establish 8 new aesthetic medical clinics as set out in Sections 4.9 and 6.7(a) of this Prospectus. Such expansions or establishment are capital expenditure intensive and may escalate substantially beyond our budgets, resulting in pressure on our financial performance and cash flows or the expansion plans being no longer feasible.

As part of our expansion plans, we intend to open our new aesthetic medical clinics in locations which we currently have no presence, and we may not possess the same level of familiarity with the customers' preference in those locations. We also cannot assure that we will be able to obtain the requisite approvals, licences and permits or recruit/retain a sufficient number of LCP Certified Aesthetic Physicians required for the opening of new aesthetic medical clinics.

Guidelines 2022 provides that 1 LCP Certified Aesthetic Physician 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.

Currently, we have 2 LCP Certified Aesthetic Physicians namely Dr. Yap Chiou Han and Dr. Vincent Yap who have not been registered as Responsible Person of any clinic. 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. Hence, to support the opening of 8 new aesthetic medical clinics, we intend to recruit additional 5 LCP Certified Aesthetic Physicians to be registered as Responsible Person for our new aesthetic medical clinics.

In the event we are unable to recruit 5 LCP Certified Aesthetic Physicians, the maximum number of new aesthetic medical clinics to be opened are limited to 3 clinics unless and until we have recruited additional LCP Certified Aesthetic Physicians.

Any failure by our Group in obtaining the requisite approvals, licences and permits or recruit or retain a sufficient number of LCP Certified Aesthetic Physicians required or any unforeseen circumstances arising from the new and unfamiliar locations will have material adverse effect on our business prospects.

8.1.6 Relocation of our aesthetic medical clinics may cause interruptions to our business and operations

Our Group rents premises for the operations of our existing aesthetic medical clinics. Upon the expiry of any of our existing tenancy agreements, the landlords have the right to review and revise the terms and conditions of the tenancy agreements and therefore we face the possibility of not being able to renew the tenancies at all or on term and conditions favourable to us. Furthermore, the tenancies may, prior to the expiry of the tenancies, be subject to termination under their terms and conditions.

8. RISK FACTORS (Cont'd)

If we are required to relocate our existing aesthetic medical clinics in the event the tenancies of these centres are not renewed or are terminated, we may incur additional costs for the relocation and our business operations may suffer from interruptions due to the need for relocation and loss of prime locations. Since our incorporation, we have not faced any interruptions to our business and operations arising from the relocation of our aesthetic medical clinics due to expiry of tenancies. Please refer to Section 6.9.1(b) of this Prospectus for further details of properties rented by our Group.

8.1.7 Our business may be affected by the spread or outbreak of COVID-19 or any other contagious or virulent diseases

The outbreak of COVID-19 or any contagious or virulent disease may potentially affect our business operations. Notwithstanding that our Group has taken all necessary precautionary measures and steps, there can be no assurance that our employees will not be infected by the COVID-19 or any contagious or virulent diseases in future. If any of our employees is infected with COVID-19 or any contagious or virulent diseases, we may be required to temporarily suspend our services or shut down our operations for sanitisation and to contain the spread of such disease which may affect our ability to carry out our business. These disruptions to our business operations will in turn result in adverse impact on our financial performance.

During the initial lockdown stages, the operational prospects of our clinics experienced some disruptions due to the implementation of COVID-19 SOPs. Our Aesthetic Services were temporarily suspended and only General Medical Services which falls within essential service were permitted during the various stages of MCOs in 2020 and 2021. As such, our LCP Certified Aesthetic Physicians and resident medical doctors were still allowed to work at our clinics to provide General Medical Services.

Notwithstanding that we are able to continue our business operations, if the number of COVID-19 cases continues to increase or there is a sudden spike in the number of COVID-19 cases, our customers may be reluctant to visit our aesthetic medical clinics for their appointments due to higher risk of being infected with COVID-19 which will in turn result in adverse impact on our financial performance.

There is no assurance that outbreak of COVID-19 in Malaysia can be effectively controlled, or outbreak of other contagious or virulent diseases or other pandemics will not happen in the future. Other outbreak or pandemics may happen in the future and could persist for a substantial period, and this may significantly and adversely affect our business operations and financial performance.

Please refer to Section 6.6 of this Prospectus for the impact of COVID-19 on our Group and the measures and precautions taken by us to safeguard our employees and customers.

8.2 RISKS RELATING TO OUR INDUSTRY

8.2.1 We face competition from other providers of Aesthetic Services

We face competition among providers of Aesthetic Services, and this include aesthetic medical clinics and private hospitals. Furthermore, some of these competitors such as private hospitals have longer operating history with strong financial strength and resources compared to us. We compete based on factors including, among others, pricing of consultation and procedures, availability of equipment and facilities, and reputation. Some of our competitors may price their services lower than ours and this would continue to exert competitive pressure on our pricing. Our continuing success would be dependent on our ability to compete effectively against our peers.

8. RISK FACTORS (Cont'd)

If we are unable to compete in terms of pricing while meeting the satisfaction of our customers, there is a risk that we would lose our customers to our competitors. This would have a negative impact on our business operations and financial performance.

8.2.2 We face competition from beauty centres

We may also face competition from beauty centres operated by beauticians which offer facial care, slimming therapies, and/or acne treatments that do not need to be conducted by an LCP Certified Aesthetic Physician. We may compete with beauty centres in areas such as but not limited to the pricing of consultation and procedures, reputation, and availability of equipment and facilities. In terms of pricing, we may experience competitive pressure on pricing if the consumers are unable to differentiate between our Group's Aesthetic Services and the types of services offered by the beauty centres. If we are unable to clearly differentiate our services with beauty centres, especially on pricing of similar services and customer satisfaction, we may face the risk of losing our customers to beauty centres, which would cause a negative impact on our business operations and financial performance.

8.2.3 Any inability to stay informed of the market trends or latest technology advancement in the aesthetic medicine market may adversely affect our results of operation

We operate in the aesthetic medicine market with rapidly changing customer needs and preferences. This challenges us to continuously assess and stay informed about the latest developments and trends in the market, in order to respond adequately and appropriately to our customers' needs. To keep up with the latest developments and trends, we need to:

- (a) upgrade our existing medical machines and equipment from time to time; and
- (b) diversify the Aesthetic Services we provide and source new treatment products.

For the Financial Years Under Review, we had incurred approximately RM2.06 million in FYE 2019, RM0.73 million in FYE 2020, RM3.11 million in FYE 2021 and RM4.40 million in FYE 2022, to purchase medical machines and equipment in order to replace and upgrade existing medical machines and equipment and to expand our service capacity. If we fail to anticipate and adjust ourselves to the current market trends, or fail to introduce the latest technologies in the aesthetic industry to our aesthetic medical clinics, we may not be able to compete with our competitors in satisfying customers' needs and expectations and the demand for our services may decline. Furthermore, if our competitors are more apt in responding to shifts in customer preferences, more responsive to emerging technology in the aesthetic medicine market, our Aesthetic Services may become less competitive. If any of the abovementioned circumstances occur, our business operations and financial conditions may be materially and adversely affected.

8.2.4 The aesthetic medicine market is affected by changes in economic, political, and social conditions

Any uncertainties in Malaysia or the global political and economic conditions, as well as Malaysia's social and regulatory environment may negatively affect the service providers within the aesthetic medicine market. Such uncertainties include, among others, economic downturn, fiscal and monetary policies, inflation, risk of war and terrorism and changes in interest rates. Negative changes in some of these political, economic and social conditions may adversely affect the demand for non-essential services including Aesthetic Services.

8. RISK FACTORS (Cont'd)

Similarly, any global or regional economic downturn would also affect overall business and consumer sentiments, confidence as well as expenditure, which would subsequently affect the demand for our Aesthetic Services. As such, there can be no assurance that any adverse political, social, regulatory or economic developments which are beyond our control, will not materially affect our business and financial performance.

8.2.5 We are subject to laws and regulations relating to the personal information of our customers

We are required to comply with the Personal Data Protection Act 2010, which limits the use of personal data of our customers collected by us. We are expected to follow a certain code of conduct for the disclosure of medical information of our customers. We are not allowed to disclose any customer information unless consent is given or under certain specific circumstances. We are also required to have an appropriate customer medical records system that will maintain customer medical records and to safeguard such records against loss, tampering, or use by unauthorised persons. We cannot guarantee that our confidentiality policies and measures can completely prevent the leakage of our customers information or being used for improper purposes, which could expose us to potential litigation or a breach of the relevant laws and regulations. These may adversely affect our business operations, financial performance, reputation and future prospects.

8.3 RISKS RELATING TO THE INVESTMENT IN OUR SHARES

8.3.1 There is no prior market for our Shares

Prior to our Listing, there has been no public market for our Shares. The listing of our Shares on the ACE Market of Bursa Securities does not guarantee that an active market for our Shares will develop.

There is also no assurance that our IPO Price will correspond to the price at which our Shares will be traded on the ACE Market of Bursa Securities.

8.3.2 Our Listing is exposed to the risk that it may be aborted or delayed

Our Listing may be aborted or delayed should any of the following occurs:

- (a) the selected investors fail to subscribe for their portion of our IPO Shares;
- (b) our Underwriter exercising its rights under the Underwriting Agreement to discharge itself from its obligations therein; and
- (c) we are unable to meet the public shareholding spread requirement set by Bursa Securities, whereby at least 25.00% of our total number of Shares for which listing is sought must be held by at least 200 public shareholders each holding not less than 100 Shares upon the completion of our IPO and at the point of our Listing.

If any of these events occur, investors will not receive any our IPO Shares and we will return in full without interest, all monies paid in respect of any Application within 14 days, failing which the provisions of subsection 243(2) of the CMSA will apply accordingly.

If our Listing is aborted and/or terminated, and our IPO Shares have been allotted to the investors, a return of monies to the investors in respect of IPO Shares could only be achieved by way of cancellation of share capital as provided under Sections 116 or 117 of the Act. Such cancellation requires the approval of shareholders by special resolution in a general meeting, with sanction of High Court of Malaya or with notice to be sent to the Director General of the

8. RISK FACTORS (Cont'd)

Inland Revenue Board and ROC within 7 days of the date of the special resolution and us meeting the solvency requirements under Section 117 of the Act. There can be no assurance that such monies paid in respect of our IPO Shares can be recovered in a timely manner.

8.3.3 The trading price and trading volume of our Shares following our Listing may be volatile

The trading price and volume of our Shares may fluctuate due to various factors, some of which are not within our control and may be unrelated or disproportionate to our financial results. These factors may include variations in the results of our operations, changes in analysts' recommendations or projections, changes in general market conditions and broad market fluctuations.

The performance of Bursa Securities is also affected by external factors such as the performance of the regional and world bourses, inflow or outflow of foreign funds, economic and political conditions of the country as well as the growth potential of the various sectors of the economy. These factors invariably contribute to the volatility of trading volumes witnessed on Bursa Securities, thus adding risks to the market price of our Shares.

8.4 OTHER RISKS**8.4.1 Our Promoters will be able to exert significant influence over our Company**

Upon completion of our IPO, our Promoters will collectively hold an aggregate of 697,410,000 Shares, representing approximately 70.00% of our enlarged issued Shares. As a result, they will collectively be able to have effective control over the business direction and management of our Company, including election of directors, timing and payment of dividends as well as having voting control and as such will likely have significant influence on the outcome of certain matters requiring the vote of our shareholders, unless they and persons connected with them are required to abstain from voting by law and/or by the relevant guidelines and regulations.

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9. RELATED PARTY TRANSACTIONS

9.1 MATERIAL RELATED PARTY TRANSACTIONS

Save for the Acquisitions and as disclosed below, there were no transactions, existing and/or potential, entered or to be entered into by our Group which involve the interests, direct or indirect, of our Directors, substantial shareholders and/or persons connected with them which are material to our Group during the Financial Years Under Review and up to LPD:

Related party	Interested person	Transacting company in the Group	Nature of transaction	Transaction value									
				FYE 2019		FYE 2020		FYE 2021		FYE 2022		1 January 2023 up to the LPD	
				RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
DCHG	DCHG ⁽¹⁾	DC Lasers	Capital contribution received by DC Lasers from DCHG ⁽⁴⁾	-	-	-	-	790	⁽⁶⁾ 9.9	-	-	-	-
	Dr. Chong Tze Sheng ⁽²⁾		Capitalisation of capital contribution to share capital ⁽⁵⁾	-	-	-	-	-	-	(200)	N/A	-	-
	Dr. Lai Ngan Chee ⁽³⁾	Ten Doctors	Capital contribution received by Ten Doctors from DCHG ⁽⁴⁾	-	-	-	-	250	⁽⁶⁾ 3.1	400	⁽⁶⁾ 2.7	-	-
			Capitalisation of capital contribution to share capital ⁽⁵⁾	-	-	-	-	-	-	(210)	N/A	-	-
			Advances received by Ten Doctors from DCHG	-	-	-	-	-	-	460	⁽⁶⁾ 3.1	-	-

9. RELATED PARTY TRANSACTIONS (Cont'd)

Related party	Interested person	Transacting company in the Group	Nature of transaction	Transaction value									
				FYE 2019		FYE 2020		FYE 2021		FYE 2022		1 January 2023 up to the LPD	
				RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
BTL Beauty Sdn Bhd ("BTL") (formerly known as Klinik Dr Chong Shah Alam Sdn Bhd) ⁽⁷⁾	DCHG ⁽¹⁾ Dr. Chong Tze Sheng ⁽²⁾ Dr. Lai Ngan Chee ⁽³⁾	Klinik Dr Chong	Sale of skincare products, consumables and medical supplies by Klinik Dr Chong to BTL	223	⁽⁸⁾ 1.8	-	-	-	-	-	-	-	-
			Purchase of plant and equipment by Klinik Dr Chong from BTL	(402)	N/A	(30)	N/A	-	-	-	-	-	-
			Payment on behalf of Klinik Dr Chong by BTL for administrative and operating expenses as well as the rental deposit	(166)	N/A	-	-	-	-	-	-	-	-
Dr. Chong Tze Sheng	Dr. Chong Tze Sheng ⁽¹⁾	Klinik Dr Chong	Advances received by Klinik Dr Chong from Dr. Chong Tze Sheng	-	-	-	-	240	⁽⁶⁾ 3.0	139	⁽⁶⁾ 0.9	-	-
			Payment on behalf of Klinik Dr Chong by Dr. Chong Tze Sheng for operating and administrative expenses	(466)	N/A	(36)	N/A	(99)	N/A	(27)	N/A	-	-
			Payment on behalf of Dr. Chong Tze Sheng	-	-	-	-	-	-	23	⁽⁶⁾ 0.2	-	-

9. RELATED PARTY TRANSACTIONS (Cont'd)

Related party	Interested person	Transacting company in the Group	Nature of transaction	Transaction value									
				FYE 2019		FYE 2020		FYE 2021		FYE 2022		1 January 2023 up to the LPD	
				RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
			by Klinik Dr Chong of the legal fees incurred by Dr. Chong Tze Sheng for the sale and purchase agreement dated 10 May 2022 of the Puchong Property										
Dr. Chong Tze Sheng	Dr. Chong Tze Sheng ⁽¹⁾	Ten Doctors	Advances received by Ten Doctors from Dr. Chong Tze Sheng	-	-	53	⁽⁶⁾ 1.1	70	⁽⁶⁾ 0.9	-	-	-	-
			Payment on behalf of Ten Doctors by Dr. Chong Tze Sheng for charges relating to incorporation of the company and operating expenses	-	-	(3)	N/A	-	-	-	-	-	-
Dr. Chong Tze Sheng	Dr. Chong Tze Sheng ⁽¹⁾	DC Lasers	Advances received by DC Lasers from Dr. Chong Tze Sheng	-	-	-	-	1	⁽⁶⁾ ~	-	-	-	-
			Payment on behalf of DC Lasers by Dr. Chong Tze Sheng for operating expenses	-	-	-	-	(57)	N/A	-	-	-	-

9. RELATED PARTY TRANSACTIONS *(Cont'd)*

Notes:

- N/A Not applicable
- ~ Less than 0.10%
- (1) DCHG is our Promoter and substantial shareholder which was the 70.00% shareholder of BTL, but has disposed its shares in BTL on 28 April 2022 to a third party.
- (2) Dr. Chong Tze Sheng is our Promoter, substantial shareholder and Managing Director;
- (a) He is a director and shareholder of DCHG.
- (b) He was a director and 20.00% shareholder of BTL, but has resigned as a director on 31 May 2022 and disposed his shares on 28 April 2022 to a third party.
- (3) Dr. Lai Ngan Chee is our Promoter, substantial shareholder and Executive Director;
- (a) She is a director and shareholder of DCHG.
- (b) She was a director and 10.00% shareholder of BTL, but has resigned as director on 31 May 2022 and disposed her shares on 28 April 2022 to a third party.
- (4) The advances from DCHG to DC Lasers and Ten Doctors for working capital purposes whereby such amounts are not expected to be repaid to DCHG in the foreseeable future and is effectively additional investment into DC Lasers and Ten Doctors by DCHG.
- (5) The capital contribution by DCHG was capitalised via issuance of new shares to DCHG.
- (6) Calculated based on our Group's net assets for each of the respective financial years.
- (7) BTL was involved in sales of skincare products, consumables and medical supplies and has ceased operations in 2020.
- (8) Calculated based on our Group's total revenue for each of the respective financial years.

None of the above related party transaction will recur in the future. Our Directors (save for Dr. Chong Tze Sheng and Dr. Lai Ngan Chee), having considered all aspects of the related party transactions, confirm that the above related party transaction was conducted on an arm's length basis based on terms and conditions which were not more favourable to the related parties than those generally available to the public and not detrimental to the interest of our Group save for the following:

- (a) advances received by Ten Doctors from DCHG which are non-trade in nature, unsecured, interest-free and repayable on demand;
- (b) advances received by Klinik Dr Chong/ Ten Doctors/ DC Lasers from Dr. Chong Tze Sheng which are non-trade in nature, unsecured, interest-free and repayable on demand;
- (c) the payment on behalf of Klinik Dr Chong by BTL which are non-trade in nature, unsecured, interest-free and repayable on demand;

9. RELATED PARTY TRANSACTIONS (Cont'd)

- (d) the payment on behalf of Klinik Dr Chong by Dr. Chong Tze Sheng which are non-trade in nature, unsecured, interest-free and repayable on demand;
- (e) the payment on behalf of Dr. Chong Tze Sheng by Klinik Dr Chong which are non-trade in nature, unsecured, interest-free and repayable on demand;
- (f) the payment on behalf of Ten Doctors/ DC Lasers by Dr. Chong Tze Sheng which are non-trade in nature, unsecured, interest-free and repayable on demand; and
- (g) the disposal of Puchong Property.

Moving forward, in order to ensure that related party transactions are undertaken on arm's length basis and on normal commercial terms, we have established the following procedures:

(a) Recurrent related party transactions

- (i) At least 2 other contemporaneous transactions with third parties for similar products and/or quantities will be used as comparison, wherever possible, to determine if the price and terms offered by related parties are fair and reasonable and comparable to those offered by other third parties for the same or substantially similar type of products/ services and/ or quantities; or
- (ii) If quotation or comparative pricing from third parties cannot be obtained, the transaction price will be determined by our Group based on those offered by other third parties for substantially similar type of transaction to ensure that the recurrent related party transactions are not detrimental to us.

Our Board shall seek mandate from shareholders to enter into any recurrent related party transactions at a general meeting. Due to its time-sensitive nature, the shareholders' mandate will enable us to enter into such recurrent transactions which are transacted in our ordinary course of business without having to convene numerous general meetings to approve such recurrent transactions as and when they are entered into.

(b) Other related party transactions

- (i) Whether the terms of the related party transaction are fair and on arm's length basis to our Group and would apply on the same basis if the transaction did not involve a related party;
- (ii) The rationale for the Group to enter into the related party transaction and the nature of alternative transactions, if any; and
- (iii) Whether the related party transaction would present a conflict of interest between our Group and the related parties, taking into account the size of the transaction and the nature of the related parties' interest in the transaction.

Where required under the Listing Requirements, a related party transaction may require prior approval of shareholders at a general meeting to be convened. An independent adviser may be appointed to comment as to whether the related party transaction is fair and reasonable so far as the shareholders are concerned; and whether the transaction is to the detriment of minority shareholders. In such instances, the independent adviser shall also advise minority shareholders on whether they should vote in favor of the transaction.

9. RELATED PARTY TRANSACTIONS (Cont'd)

For related party transactions that require shareholders' approval, the Directors, major shareholders and/or persons connected with such Director or major shareholder, which have any interest, direct or indirect, in the proposed related party transaction will abstain from voting in respect of their direct and/or indirect shareholdings. Where a person connected with a Director or major shareholder has interest, direct or indirect, in any proposed related party transactions, the Director or major shareholder concerned will also abstain from voting in respect of his direct and/or indirect shareholdings. Such interested Directors and/or major shareholders will also undertake that he shall ensure that the persons connected with him will abstain from voting on the resolution approving the proposed related party transaction at the general meeting. The relevant directors who are deemed interested or conflicted in such transactions shall also abstain from our Board deliberations and voting on the Board resolutions relating to these transactions.

In addition, to safeguard the interest of our Group and our minority shareholders, and to mitigate any potential conflict of interest situation, our Audit and Risk Management Committee will, amongst others, supervise and monitor any related party transaction and the terms thereof and report to our Board for further action. If a member of our Audit and Risk Management Committee has an interest in any related party transaction, he is to abstain from participating in the review and approval process in relation to that transaction. Where necessary, our Board would make appropriate disclosures in our annual report with regard to any related party transaction entered into by us.

9.2 TRANSACTIONS ENTERED INTO THAT ARE UNUSUAL IN THEIR NATURE OR CONDITIONS

There were no transactions that were unusual in their nature or conditions, involving goods, services, tangible or intangible assets, to which our Group was a party for the Financial Years Under Review and up to LPD.

9.3 LOANS MADE TO OR FOR THE BENEFIT OF THE RELATED PARTY

There were no loans made to or for the benefit of any related party for the Financial Years Under Review and up to LPD.

9.4 FINANCIAL ASSISTANCE PROVIDED FOR THE BENEFIT OF THE RELATED PARTY

There was no financial assistance provided by us for the benefit of any related party for the Financial Years Under Review and up to LPD.

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9. RELATED PARTY TRANSACTIONS (Cont'd)**9.5 OTHER TRANSACTIONS****9.5.1 Guarantee**

Our Directors, namely Dr. Chong Tze Sheng and Dr. Lai Ngan Chee have jointly and severally provided personal guarantees for the banking and leasing facilities extended by 4 financial/non-financial institutions, namely AmBank (M) Berhad, Malayan Banking Berhad, Public Bank Berhad and Pac Lease Berhad ("**Financiers**"). The details of the facilities as at the LPD are set out as follows:

Financiers	Type of Facilities	Guarantors	Facility limit RM'000	Amount guaranteed RM'000	Outstanding amount as at LPD RM'000
AmBank (M) Berhad	1 term loan	Dr. Chong Tze Sheng and Dr. Lai Ngan Chee	1,800	1,800	1,344
Malayan Banking Berhad	2 term loans	Dr. Chong Tze Sheng and Dr. Lai Ngan Chee	1,800	1,800	1,109
Public Bank Berhad	4 hire purchase facilities	Dr. Chong Tze Sheng	643	643	414
Pac Lease Berhad	37 hire purchase facilities	Dr. Chong Tze Sheng Dr. Lai Ngan Chee	7,492	7,492	5,213
Total			11,735	11,735	8,080

In conjunction with the Listing, we have applied to the Financiers to obtain a release and/or discharge of the guarantees by substituting the same with a corporate guarantee from our Company and/or other securities from our Group acceptable to the Financiers. Until such release and/or discharge are obtained from the respective Financiers, our Directors will continue to guarantee the banking facilities and hire purchase facilities extended to our Group.

As at the date of this Prospectus, we have received conditional approval from the Financiers to discharge the personal guarantees by substituting the same with a corporate guarantee from our Company. The conditions imposed by the Financiers include, amongst others, the following:

- successful listing of the Company on the ACE Market of Bursa Securities;
- the received of the necessary supporting documents of the proposed holding company as new guarantor;
- satisfactory credit evaluation on the proposed holding company as new guarantor;

9. RELATED PARTY TRANSACTIONS *(Cont'd)*

- (d) all cost and expenses incurred to be borne by the Company; and
- (e) all other terms and conditions of all the facilities granted earlier shall remain unchanged.

Our Directors, Dr. Chong Tze Sheng and Dr. Lai Ngan Chee have also jointly and severally provided personal guarantees pursuant to the tenancy agreements entered into by our Group in relation to the Mid Valley Branch and office located at Centrepont South Midvalley City ("**Landlords**") as detailed under Section 6.9.1(b). We have applied to the Landlords to obtain a release and/or discharge of the guarantees by substituting the same with a corporate guarantee from our Company.

The Landlords have imposed conditions as follows:

- (a) the new guarantor to provide necessary documents (latest Companies Commission Malaysia Search on the new guarantor, the new guarantor's Memorandum & Article of Association/Constitution to confirm and highlight the provision that empowers the new guarantor to provide a corporate guarantee on behalf of a third party, form of return of allotment, notice of situation of changes of registered office, notification of change in register of Directors, managers and secretaries, all filings pursuant to the register of members and board resolution);
- (b) proof of successful listing of the Company on the ACE Market of Bursa Securities;
- (c) the corporate guarantee shall be in the form prescribed by the landlord of Centrepont South Midvalley City in which the name of the joint and several personal guarantees shall be replaced with the name of DC Healthcare in the corporate guarantee form; and
- (d) in the event of unsuccessful listing of the Company on the ACE Market of Bursa Securities, the cost to reinstate the joint and several guarantee and indemnity to be borne by the Company.

Until such release and/or discharge is obtained from the Landlords, our Directors will continue to guarantee the obligation pursuant to the tenancy agreement. As at the date of this Prospectus, we have received the conditional approval from the Landlords to discharge the personal guarantees by substituting the same with a corporate guarantee from our Company.

9.5.2 Amount due to/from related party/Directors

Save as disclosed below, there are no amount due to/from related party/Directors from/to our Group during the Financial Years Under Review and up to the LPD.

	As at 31 December 2019 RM'000	As at 31 December 2020 RM'000	As at 31 December 2021 RM'000	As at 31 December 2022 RM'000	As at LPD RM'000
<u>Amount due from related company</u>					
BTL	(1)1,004	(1)915	-	-	-
<u>Amount due to related company</u>					
BTL	(2)(59)	-	-	-	-

9. RELATED PARTY TRANSACTIONS (Cont'd)

	As at 31 December 2019 RM'000	As at 31 December 2020 RM'000	As at 31 December 2021 RM'000	As at 31 December 2022 RM'000	As at LPD RM'000
<u>Amount due to Director</u>					
Dr. Chong Tze Sheng	-	(3)(92)	(3)(227)	-	-

Notes:

- (1) Amount due from BTL to Klinik Dr Chong for the sale of skincare products.
- (2) Amount due to BTL by Klinik Dr Chong for purchase of plant and equipment and payment on behalf of Klinik Dr Chong by BTL.
- (3) Amount due to Dr. Chong Tze Sheng by Klinik Dr Chong for the payment on behalf by/of and advances by Dr. Chong Tze Sheng.

9.5.3 Promotions of any material assets acquired/ to be acquired within 3 financial years preceding the date of this Prospectus

Save as disclosed below, none of our Directors or substantial shareholders had any interest, direct or indirect, in the promotion of or in any material assets which had been, within the Financial Years Under Review, acquired, disposed or leased or proposed to be acquired, disposed or leased to/by us:

- (a) Disposal of the Puchong Property by Klinik Dr Chong to Dr. Chong Tze Sheng for the purchase price of RM750,000 through a sale and purchase agreement dated 10 May 2022 as set out in Section 6.8(a) of this Prospectus.

9.5.4 Transactions entered into with M&A Securities

Save as disclosed below, we have not entered into any transactions with M&A Securities who is the Adviser, Sponsor, Underwriter and Placement Agent for our Listing:

- (a) Agreement between Klinik Dr Chong and M&A Securities for the appointment of M&A Securities as Principal Adviser, Sponsor and Placement Agent; and
- (b) Underwriting Agreement dated 30 May 2023 entered into between our Company and M&A Securities for the underwriting of 79,704,000 Issue Shares.

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10. CONFLICT OF INTEREST

10.1 INTEREST IN SIMILAR BUSINESS AND IN BUSINESSES OF OUR CUSTOMERS AND SUPPLIERS

As at the LPD, none of our Directors and/or substantial shareholders have any interest, direct or indirect, in other businesses and corporations which are carrying on a similar trade as our Group, or which are customers and/or suppliers of our Group.

Save as disclosed below, none of our Directors and/or substantial shareholders has any interest, direct or indirect, in other businesses and corporations which are customers and/or suppliers of our Group during the Financial Years Under Review and up to the LPD:

(a) Customers of our Group

- (i) BTL, for sale of skincare products, consumables and medical supplies by Klinik Dr Chong to BTL. The transaction value amounted to RM0.22 million for FYE 2019. As at LPD, DCHG, Dr. Chong Tze Sheng and Dr. Lai Ngan Chee are no longer the directors and/or shareholders of BTL.

(b) Suppliers of our Group

- (i) BTL, for purchase of plant and equipment by Klinik Dr Chong from BTL. The transaction value amounted to RM0.40 million and RM0.03 million for FYE 2019 and FYE 2020, respectively. As at LPD, DCHG, Dr. Chong Tze Sheng and Dr. Lai Ngan Chee are no longer the directors and/or shareholders of BTL.

Please refer to Section 9.1 for further details of BTL and the related party transactions.

It is our Director's fiduciary duty to avoid conflict, and they are required to attend courses which provide them guidelines on their fiduciary duties. In order to mitigate any possible conflict of interest situation in the future, our Directors will declare to our Nominating Committee and our Board their interests in other companies at the onset and as and when there are changes in their respective interests in companies outside our Group. Our Nominating Committee will first then evaluate if such Director's involvement gives rise to an actual or potential conflict of interest with our Group's business after the disclosure provided by such Director. After a determination has been made on whether there is an actual or potential conflict of interest of a Director, our Nominating Committee will then:

- (a) immediately inform our Board of the conflict of interest situation;
- (b) make recommendations to our Board to direct the conflicted Director to:
 - (i) withdraw from all his executive involvement in our Group in relation to the matter that has given rise to the conflict of interest (in the case where the conflicted Director is an Executive Director); and
 - (ii) abstain from all Board deliberation and voting in the matter that has given rise to the conflict of interest.

In relation to (b) above, the conflicted Director and persons connected to him (if applicable) shall be absent from any Board discussion relating to the recommendation of our Nominating Committee and the conflicted Director and persons connected to him (if applicable) shall not vote or in any way attempt to influence the discussion of, or voting on, the matter at issue. The conflicted Director, may however at the request of the Chairman of our Board, be present at our Board meeting to answer any questions.

10. CONFLICT OF INTEREST (Cont'd)

In circumstances where a Director is determined to have a significant, ongoing and irreconcilable conflict of interest with our Group, and where such conflict of interest significantly impedes the Director's ability to carry out his fiduciary responsibility to our Group, our Nominating Committee may determine that a resignation of the conflicted Director from our Board is appropriate and necessary.

Where there are related party transactions between our Group with our Directors (or person connected to them) or companies in which our Directors (or person connected to them) have an interest, our Audit Committee will, amongst others, supervise and monitor such related party transaction and the terms thereof and report to our Board for further action. Please refer to Section 9.1 for the procedures to be taken to ensure that related party transactions (if any) are undertaken on arm's length basis.

10.2 DECLARATIONS OF CONFLICT OF INTEREST BY OUR ADVISERS**(a) Declaration by M&A Securities**

M&A Securities has given its written confirmation that, as at the date of this Prospectus, there is no existing or potential conflict of interest in its capacity as Principal Adviser, Sponsor, Underwriter and Placement Agent for our Listing.

(b) Declaration by Teh & Lee

Teh & Lee has given its written confirmation that, as at the date of this Prospectus, there is no existing or potential conflict of interest in its capacity as Solicitors for our Listing.

(c) Declaration by Moore Stephens Associates PLT

Moore Stephens Associates PLT has given its written confirmation that, as at the date of this Prospectus, there is no existing or potential conflict of interest in its capacity as Auditors and Reporting Accountants for our Listing.

(d) Declaration by Protégé

Protégé has given its written confirmation that, as at the date of this Prospectus, there is no existing or potential conflict of interest in its capacity as IMR for our Listing.

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11. FINANCIAL INFORMATION

11.1 HISTORICAL FINANCIAL INFORMATION

Our historical financial information throughout the Financial Years Under Review have been prepared in accordance with MFRS and IFRS and were not subject to any audit qualifications. The selected financial information and financial analysis included in this Prospectus are not intended to predict our Group's financial position, performance and cash flows.

11.1.1 Combined statements of profit or loss and other comprehensive income

The following table sets out a summary of our combined statements of profit or loss and other comprehensive income for FYE 2019 to 2022 which have been extracted from the Accountants' Report. It should be read with the "Management's Discussion and Analysis of Financial Condition and Results of Operations" and Accountants' Report set out in Sections 11.2 and 12 respectively.

	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
Cost of sales	(6,585)	(6,773)	(11,552)	(22,757)
GP	5,625	7,676	13,927	29,207
Other income	144	151	231	236
Administrative and other expenses	(3,766)	(4,672)	(7,395)	(15,931)
Profit from operations	2,003	3,155	6,763	13,512
Finance costs	(258)	(456)	(560)	(934)
PBT	1,745	2,699	6,203	12,578
Tax expenses	(577)	(798)	(1,601)	(3,019)
PAT / Total comprehensive income	1,168	1,901	4,602	9,559
EBIT ⁽¹⁾	2,003	3,143	6,737	13,478
EBITDA ⁽¹⁾	2,975	4,742	8,937	18,018
GP margin (%) ⁽²⁾	46.07	53.12	54.66	56.21
PBT margin (%) ⁽³⁾	14.29	18.68	24.35	24.21
PAT margin (%) ⁽³⁾	9.57	13.16	18.06	18.40

11. FINANCIAL INFORMATION (Cont'd)

	Audited			
	FYE 2019	FYE 2020	FYE 2021	FYE 2022
	RM'000	RM'000	RM'000	RM'000
Effective tax rate (%) ⁽⁴⁾	33.07	29.57	25.81	24.00
Basic EPS (sen) ⁽⁵⁾	0.15	0.24	0.58	1.20
Diluted EPS (sen) ⁽⁶⁾	0.12	0.19	0.46	0.96

Notes:

(1) EBIT and EBITDA are calculated as follows:

	Audited			
	FYE 2019	FYE 2020	FYE 2021	FYE 2022
	RM'000	RM'000	RM'000	RM'000
PAT	1,168	1,901	4,602	9,559
Less:				
Interest income	-	(12)	(26)	(34)
Add:				
Finance cost	258	456	560	934
Taxation	577	798	1,601	3,019
EBIT	2,003	3,143	6,737	13,478
Add:				
Depreciation	972	1,599	2,200	4,540
EBITDA	2,975	4,742	8,937	18,018

(2) Calculated based on GP divided by revenue.

(3) PBT margin or PAT margin is calculated based on the PBT or PAT divided by revenue.

(4) Calculated based on tax expenses divided by PBT.

11. FINANCIAL INFORMATION (Cont'd)

(5) Calculated based on PAT divided by 797,040,000 enlarged number of Shares in issue before IPO.

(6) Calculated based on PAT divided by 996,300,000 enlarged number of Shares in issue after IPO.

11.1.2 Combined statements of financial position

The following table sets out the combined statements of financial position of our Group as at 31 December 2019, 2020, 2021 and 2022 which have been extracted from the Accountants' Report. It should be read with the "Management's Discussion and Analysis of Financial Condition and Results of Operations" and Accountants' Report set out in Sections 11.2 and 12 respectively.

	Audited			
	As at 31 December			
	2019	2020	2021	2022
	RM'000	RM'000	RM'000	RM'000
ASSETS				
Non-current assets				
Plant and equipment	943	1,288	4,042	11,041
Right-of-use assets	6,656	7,607	14,312	21,920
Investment properties	774	758	742	-
Deferred tax asset	202	201	362	278
Total non-current assets	8,575	9,854	19,458	33,239
Current assets				
Inventories	724	722	879	1,852
Trade receivables	195	182	281	410
Other receivables, deposits and prepayments	849	744	1,856	5,022
Amounts due from a related company	1,004	915	-	-
Tax recoverable	-	-	-	120
Fixed deposits with licensed banks	-	1,511	1,537	1,570
Cash and bank balances	1,641	2,940	8,530	6,104
Total current assets	4,413	7,014	13,083	15,078
TOTAL ASSETS	12,988	16,868	32,541	48,317

11. FINANCIAL INFORMATION (Cont'd)

	Audited			
	As at 31 December			
	2019	2020	2021	2022
	RM'000	RM'000	RM'000	RM'000
EQUITY AND LIABILITIES				
Invested equity	200	200	300	801
Capital contribution from holding company of the combining entities	-	-	1,040	1,030
Retained earnings	3,654	4,555	6,657	13,216
Total equity/ Net assets	3,854	4,755	7,997	15,047
Non-current liabilities				
Lease liabilities	4,814	5,404	10,158	16,247
Borrowings	663	2,153	3,346	2,082
Deferred tax liabilities	-	-	1	64
Total non-current liabilities	5,477	7,557	13,505	18,393
Current liabilities				
Trade payables	303	266	1,648	1,951
Other payables and accruals	366	614	1,045	2,250
Contract liabilities	1,391	1,358	2,955	2,948
Amount due to a related company	59	-	-	-
Amount due to holding company of the combining entities	-	-	-	160
Amount due to a Director	-	92	227	-
Lease liabilities	1,435	1,867	3,397	5,050
Borrowings	23	265	618	626
Tax payable	80	94	1,149	1,892
Total current liabilities	3,657	4,556	11,039	14,877
TOTAL LIABILITIES	9,134	12,113	24,544	33,270
TOTAL EQUITY AND LIABILITIES	12,988	16,868	32,541	48,317

11. FINANCIAL INFORMATION (Cont'd)

11.1.3 Combined statements of cash flows

The following table sets out the combined statements of cash flows of our Group for FYE 2019 to 2022 which have been extracted from the Accountants' Report. It should be read with the "Management's Discussion and Analysis of Financial Condition and Results of Operations" and Accountants' Report set out in Sections 11.2 and 12 respectively.

	Audited			
	FYE 2019	FYE 2020	FYE 2021	FYE 2022
	RM'000	RM'000	RM'000	RM'000
Cash flows from operating activities				
PBT	1,745	2,699	6,203	12,578
Adjustments for:				
Depreciation of investment property	16	16	16	12
Depreciation of plant and equipment	128	176	254	948
Depreciation of right-of-use assets	828	1,407	1,930	3,580
Loss on disposal of plant and equipment	-	-	2	-
Gain on disposal of investment property	-	-	-	(20)
Gain on lease modification	-	-	-	(5)
Waiver of lease liabilities	(27)	(48)	(157)	(62)
Written off of plant and equipment	6	6	-	33
Written off of trade receivables	-	-	56	-
Written off of deposit	-	-	-	13
Interest income	-	(12)	(26)	(34)
Interest expense	258	456	560	934
Operating profit before working capital changes	2,954	4,700	8,838	17,977

11. FINANCIAL INFORMATION (Cont'd)

	Audited			
	FYE 2019	FYE 2020	FYE 2021	FYE 2022
	RM'000	RM'000	RM'000	RM'000
Changes in working capital:				
Contract liabilities	1,391	(33)	1,597	(7)
Inventories	(383)	2	(157)	(973)
Receivables	(750)	207	(352)	(3,308)
Payables	381	211	1,813	1,508
Cash generated from operations	3,593	5,087	11,739	15,197
Income tax paid	(869)	(783)	(706)	(2,380)
Income tax refund	116	-	-	131
Interest received	-	12	26	34
Interest paid	(258)	(456)	(560)	(934)
Net cash from operating activities	2,582	3,860	10,499	12,048
Cash flows from investing activities				
Purchase of plant and equipment	(529)	(527)	(3,011)	(7,036)
Proceeds from disposal of plant and equipment	-	-	1	2
Proceeds from disposal of investment property	-	-	-	750
Addition of investment properties	(10)	-	-	-
Addition of right-of-use assets	-	-	-	(60)
Net repayment from a related company	457	-	-	-
Net cash used in investing activities	(82)	(527)	(3,010)	(6,344)

11. FINANCIAL INFORMATION (Cont'd)

	Audited			
	FYE 2019	FYE 2020	FYE 2021	FYE 2022
	RM'000	RM'000	RM'000	RM'000
Cash flows from financing activities				
Dividends paid	(500)	(1,000)	(2,500)	(3,000)
Incorporation of the combining entities	-	(1)	(1)	1
Proceeds from issuance of share capital	-	-	100	500
Capital contribution from holding company of the combining entities	-	-	1,040	(10)
Net (repayment to)/advances from a Director	(21)	92	135	(227)
Net advances from holding company of the combining entities	-	-	-	160
Net repayment to a related company	-	(59)	-	-
Net repayment of lease liabilities	(1,089)	(1,288)	(2,194)	(4,265)
Net (repayment)/drawdown of term loans	(3)	1,732	1,546	(1,256)
Net cash used in financing activities	(1,613)	(523)	(1,873)	(8,097)
Net increase/(decrease) in cash and cash equivalents	887	2,810	5,616	(2,393)
Cash and cash equivalents at the beginning of the financial year	754	1,641	4,451	10,067
Cash and cash equivalents at the end of the financial year	1,641	4,451	10,067	7,674
Cash and cash equivalents comprise of:				
Fixed deposits with licensed banks	-	1,511	1,537	1,570
Cash and bank balances	1,641	2,940	8,530	6,104
	1,641	4,451	10,067	7,674

Note:

(1) Negligible

11. FINANCIAL INFORMATION (Cont'd)

11.2 MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and segmental analysis of our combined financial statements for the Financial Years Under Review should be read with the Accountants' Report included in Section 12.

11.2.1 Overview of our operations

(a) Principal activities

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 include surgical procedures such as plastic surgery. We operate 13 aesthetic medical clinics located in Central Region and Southern Region.

Our revenue is generated from local, and the currency used in invoicing is RM. Our business activities are categorised into the Aesthetic Services segment and General Medical Services segment.

Our Group's 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 walk-in customers at our physical clinics and customers who purchase products on our online platforms. The sales contribution from each customer as a percentage of our Group's revenue is negligible. As such, our Group does not have any major customers and hence it is not dependent on any single customer for our business.

Please refer to Section 6 for our Group's detailed business overview.

(b) Revenue

Our Group's revenue recognition for Aesthetic Services are as follows:

- (i) 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 our customers. Upfront fixed fee received in advance prior to the fulfilment of performance obligation would be classified as contract liability due to its nature as deferred revenue.
- (ii) our customers may also opt for one-time treatment to address their aesthetic concerns and the revenue is recognised when service has been provided to our customers.

Revenue from General Medical Services is recognised at a point when the service has been provided to our customers.

Revenue from sale of skincare products is recognised upon the delivery and acceptance of skincare products by our customers.

11. FINANCIAL INFORMATION (Cont'd)

(c) Cost of sales

Our cost of sales and services primarily consists of:

- (i) staff costs, representing salaries, bonuses and commission for our business operation personnel, such as LCP Certified Aesthetic Physicians, resident medical doctors, other clinic staffs and consultants. The staff costs generally vary as it depends on the number of headcount and workforce planning during the Financial Years Under Review.

We expect the staff costs will increase in the near future, in view of our plan to recruit more new staffs to join our upcoming aesthetic medical clinic branches.

- (ii) consumables and supplies consumption, primarily includes pharmaceutical products (such as aesthetic treatments products and medical supplies) and consumables items (such as gauzes, needles, gloves and mask) used in Aesthetic Services. We expect consumables and supplies to increase in tandem with the increase in services rendered and our business growth in Aesthetic Services segment.
- (iii) depreciation charges, which are the depreciation of lease and medical machines and equipment mainly used to provide our services under the Aesthetic Services segment.

(d) Other income

Other income mainly includes lease concession, interest income from fixed deposits and bank balances with licensed banks, compensation received and rental income.

(e) Administrative and other expenses

Administrative expenses comprise overheads incurred to maintain our operations such as (i) operation related expenses for our administrative team, which primarily include training fees, utilities as well as upkeep and maintenance; (ii) professional and consulting service fees incurred in relation to audit services, tax services and industry related services; (iii) depreciation charges in relation to our property, plant and equipment as well as right-of-use assets; and (iv) travelling, advertisement, merchant charges and marketing expenses.

(f) Finance cost

Finance cost comprises mainly interest expenses on our term loans and lease liabilities.

(g) Recent developments

Save for the Pre-IPO Restructuring there were no other significant events subsequent to our Group's audited combined financial statements for the Financial Years Under Review.

(h) Exceptional and extraordinary items and audit qualifications

There were no exceptional or extraordinary items during the Financial Years Under review. In addition, our audited financial statements for the Financial Years Under Review were not subject to any audit qualifications.

11. FINANCIAL INFORMATION (Cont'd)

11.2.2 Review of our results of operations

(a) Revenue

Revenue by business segments

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
Facial and skin treatments	7,498	61.41	7,027	48.63	16,232	63.70	32,367	62.29
Facial sculpting	1,403	11.49	2,524	17.47	2,770	10.87	8,958	17.24
Body contouring	1,562	12.79	2,082	14.41	1,212	4.76	2,543	4.89
Hair growth and removal	319	2.61	649	4.49	585	2.30	1,184	2.28
Sale of skincare products	183	1.50	361	2.50	828	3.25	1,693	3.26
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

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11. FINANCIAL INFORMATION (Cont'd)

Revenue by geographical markets

The geographical profile of our Group's revenue contribution varies from year to year according to demand and location of the existing and new customers secured by our Group in a particular year.

Geographical location	Audited							
	FYE 2019		FYE 2020		FYE 2021		FYE 2022	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Central Region ⁽¹⁾	9,154	74.97	12,427	86.01	22,943	90.05	47,207	90.85
Southern Region ⁽²⁾	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

Notes:

- (1) Number of aesthetic medical clinics in Central Region comprises 3 in FYE 2019, 4 in FYE 2020, 5 in FYE 2021 and 10 in FYE 2022.
- (2) Comprises 1 aesthetic medical clinic in the Southern Region during the Financial Years Under Review.

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11. FINANCIAL INFORMATION (Cont'd)

Number of treatments

Business segments	FYE 2019		FYE 2020		FYE 2021		FYE 2022	
	Number of treatments	%	Number of treatments	%	Number of treatments	%	Number of treatments	%
Aesthetic Services								
Facial and skin treatments	20,038	76.53	19,932	60.28	51,590	74.93	81,056	70.69
Facial sculpting	1,489	5.69	3,472	10.50	3,688	5.36	10,257	8.95
Body contouring	1,649	6.29	3,311	10.01	1,629	2.36	4,049	3.53
Hair growth and removal	719	2.75	1,503	4.55	1,214	1.76	1,942	1.69
Sale of skincare products	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	23,895	91.26	28,218	85.34	58,121	84.41	97,304	84.86
General Medical Services	2,289	8.74	4,846	14.66	10,732	15.59	17,358	15.14
Total	26,184	100.00	33,064	100.00	68,853	100.00	114,662	100.00

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11. FINANCIAL INFORMATION (Cont'd)**Commentary on revenue**

For the Financial Years Under Review, the fluctuations in revenue were largely driven by:

- (i) nature and type of consultation and treatments;
- (ii) our ability to attract and retain experienced and qualified LCP Certified Aesthetic Physicians and resident medical doctors and clinic consultants;
- (iii) our ability to deliver the desired results anticipated by our customers; and
- (iv) our ability to attract more customers through good reputation and marketing initiatives such as promotions, advertisement and healthcare talks.

The pricing of our Aesthetic Services is fixed and similar for all our aesthetic medical clinics.

Comparison between FYE 2019 and FYE 2020

Aesthetic Services have been our largest revenue contributor, contributing 89.80% and 87.50% to our total revenue for FYE 2019 and FYE 2020, respectively. Our total revenue recorded an increase of RM2.24 million or 18.35% from RM12.21 million in FYE 2019 to RM14.45 million in FYE 2020, contributed by an increase of RM1.68 million and RM0.56 million in revenue contribution from Aesthetic Services and General Medical Services segments respectively.

In terms of revenue by geographical market, Central Region was our largest market in both FYE 2019 and FYE 2020, representing 74.97% and 86.01% of our Group's total revenue for FYE 2019 and FYE 2020 respectively.

The revenue from Central region increased by RM3.28 million or 35.85% from RM9.15 million in FYE 2019 to RM12.43 million in FYE 2020, mainly due to revenue from our existing and newly opened TTDI Branch in FYE 2020.

The revenue from Southern Region (i.e. Johor Bahru Branch) decreased by RM1.04 million or 33.99% from RM3.06 million in FYE 2019 to RM2.02 million in FYE 2020, mainly due to lower revenue from Singapore customers resulting from the travel restrictions and social distancing measures imposed globally during MCO.

The increase in total revenue was offset by the decline in the revenue contribution from Kepong Branch and Johor Bahru Branch in FYE 2020 resulting from the travel restrictions and social distancing measures imposed during MCO.

Aesthetic Services

For FYE 2020, facial and skin treatments were our main revenue contributor (RM7.03 million or 48.63% of total revenue), followed by facial sculpting (RM2.52 million or 17.47% of total revenue) and body contouring (RM2.08 million or 14.41% of total revenue). In FYE 2019, the number of facial and skin treatments were 20,038 treatments. Our revenue from Aesthetic Services increased by RM1.67 million or 15.22% from RM10.97 million in FYE 2019 to RM12.64 million in FYE 2020. The increase in revenue was mainly contributed by:

- (i) an increase in revenue from facial sculpting of RM1.12 million driven by increased number of treatments (from 1,489 treatments in FYE 2019 to 3,472 treatments in FYE 2020);

11. FINANCIAL INFORMATION (Cont'd)

- (ii) an increase in revenue from body contouring of RM0.52 million driven by increased number of treatments (from 1,649 treatments in FYE 2019 to 3,311 treatments in FYE 2020); and
- (iii) an increase in hair growth and removal of RM0.33 million driven by increased number of treatments (from 719 treatments in FYE 2019 to 1,503 treatments in FYE 2020).

During the COVID-19 pandemic, our Aesthetic Services were temporarily suspended from 18 March 2020 until 2 July 2020 and subsequently we resumed our operation on 3 July 2020. The increased revenue was resulted from the organic growth in our existing aesthetic medical clinic branches where such increased revenue was achieved by increasing the number of treatments after the resumption of our Aesthetic Services in July 2020 and the revenue generated from our newly established TTDI Branch as evidenced by the increase in the number of treatments from 23,895 in FYE 2019 to 28,218 in FYE 2020.

General Medical Services

Our revenue from General Medical Services increased by RM0.56 million or 44.80% from RM1.25 million in FYE 2019 to RM1.81 million in FYE 2020, which was attributable to an increase in medical consultations provided to our customers in FYE 2020, from our existing branches and new TTDI Branch (from 2,289 treatments in FYE 2019 to 4,846 treatments in FYE 2020). During the COVID-19 pandemic, our General Medical Services were allowed to continue operating as a private healthcare provider throughout the remaining MCO terms in 2020.

Comparison between FYE 2020 and FYE 2021

Aesthetic Services remained as our main revenue contributor, contributing 87.50% and 84.88% to our total revenue for FYE 2020 and FYE 2021, respectively. Our total revenue recorded an increase of RM11.03 million or 76.33% from RM14.45 million in FYE 2020 to RM25.48 million in FYE 2021, contributed by an increase of RM8.99 million and RM2.04 million in revenue contribution from Aesthetic Services and General Medical Service segments respectively.

In terms of revenue by geographical market, Central Region remained as our largest market in both FYE 2020 and FYE 2021, representing 86.01% and 90.05% of our Group's total revenue for FYE 2020 and FYE 2021 respectively.

The revenue from Central Region increased by RM10.51 million or 84.55% from RM12.43 million in FYE 2020 to RM22.94 million in FYE 2021 due to increase in revenue from 4 existing and 1 new aesthetic medical clinic branch opened in FYE 2021 (i.e Sunway Velocity Branch).

The revenue from Southern Region increased by RM0.52 million or 25.74% from RM2.02 million in FYE 2020 to RM2.54 million in FYE 2021, mainly due to increased revenue from Singapore and local customers resulting from the gradual loosened on travel restriction in Malaysia.

Aesthetic Services

For FYE 2021, facial and skin treatments were our main revenue contributor (RM16.23 million or 63.70% of total revenue), followed by facial sculpting (RM2.77 million or 10.87% of total revenue) and body contouring (RM1.21 million or 4.76% of total revenue). The number of facial sculpting treatments were 3,688 treatments while the number of hair growth and removal treatments were 1,214 treatments in FYE 2021.

11. FINANCIAL INFORMATION (Cont'd)

Our revenue from Aesthetic Services increased by RM8.99 million or 71.12% from RM12.64 million in FYE 2020 to RM21.63 million in FYE 2021. This was mainly contributed by:

- (i) an increase in revenue from facial and skin treatments of RM9.20 million driven by increased number of treatments (from 19,932 treatments in FYE 2020 to 51,590 treatments in FYE 2021); and
- (ii) an increase in revenue from sale of skincare products of RM0.47 million driven by higher sale of skincare products to complement with our increased facial and skin treatments.

The higher revenue was attributable to the higher revenue increased in our existing aesthetic medical clinic branches and new Sunway Velocity Branch driven by the business recovery and growth resulting from customers referrals and our promotional sales on treatment packages and marketing efforts following the upliftment of social distancing and travel restriction imposed by the Government. Even though our Aesthetic Services were temporarily suspended from 1 June 2021 until 8 September 2021 due to the NRP, our business operation reverted to normalcy and the revenue increased driven by higher number of treatments.

The abovementioned increase was partially offset by a decrease in body contouring of RM0.87 million driven by lower number of treatments (from 3,311 treatments in FYE 2020 to 1,629 treatments in FYE 2021) performed during FYE 2021 as our Group's marketing strategy for FYE 2021 was to focus more on facial and skin treatments instead of body contouring treatments.

General Medical Services

Our revenue from General Medical Services increased by RM2.04 million or 112.71% from RM1.81 million in FYE 2020 to RM3.85 million in FYE 2021, which was attributable to an increase in medical consultations provided to our customers in FYE 2021, from our existing aesthetic medical clinic branches and new Sunway Velocity Branch (from 4,846 treatments in FYE 2020 to 10,732 treatments in FYE 2021). Our General Medical Services were allowed to continue operating as a private healthcare provider throughout the remaining MCO terms and NRP in 2021 and we did not experience any disruption to our General Medical Services' operation.

Comparison between FYE 2021 and FYE 2022

Aesthetic Services as our main revenue contributor contributed 84.88% and 89.96% to our total revenue for FYE 2021 and FYE 2022, respectively. Our total revenue recorded an increase of RM26.48 million or 103.92% from RM25.48 million in FYE 2021 to RM51.96 million in FYE 2022, contributed by an increase of RM25.12 million and RM1.37 million in revenue contribution from Aesthetic Services and General Medical Service segments respectively.

In terms of revenue by geographical market, Central Region remained as our largest market in both FYE 2021 and FYE 2022, representing 90.05% and 90.85% of our Group's total revenue for FYE 2021 and FYE 2022 respectively.

The revenue from Central Region increased by RM24.27 million or 105.80% from RM22.94 million in FYE 2021 to RM47.21 million in FYE 2022, mainly due to revenue from 5 existing aesthetic medical clinic branches and 5 new aesthetic medical clinic branches opened (i.e. Seremban Branch, Puchong Branch, Mid Valley Branch, Sri Petaling Branch and Bukit Tinggi Branch) in FYE 2022.

11. FINANCIAL INFORMATION (Cont'd)

The revenue from Southern Region increased by RM2.22 million or 87.40% from RM2.54 million in FYE 2021 to RM4.76 million in FYE 2022, mainly due to the resumption of economic activities post-MCO and the removal of travel restrictions in FYE 2022.

Aesthetic Services

For FYE 2022, facial and skin treatments were our main revenue contributor (RM32.37 million or 62.29% of total revenue), followed by facial sculpting (RM8.96 million or 17.24% of total revenue) and body contouring (RM2.54 million or 4.89% of total revenue). The number of hair growth and removal treatments were 1,214 and 1,942 treatments in FYE 2021 and FYE 2022 respectively. Our revenue from Aesthetic Services increased by RM25.12 million or 116.13% from RM21.63 million in FYE 2021 to RM46.75 million in FYE 2022.

This was mainly contributed by:

- (i) an increase in revenue from facial and skin treatments of RM16.14 million driven by increased number of treatments (from 51,590 treatments in FYE 2021 to 81,056 treatments in FYE 2022);
- (ii) an increase in revenue from facial sculpting of RM6.19 million driven by increased number of treatments (from 3,688 treatments in FYE 2021 to 10,257 treatments in FYE 2022); and
- (iii) an increase in revenue from body contouring of RM1.33 million driven by increased number of treatments (from 1,629 treatments in FYE 2021 to 4,049 treatments in FYE 2022).

The higher revenue was attributable to the increase in number of treatments provided to our customers derived from our existing aesthetic medical clinic branches, new Seremban Branch, Puchong Branch, Mid Valley Branch, Sri Petaling Branch and Bukit Tinggi Branch as well as the continued growth resulted from customers referrals and our marketing efforts.

General Medical Services

Our revenue from General Medical Services increased by RM1.37 million or 35.58% from RM3.85 million in FYE 2021 to RM5.22 million in FYE 2022, which was attributable to an increase in medical consultations provided to our customers in FYE 2022, from our existing aesthetic medical clinic branches, new Seremban Branch, Puchong Branch, Mid Valley Branch, Sri Petaling Branch and Bukit Tinggi Branch (from 10,732 treatments in FYE 2021 to 17,358 treatments in FYE 2022).

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11. FINANCIAL INFORMATION (Cont'd)

(b) Cost of sales, GP and GP margin

Analysis of cost of sales by business segments

	Audited							
	FYE 2019		FYE 2020		FYE 2021		FYE 2022	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Aesthetic Services	5,682	86.29	5,505	81.28	9,009	77.99	19,002	83.50
Facial and skin treatments	4,435	67.35	3,730	55.07	7,179	62.15	14,090	61.92
Facial sculpting	565	8.58	731	10.79	839	7.26	2,762	12.14
Body contouring	461	7.00	606	8.95	401	3.47	879	3.86
Hair growth and removal	165	2.51	289	4.27	258	2.23	574	2.52
Sale of skincare products	56	0.85	149	2.20	332	2.88	697	3.06
General Medical Services	903	13.71	1,268	18.72	2,543	22.01	3,755	16.50
Total	6,585	100.00	6,773	100.00	11,552	100.00	22,757	100.00

Analysis of cost of sales by cost items

	Audited							
	FYE 2019		FYE 2020		FYE 2021		FYE 2022	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Staff costs	4,532	68.82	4,909	72.48	8,111	70.21	16,709	73.42
Consumables and supplies	1,708	25.94	1,446	21.35	2,950	25.54	5,210	22.90
Depreciation	345	5.24	418	6.17	491	4.25	838	3.68
Total	6,585	100.00	6,773	100.00	11,552	100.00	22,757	100.00

11. FINANCIAL INFORMATION (Cont'd)

Analysis of GP and GP margin by business segments

	Audited							
	FYE 2019		FYE 2020		FYE 2021		FYE 2022	
	GP	GP	GP	GP	GP	GP	GP	GP
	RM'000	margin %	RM'000	margin %	RM'000	margin %	RM'000	margin %
Aesthetic Services	5,283	48.18	7,138	56.46	12,618	58.34	27,743	59.35
Facial and skin treatments	3,063	40.85	3,297	46.92	9,053	55.77	18,277	56.47
Facial sculpting	838	59.73	1,793	71.04	1,931	69.71	6,196	69.17
Body contouring	1,101	70.49	1,476	70.89	811	66.91	1,664	65.43
Hair growth and removal	154	48.28	360	55.47	327	55.90	610	51.52
Sale of skincare products	127	69.40	212	58.73	496	59.90	996	58.83
General Medical Services	342	27.47	538	29.79	1,309	33.98	1,464	28.05
Total	5,625	46.07	7,676	53.12	13,927	54.66	29,207	56.21

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11. FINANCIAL INFORMATION (Cont'd)**Commentary on cost of sales, GP and GP margin**

Staff costs were the largest component of our cost of sales, representing between 68.82% and 73.42% of our total cost of sales for the Financial Years Under Review. Followed by the consumables and supplies consumption as our second largest component of our cost of sales, representing between 21.35% to 25.94% of our total cost of sales for the Financial Years Under Review.

Our overall gross profit margin varies depending on the type of treatments provided during the financial years due to the differences amongst the gross profit margins of our treatments and their respective selling prices and cost components.

Comparison between FYE 2019 and FYE 2020**Cost of sales**

Our total cost of sales increased by RM0.18 million or 2.73% from RM6.59 million in FYE 2019 to RM6.77 million in FYE 2020, in tandem with the increase in our total revenue of 18.35% in FYE 2020.

The increase in cost of sales was mainly contributed by:

- (i) increase in staff costs of RM0.38 million or 8.39%, arising from recruitment of additional staffs in FYE 2020 and higher commission paid to our existing staffs which was in tandem with the increase in revenue; and
- (ii) increase in depreciation of RM0.07 million or 20.00%, mainly arising from additional of medical machines and equipment acquired during FYE 2020.

The increase was offset by the decrease in consumables and supplies consumption of RM0.26 million or 15.20% from RM1.71 million in FYE 2019 to RM1.45 million in FYE 2020, mainly due to the lower consumables and supplies consumption for Aesthetic Services segment arising from COVID-19 SOPs imposed by the Government.

Gross profit

Due to higher increase in our revenue by 18.35% as compared to the 2.73% increase in our cost of sales, our total GP increased by RM2.05 million and our overall GP margin increased from 46.07% in FYE 2019 to 53.12% in FYE 2020. The increase in GP was mainly contributed by an increase in the GP from the Aesthetic Services segment.

Aesthetic Services

Our GP from the Aesthetic Services segment increased by RM1.86 million or 35.23% from RM5.28 million in FYE 2019 to RM7.14 million in FYE 2020. Despite an increase in revenue recorded of 15.22%, the staff cost only increased marginally by 0.30% as we were able to perform higher number of treatments thus resulted in the GP margin increased from 48.18% in FYE 2019 to 56.46% in FYE 2020.

General Medical Services

Our GP from the General Medical Services segment increased by RM0.20 million or 58.82% from RM0.34 million in FYE 2019 to RM0.54 million in FYE 2020 as a result of increased number of treatments from the General Medical Services segment which in line with the increase in revenue. The GP margin also increased from 27.47% in FYE 2019 to 29.79% in FYE 2020 as the staff cost as well as consumables and supplies

11. FINANCIAL INFORMATION (Cont'd)

consumption recorded a lower incremental rate of 40.42% as compared to the growth in revenue of 44.80%.

Comparison between FYE 2020 and FYE 2021**Cost of sales**

Our total cost of sales increased by RM4.78 million or 70.61% from RM6.77 million in FYE 2020 to RM11.55 million in FYE 2021, in tandem with the increase in our total revenue of 76.33% in FYE 2021.

The increase in cost of sales was mainly contributed by:

- (i) increase in staff costs of RM3.20 million or 65.17% from RM4.91 million in FYE 2020 to RM8.11 million in FYE 2021, arising from recruitment of additional staffs in FYE 2021 and higher commission to our existing staffs which was in tandem with the increase in revenue;
- (ii) increase in consumables and supplies consumption of RM1.50 million or 103.45% from RM1.45 million in FYE 2020 to RM2.95 million in FYE 2021, which was mainly in line with the increase in revenue from the Aesthetic Services segment. The increase in consumables and supplies consumption was attributable to the increased revenue from overall treatments driven by the gradual loosened travel restrictions imposed by the Government in FYE 2021, as more customers returned to our aesthetic medical clinic branches for treatments; and
- (iii) increase in depreciation of RM0.07 million or 16.67%, mainly arising from additional of medical machines and equipment acquired during FYE 2021.

Gross profit

Due to higher increase in our revenue by 76.33% as compared to the 70.61% increase in our cost of sales, our total GP increased by RM6.25 million and our overall GP margin increased from 53.12% in FYE 2020 to 54.66% in FYE 2021. The increase in GP was mainly contributed by an increase in the GP from the Aesthetic Services segment.

Aesthetic Services

Our GP from the Aesthetic Services segment increased by RM5.48 million or 76.75% from RM7.14 million in FYE 2020 to RM12.62 million in FYE 2021. This was mainly attributable to increase in GP from facial and skin treatments as well as sale of skincare products, totalling RM6.04 million, driven by the increase in the number of treatments and lower increase in staff costs of 60.81% relative to the higher increase in revenue of 71.12% which contributed better GP margins in FYE 2021 as compared to FYE 2020.

As a result, the GP margin improved from 56.46% in FYE 2020 to 58.34% in FYE 2021.

General Medical Services

Our GP from the General Medical Services segment increased by RM0.77 million or 142.59% from RM0.54 million in FYE 2020 to RM1.31 million in FYE 2021 which was in line with the increase in revenue of 112.71%. Accordingly, the GP margin increased from 29.79% in FYE 2020 to 33.98% in FYE 2021 was attributable to the lower

11. FINANCIAL INFORMATION (Cont'd)

increase in costs for General Medical Services segment of 100.55% relative to the higher increase in revenue of 112.71% which contributed better GP margins in FYE 2021 as compared to FYE 2020.

Comparison between FYE 2021 and FYE 2022**Cost of sales**

Our total cost of sales increased by RM11.21 million or 97.06% from RM11.55 million in FYE 2021 to RM22.76 million in FYE 2022, in tandem with the increase in our total revenue of 103.92% in FYE 2022.

The increase in cost of sales was mainly contributed by:

- (i) increase in staff costs of RM8.60 million or 106.04%, arising from recruitment of additional staffs in FYE 2022 and higher commission paid to our existing staffs which was in tandem with the increase in revenue;
- (ii) increase in consumables and supplies consumption of RM2.26 million or 76.61% from RM2.95 million in FYE 2021 to RM5.21 million in FYE 2022, which was in line with the increase in revenue from the Aesthetic Services segment. The higher consumables and supplies consumption was attributable to the increased number of treatments coupled with the increased number of aesthetic medical clinic branches opened in FYE 2022; and
- (iii) increase in depreciation of RM0.35 million or 71.43%, mainly arising from additional medical machines and equipment acquired during FYE 2022.

Gross profit

Our total GP increased by RM15.28 million and our overall GP margin increased from 54.66% in FYE 2021 to 56.21% in FYE 2022, attributable to the increase in the GP from the Aesthetic Services segment.

Aesthetic Services

Our GP from the Aesthetic Services segment increased by RM15.12 million or 119.81% from RM12.62 million in FYE 2021 to RM27.74 million in FYE 2022. This was mainly attributable to increase in GP from facial and skin treatments as well as facial sculpting (totalling RM13.49 million), driven by the increase in the number of treatments. Our GP margin increased from 58.34% in FYE 2021 to 59.35% in FYE 2022 resulting from the lower increase in staff costs of 110.21% relative to the higher increase in revenue of 116.13%.

General Medical Services

Our GP from the General Medical Services segment increased by RM0.15 million or 11.45% from RM1.31 million in FYE 2021 to RM1.46 million in FYE 2022. Notwithstanding that, our GP margin decreased from 33.98% in FYE 2021 to 28.05% in FYE 2022, mainly attributable to higher increase in staff costs of 88.54% (due to recruitment of 19 additional medical doctors for the new opening of new aesthetic medical clinics as we trained our new medical doctors and staff at our existing aesthetic medical clinics to ensure the familiarity of our practices before allocating them to any new aesthetic medical clinics) which led to lower GP margin.

11. FINANCIAL INFORMATION (Cont'd)

(c) Other income

	Audited							
	FYE 2019		FYE 2020		FYE 2021		FYE 2022	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Lease concession ⁽¹⁾	27	18.75	48	31.79	157	67.97	62	26.27
Interest income	-	-	12	7.95	26	11.25	34	14.41
Rental income ⁽²⁾	13	9.03	38	25.16	33	14.29	24	10.17
Compensation ⁽³⁾	103	71.53	-	-	-	-	-	-
Wage subsidy	-	-	38	25.17	-	-	-	-
Gain on disposal of investment property	-	-	-	-	-	-	20	8.47
Gain on lease modification ⁽⁴⁾	-	-	-	-	-	-	5	2.12
Others ⁽⁵⁾	1	0.69	15	9.93	15	6.49	(6)91	38.56
	144	100.00	151	100.00	231	100.00	236	100.00

Notes:

- (1) Lease concession is COVID-19 related rent holidays and temporary rent reductions.
- (2) Rental income from the rental of Puchong Property to a third party.
- (3) Compensation received from our former employee who has resigned to pursue other career opportunity and resulted in breach of employment contract.
- (4) Gain on lease modification arose mainly due to the early termination of the tenancy agreement for the office in Kepong before its expiry date in FYE 2022.
- (5) Others include hiring incentives, sales rebate from credit card and insurance claims on damaged medical machines and equipment.
- (6) Mainly comprises hiring incentives of RM0.05 million from PENJANAKERJAYA 3.0 programme and sales rebate from credit card.

11. FINANCIAL INFORMATION (Cont'd)

Comparison between FYE 2019 and FYE 2020

Our other income increased by RM0.01 million or 7.14% from RM0.14 million in FYE 2019 to RM0.15 million in FYE 2020 mainly due to an increase in wage subsidy, lease concession, interest income and rental income, of totalling RM0.10 million. The increase was reduced by one-off compensation received from our former employee of RM0.10 million due to breach of employment contract which did not incur in FYE 2020. The said breach of employment contract occurred as such former employee has failed to fulfil her contractual obligation (i.e. resigned before the minimum employment period of 3 years according to the employment contract).

Comparison between FYE 2020 and FYE 2021

Our other income increased by RM0.08 million or 53.33% from RM0.15 million in FYE 2020 to RM0.23 million in FYE 2021 mainly due to an increase in lease concession of RM0.11 million in relation to the rent holidays and temporary rent reductions granted by the landlords due to the COVID-19. The increase was reduced by one-off wage subsidy for our eligible employees from the Wage Subsidy Programme as part of the Government's COVID-19 economic stimulus package of RM0.04 million which did not recur in FYE 2021.

Comparison between FYE 2021 and FYE 2022

Our other income increased by RM0.01 million or 4.35% from RM0.23 million in FYE 2021 to RM0.24 million in FYE 2022, mainly contributed by the hiring incentives of RM0.05 million for our eligible employees under PENJANAKERJAYA 3.0 programme and gain on disposal of investment property of RM0.02 million, being a shop lot located at Bandar Puteri Puchong, Selangor. The increase in other income was partially offset by the lower lease concession related to the rent holidays and temporary rent reductions granted by the landlord due to the COVID-19 by RM0.01 million in FYE 2022.

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11. FINANCIAL INFORMATION (Cont'd)

(d) Administrative and other expenses

	Audited							
	FYE 2019		FYE 2020		FYE 2021		FYE 2022	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Advertisement and marketing expenses ⁽¹⁾	1,530	40.63	1,160	24.83	2,083	28.17	4,259	26.73
Staff costs ⁽²⁾	317	8.42	571	12.22	1,306	17.66	4,135	25.96
Depreciation	626	16.62	1,182	25.30	1,708	23.10	3,702	23.24
Upkeep expenses ⁽³⁾	430	11.42	627	13.42	633	8.56	744	4.67
Staff welfare	191	5.07	193	4.13	194	2.62	533	3.34
Merchant fee on credit card transactions	90	2.39	212	4.54	383	5.18	784	4.92
Printing, courier and stationery	51	1.35	75	1.61	216	2.92	374	2.35
Utilities	97	2.57	131	2.80	180	2.43	403	2.53
Withholding tax	120	3.19	81	1.73	144	1.95	221	1.39
Traveling expenses	118	3.13	41	0.88	47	0.64	260	1.63
Professional fees ⁽⁴⁾	163	4.33	374	8.00	375	5.07	280	1.76
Others ⁽⁵⁾	33	0.88	25	0.54	126	1.70	236	1.48
Total	3,766	100.00	4,672	100.00	7,395	100.00	15,931	100.00

Notes:

- (1) Advertisement and marketing expenses include promoting our services from advertisements on billboards and social media platforms.
- (2) Staff costs comprise staff salaries, allowances, bonus, statutory contributions and other benefits such as performance rewards to business development and administrative and management employees. The increase in year-on-year staff costs as a result of increase in staff headcount required to support the increase in number of newly established aesthetic medical clinic branches.
- (3) Upkeep expenses include office expenses, upkeep of medical machines and equipment, aesthetic medical clinic branches, office equipment, motor vehicles and insurance expenses.
- (4) Professional fees mainly include company secretarial fee, audit fee, legal fee, tax fee, advisory fee and accounting fee.

11. FINANCIAL INFORMATION (Cont'd)

⁽⁵⁾ Others include mainly subscription fee, license fee, bank charges, stamp duty and service tax.

Comparison between FYE 2019 and FYE 2020

Our administrative expenses increased by RM0.90 million or 23.87% from RM3.77 million in FYE 2019 to RM4.67 million in FYE 2020 mainly attributable to the following:

- (i) increase in depreciation of RM0.55 million mainly arising from our right-of-use assets related to Bangsar Branch in FYE 2020;
- (ii) increase in staff costs of RM0.25 million, mainly due to recruitment of additional staffs in FYE 2020;
- (iii) increase in upkeep expenses of RM0.20 million, mainly arising from the general repair and maintenance on medical machines and equipment of RM0.20 million in FYE 2020; and
- (iv) increase in professional fees of RM0.21 million, mainly due to the fee of RM0.17 million paid to a medical consultant for the provision of aesthetic medical advisory services including aesthetic medical related skillsets and knowledge as well as advisory on operation management in aesthetic medical clinic branches.

The increase was partially reduced by the decrease in advertisement and marketing expenses of RM0.37 million, mainly arising from the lower spending on advertisement by our Group of RM0.97 million in FYE 2020 as compared to RM1.26 million in FYE 2019 during MCOs period.

Comparison between FYE 2020 and FYE 2021

Our administrative expenses increased by RM2.73 million or 58.46% from RM4.67 million in FYE 2020 to RM7.40 million in FYE 2021 mainly attributable to the following:

- (i) increase in advertisement and marketing expenses of RM0.92 million, mainly from the increased advertisements on social media platforms of RM0.84 million as well as more events and promotion activities of RM0.07 million upon a gradual re-opening of more economic sectors and loosened SOPs imposed by the Government;
- (ii) increase in staff costs of RM0.74 million, mainly due to higher bonus payout of RM0.54 million to sales operation and marketing staff in FYE 2021;
- (iii) increase in depreciation of RM0.53 million, mainly arising from our right-of-use assets related to Sunway Velocity Branch which commenced operations in FYE 2021;

11. FINANCIAL INFORMATION (Cont'd)

- (iv) increase in merchant fee on credit card transactions of RM0.17 million, which was in line with the increase in total revenue; and
- (v) increase in printing, courier and stationery of RM0.14 million for our existing and new aesthetic medical clinic branches in FYE 2021.

Comparison between FYE 2021 and FYE 2022

Our administrative expenses increased by RM8.53 million or 115.27% from RM7.40 million in FYE 2021 to RM15.93 million in FYE 2022 mainly attributable to the following:

- (i) increase in staff costs of RM2.83 million, mainly due to increase in staff salaries as a result of salary adjustment and recruitment of 49 additional staffs in FYE 2022;
- (ii) increase in advertisement and marketing expenses of RM2.18 million, mainly from the increased advertisements on social media platforms of RM1.28 million as well as more event and promotion activities of RM0.78 million upon re-opening of more economic sectors and loosened SOPs imposed by the Government;
- (iii) increase in depreciation of RM1.99 million, mainly arising from our right-of-use assets related to five aesthetic medical clinic branches and offices which commenced operations in FYE 2022;
- (iv) increase in merchant fee on credit card transactions of RM0.40 million arising from the increase in revenue where most of our customers use credit card for payment;
- (v) increase in staff welfare of RM0.34 million, mainly for the rewards to our staffs during the staff appreciation dinner; and
- (vi) increase in utilities of RM0.22 million, mainly arising from five aesthetic medical clinic branches and offices which commenced operations in FYE 2022.

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11. FINANCIAL INFORMATION (Cont'd)

(e) Finance costs

Our finance costs consist of interest on term loans and lease liabilities. Term loans are used to finance the purchase of investment property, medical machines and equipment and working capital. Lease liabilities are used to finance the purchase of medical machines and equipment and motor vehicles as well as includes rental obligations for the rental of offices and aesthetic medical clinic branches.

	Audited							
	FYE 2019		FYE 2020		FYE 2021		FYE 2022	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Lease liabilities	226	87.60	357	78.29	409	73.04	738	79.01
Term loans	32	12.40	99	21.71	151	26.96	196	20.99
Total	258	100.00	456	100.00	560	100.00	934	100.00

Comparison between FYE 2019 and FYE 2020

Our finance cost recorded an increase of RM0.20 million or 76.92% from RM0.26 million in FYE 2019 to RM0.46 million in FYE 2020. The increase in finance cost was due to an increase in lease liabilities interest of RM0.13 million and term loans interest of RM0.07 million. The increase in lease liabilities interest of RM0.13 million due to interest charge on additional right-of-use assets of RM2.36 million. Furthermore, the increase in term loans interest of RM0.07 million due to the drawdown of 2 term loan facilities totalling RM1.80 million in FYE 2020 to finance working capital for daily operating expenditure.

Comparison between FYE 2020 and FYE 2021

Our finance cost recorded an increase of RM0.10 million or 21.74% from RM0.46 million in FYE 2020 to RM0.56 million in FYE 2021. The increase in finance cost was due to an increase in lease liabilities interest of RM0.05 million and term loans interest of RM0.05 million. The increase in lease liabilities interest of RM0.05 million due to interest charge on additional right-of-use assets of RM8.64 million. Furthermore, the increase in term loans interest of RM0.05 million due to the drawdown of 1 term loan facility totalling RM1.81 million in FYE 2021 to finance the purchase of medical machines and equipment.

Comparison between FYE 2021 and FYE 2022

Our finance cost recorded an increase of RM0.37 million or 66.07% from RM0.56 million in FYE 2021 to RM0.93 million in FYE 2022. The increase in finance cost was due to an increase in lease liabilities interest of RM0.33 million and term loans interest of RM0.05 million. The increase in lease liabilities interest of RM0.33 million due to interest charge on additional right-of-use assets of RM12.21 million. Furthermore,

11. FINANCIAL INFORMATION (Cont'd)

the increase in term loans interest of RM0.05 million due to existing term loan facilities in FYE 2022 which were used to finance the purchase of medical machines and equipment as well as for working capital purposes.

(f) PBT and PAT

	Audited			
	FYE 2019	FYE 2020	FYE 2021	FYE 2022
PBT (RM'000)	1,745	2,699	6,203	12,578
PBT margin (%)	14.29	18.68	24.35	24.21
PAT (RM'000)	1,168	1,901	4,602	9,559
PAT margin (%)	9.57	13.16	18.06	18.40

Comparison between FYE 2019 and FYE 2020

We recorded an increase in PBT by RM0.95 million or 54.29% from RM1.75 million for FYE 2019 to RM2.70 million for FYE 2020. The increase in PBT was in line with the higher GP recorded resulting from the higher number of treatments thus led to a higher GP margin. The PBT margin also increased from 14.29% for FYE 2019 to 18.68% for FYE 2020 in line with the increase in GP margin from 46.07% for FYE 2019 to 53.12% for FYE 2020 due to the abovementioned factors.

Correspondingly, our PAT increased from RM1.17 million for FYE 2019 to RM1.90 million for FYE 2020 and PAT margin increased from 9.57% for FYE 2019 to 13.16% for FYE 2020.

Comparison between FYE 2020 and FYE 2021

We recorded an increase in PBT by RM3.50 million or 129.63% from RM2.70 million for FYE 2020 to RM6.20 million for FYE 2021. The increase in PBT was in line with the higher GP and lower increase in administrative and other operating expenses relative to the increase in total revenue. Accordingly, the PBT margin increased from 18.68% for FYE 2020 to 24.35% for FYE 2021, attributed to the aforementioned factors.

Correspondingly, our PAT increased from RM1.90 million for FYE 2020 to RM4.60 million for FYE 2021 and PAT margin increased from 13.16% for FYE 2020 to 18.06% for FYE 2021.

11. FINANCIAL INFORMATION (Cont'd)**Comparison between FYE 2021 and FYE 2022**

We recorded an increase in PBT of RM6.38 million or 102.90% from RM6.20 million for FYE 2021 to RM12.58 million for FYE 2022. The increase in PBT was in line with the higher GP and this was offset by higher administrative and other operating expenses specifically the higher staff costs as well as advertisement and marketing expenses which were in line with the increase in aesthetic medical clinic branches and revenue. Accordingly, the Group's PBT margin decreased from 24.35% for FYE 2021 to 24.21% for FYE 2022.

Correspondingly, our PAT increased from RM4.60 million for FYE 2021 to RM9.56 million for FYE 2022 and PAT margin increased from 18.06% for FYE 2021 to 18.40% for FYE 2022 resulting from the lower effective tax rate in FYE 2022.

(g) Tax expenses

	Audited			
	FYE 2019	FYE 2020	FYE 2021	FYE 2022
	RM'000	RM'000	RM'000	RM'000
Taxation	577	798	1,601	3,019
Statutory tax rate (%)	24.00	24.00	24.00	24.00
Effective tax rate (%)	33.07	29.57	25.81	24.00

Note:

⁽¹⁾ We were qualified for preferential tax rates of 17.00% on the first chargeable income of RM500,000 for FYE 2019 and subsequently RM600,000 for FYE 2020 and FYE 2021, our income tax was based on the statutory tax rate of 24.00%.

Our effective tax rate of 33.07% for FYE 2019 was higher than the statutory tax rate of 24.00%, mainly due to expenses not deductible for tax purpose amounting to RM0.11 million such as depreciation for non-qualifying expenditure (i.e renovation costs), under provision of prior year tax expenses and deferred tax of RM0.08 million.

Our effective tax rate of 29.57% for FYE 2020 was higher than the statutory tax rate of 24.00% mainly due to expenses not deductible for tax purpose amounting to RM0.27 million such as depreciation for non-qualifying expenditure (i.e renovation costs).

Our effective tax rate of 25.81% for FYE 2021 was higher than the statutory tax rate of 24.00% due to expenses not deductible for tax purpose amounting to RM0.18 million such as depreciation for non-qualifying expenditure (i.e renovation costs).

Our effective tax rate of 24.00% for FYE 2022 was equal to the statutory tax rate of 24.00%.

11. FINANCIAL INFORMATION (Cont'd)

11.2.3 Review of financial position

(a) Assets

	Audited			
	As at 31 December			
	2019	2020	2021	2022
	RM'000	RM'000	RM'000	RM'000
ASSETS				
Non-current assets				
Plant and equipment	943	1,288	4,042	11,041
Right-of-use assets	6,656	7,607	14,312	21,920
Investment properties	774	758	742	-
Deferred tax asset	202	201	362	278
Total non-current assets	8,575	9,854	19,458	33,239
Current assets				
Inventories	724	722	879	1,852
Trade receivables	195	182	281	410
Other receivables, deposits and prepayments	849	744	1,856	5,022
Amounts due from a related company	1,004	915	-	-
Tax recoverable	-	-	-	120
Fixed deposits with licensed banks	-	1,511	1,537	1,570
Cash and bank balances	1,641	2,940	8,530	6,104
Total current assets	4,413	7,014	13,083	15,078
TOTAL ASSETS	12,988	16,868	32,541	48,317

11. FINANCIAL INFORMATION (Cont'd)

Comparison between 31 December 2019 and 31 December 2020

Our total assets increased by RM3.88 million or 29.87% from RM12.99 million as at 31 December 2019 to RM16.87 million as at 31 December 2020. The increase was mainly attributable to the increase in non-current and current assets of RM1.28 million and RM2.60 million as at 31 December 2020 respectively.

Non-current assets

Our non-current assets increased by RM1.28 million or 14.92% due to the following:

- (i) increase in plant and equipment of RM0.35 million, mainly arising from additional plant and equipment of RM0.53 million comprising renovation costs for Kepong Branch and TTDI Branch of RM0.37 million, office equipment and furniture and fittings for Kepong Branch and TTDI Branch of RM0.15 million. This was offset by depreciation for plant and equipment of RM0.18 million; and
- (ii) increase in right-of-use assets of RM0.95 million, arising from:
 - (a) rental obligation of offices and aesthetic medical clinic branches of RM1.45 million;
 - (b) medical machines and equipment of RM0.70 million, mainly comprising 2 unit of laser machines of RM0.55 million; and
 - (c) 1 unit of motor vehicle of RM0.21 million under hire purchase arrangements.

The increase in right-of-use assets was offset by the following:

- (i) depreciation charges on offices and aesthetic medical clinic branches of RM0.93 million; and
- (ii) depreciation charges on medical machines and equipment as well as motor vehicles of RM0.48 million.

Current assets

Our current assets increased by RM2.60 million or 58.96%, mainly due to the following:

- (i) increase in fixed deposits with licensed banks of RM1.51 million, due to internally generated funds from our business growth and placement with banks for interest income; and
- (ii) increase in cash and bank balances of RM1.30 million, due to drawdown of 2 term loans of RM1.80 million for working capital purposes and collection from customers.

11. FINANCIAL INFORMATION (Cont'd)

Comparison between 31 December 2020 and 31 December 2021

Our total assets increased further by RM15.67 million or 92.89% from RM16.87 million as at 31 December 2020 to RM32.54 million as at 31 December 2021. The increase was mainly attributable to the increase in non-current and current assets of RM9.61 million and RM6.07 million as at 31 December 2021 respectively.

Non-current assets

Our non-current assets increased by RM9.61 million or 97.56% due to the following:

- (i) increase in plant and equipment of RM2.75 million, mainly arising from additional plant and equipment of RM3.01 million mainly comprising renovation costs for Johor Bahru Branch, Sunway Velocity Branch and Seremban Branch of RM1.52 million, medical machines and equipment of RM1.26 million, mainly comprising additional 7 units of laser machines of RM1.18 million. This was offset by depreciation for plant and equipment of RM0.25 million; and
- (ii) increase in right-of-use assets of RM6.70 million arising from:
 - (a) rental obligation of offices and aesthetic medical clinic branches of RM6.78 million; and
 - (b) purchase of medical machines and equipment of RM1.85 million, mainly comprising 6 units of laser machines of RM1.30 million under hire purchase arrangements.

The increase in right-of-use assets was offset by the following:

- (i) depreciation charges on offices and aesthetic medical clinic branches of RM1.40 million; and
- (ii) depreciation charges on medical machines and equipment as well as motor vehicle of RM0.53 million.

Current assets

Our current assets increased by RM6.07 million or 86.59% due to the following:

- (i) increase in cash and bank balances of RM5.59 million, due to higher internally generated funds from collection of sales of treatment packages and service provided; and
- (ii) increase in other receivables of RM1.12 million, mainly due to rental deposit payments made for Mid Valley Branch and Puchong Branch of RM0.33 million, prepayment of RM0.61 million mainly for professional fees in relation to our IPO of RM0.12 million and renovation for Puchong Branch of RM0.26 million.

11. FINANCIAL INFORMATION (*Cont'd*)

Comparison between 31 December 2021 and 31 December 2022

Our total assets increased by RM15.78 million or 48.49% from RM32.54 million as at 31 December 2021 to RM48.32 million as at 31 December 2022. The increase was attributable to the increase in non-current and current assets of RM13.78 million and RM2.00 million as at 31 December 2022 respectively.

Non-current assets

Our non-current assets increased by RM13.78 million or 70.81% due to the following:

- (i) increase in plant and equipment of RM7.00 million, mainly arising from
 - (a) additional plant and equipment of RM7.04 million mainly comprising
 - (i) renovation costs for our head office in Centrepoint South Mid Valley City, Kepong Branch, Johor Bahru Branch, Puchong Branch, Mid Valley Branch, Sri Petaling Branch and Bukit Tinggi Branch of RM4.30 million and (ii) medical machines and equipment of RM1.86 million, mainly comprising additional 5 units of machines in relation to facial sculpting treatment of RM0.60 million and 5 units of laser machines of RM0.85 million.
 - (b) 11 units of laser machines and 1 unit of motor vehicle, classified under right-of-use assets totalling carrying amount of RM0.95 million transferred to plant and equipment upon full payment.

This was offset by depreciation for plant and equipment of RM0.95 million.

- (ii) increase in right-of-use assets of RM7.61 million, mainly arising from
 - (a) rental obligation of offices and aesthetic medical clinic branches of RM8.88 million;
 - (b) purchase of medical machines and equipment of RM2.54 million, comprising 21 units of laser machines under hire purchase arrangements; and
 - (c) purchase of 3 units of motor vehicles of RM0.79 million under hire purchase arrangements.

The increase in right-of-use assets was partially offset by the following:

- (i) depreciation charges on offices and aesthetic medical clinic branches of RM2.99 million;
- (ii) depreciation charges on medical machines and equipment as well as motor vehicles of RM0.59 million; and
- (iii) 11 units of laser machines and 1 unit of motor vehicle, totalling carrying amount of RM0.95 million transferred to plant and equipment upon full settlement.

The increase in non-current assets was reduced by the disposal of an investment property with a carrying amount of RM0.74 million in FYE 2022.

11. FINANCIAL INFORMATION (Cont'd)

Current assets

Our current assets increased by RM2.00 million or 15.29% due to the following:

- (i) increase in other receivables of RM3.16 million, mainly due to rental deposit payments made for our head office in Centrepoint South Mid Valley City, Johor Bahru Branch, Sri Petaling Branch, Bukit Tinggi Branch, Melawati Branch and a branch to be opened in IOI City Mall, Putrajaya of collectively RM0.70 million, as well as prepayment of RM2.45 million mainly for professional fees in relation to our IPO;
- (ii) increase in inventories of RM0.97 million, mainly attributable to higher purchase made during the financial year to cater for the increasing demand in following year; and
- (iii) The increase in current assets was offset by the decrease in cash and bank balances of RM2.43 million, mainly used for working capital and purchase of plant and equipment.

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11. FINANCIAL INFORMATION (Cont'd)

(b) Liabilities

	Audited			
	As at 31 December			
	2019	2020	2021	2022
	RM'000	RM'000	RM'000	RM'000
Non-current liabilities				
Lease liabilities	4,814	5,404	10,158	16,247
Borrowings	663	2,153	3,346	2,082
Deferred tax liabilities	-	-	1	64
Total non-current liabilities	5,477	7,557	13,505	18,393
Current liabilities				
Trade payables	303	266	1,648	1,951
Other payables and accruals	366	614	1,045	2,250
Contract liabilities	1,391	1,358	2,955	2,948
Amount due to a related company	59	-	-	-
Amount due to holding company of the combining entities	-	-	-	160
Amount due to a Director	-	92	227	-
Lease liabilities	1,435	1,867	3,397	5,050
Borrowings	23	265	618	626
Tax payable	80	94	1,149	1,892
Total current liabilities	3,657	4,556	11,039	14,877
TOTAL LIABILITIES	9,134	12,113	24,544	33,270

11. FINANCIAL INFORMATION (Cont'd)**Comparison between 31 December 2019 and 31 December 2020**

Our total liabilities increased by RM2.98 million or 32.64% from RM9.13 million as at 31 December 2019 to RM12.11 million as at 31 December 2020. The increase was attributable to the increase in non-current and current liabilities of RM2.08 million and RM0.90 million as at 31 December 2020 respectively.

Non-current liabilities

Our non-current liabilities increased by RM2.08 million or 37.96% due to increase in non-current borrowings of RM1.49 million and non-current lease liabilities of RM0.59 million.

In FYE 2020, we drawdown of 2 term loan facilities totalling RM1.80 million to finance working capital for daily operating expenditure. In the same year, we secured 5 new hire purchase facilities of RM0.90 million for the purchase of 4 units of laser machines and 1 unit of motor vehicle. We also entered into 3 new rental agreements for Kepong office, Bangsar Branch and Shah Alam Branch classified under lease liabilities which amounting to RM1.45 million.

Current liabilities

Our current liabilities increased by RM0.90 million or 24.59%, mainly due to the following:

- (i) increase in current portion of lease liabilities of RM0.43 million, mainly arising from additional new hire purchase facilities and newly rented office and aesthetic medical clinic branches;
- (ii) increase in other payables and accruals of RM0.25 million, mainly due to higher accruals for statutory contributions of RM0.18 million (i.e. EPF and SOCSO) to be paid in January 2021 due to increase in number of staff from 45 staff in FYE 2019 to 53 staff in FYE 2020; and
- (iii) increase in borrowings of RM0.24 million, mainly arising from additional new term loans as mentioned above.

Comparison between 31 December 2020 and 31 December 2021

Our total liabilities increased by RM12.43 million or 102.64% from RM12.11 million as at 31 December 2020 to RM24.54 million as at 31 December 2021. The increase was attributable to the increase in non-current and current liabilities of RM5.95 million and RM6.48 million as at 31 December 2021 respectively.

Non-current liabilities

Our non-current liabilities increased by RM5.95 million or 78.70% due to increase in non-current borrowings of RM1.20 million due to 1 new term loan and non-current lease liabilities of RM4.76 million mainly due to additional new hire purchase facilities and newly rented office and aesthetic medical clinic branches as mentioned below.

In FYE 2021, we drawdown 1 term loan facility totalling RM1.81 million to finance the purchase of medical machines and equipment. In the same year, we secured 14 new hire purchase facilities of RM1.85 million for the purchase of 14 units of laser machines. We also entered into new rental agreements for Sunway Velocity Branch, Puchong Branch, Seremban Branch and 3 offices in Kepong as well as renewal of rental

11. FINANCIAL INFORMATION (Cont'd)

agreements for Bangsar Branch and Johor Bahru Branch (due to higher rental rates revisions) classified under lease liabilities which amounting to RM6.78 million.

Current liabilities

Our current liabilities increased by RM6.48 million or 142.11%, mainly due to the following:

- (i) increase in contract liabilities of RM1.60 million, mainly arising from higher advance payments received from customers for the treatment packages during the year. These package services are generally provided to customers in packages specifying the types and number of treatments and the validity period;
- (ii) increase in current portion of lease liabilities of RM1.53 million, mainly arising from additional new hire purchase facilities and new rental obligations as mentioned above;
- (iii) increase in trade payables of RM1.38 million, mainly arising from purchases of consumables and supplies in anticipation of the increase in our Group's business;
- (iv) increase in tax payable of RM1.05 million, arising from income tax expenses of RM1.76 million and this was reduced by the monthly tax instalments paid of RM0.71 million during the year; and
- (v) increase in other payables and accruals of RM0.43 million, mainly due to higher accrual for staff costs of RM0.35 million to be paid in the following month. The increase in accrued staff salaries was due to increase in number of staff from 53 headcounts in FYE 2020 to 93 headcounts in FYE 2021.

Comparison between 31 December 2021 and 31 December 2022

Our total liabilities increased by RM8.73 million or 35.57% from RM24.54 million as at 31 December 2021 to RM33.27 million as at 31 December 2022. The increase was attributable to the increase in non-current and current liabilities of RM4.89 million and RM3.84 million as at 31 December 2022 respectively.

Non-current liabilities

Our non-current liabilities increased by RM4.89 million or 36.12% mainly due to increase in non-current lease liabilities of RM6.09 million resulting from new rental agreements classified under lease liabilities. The increase in non-current liabilities was offset by the decrease in borrowings of RM1.27 million due to repayments of borrowings.

In FYE 2022, we secured 24 new hire purchase facilities of RM3.27 million for the purchase of 21 units of laser machines and 3 units of motor vehicles. We also entered into new rental agreements for our head office in Centrepont South Mid Valley City, Johor Bahru Branch, Mid Valley Branch, Sri Petaling Branch, Bukit Tinggi Branch and Melawati Branch classified under lease liabilities which amounting to RM8.88 million.

11. FINANCIAL INFORMATION (Cont'd)**Current liabilities**

Our current liabilities increased by RM3.84 million or 34.78%, mainly due to the following:

- (i) increase in current portion of lease liabilities of RM1.65 million, mainly arising from additional new hire purchase facilities and new rental obligations as mentioned above;
- (ii) increase in other payables and accruals of RM1.20 million, mainly accrued for the statutory contribution of RM0.74 million and salaries of RM0.36 million;
- (iii) increase in tax payable of RM0.74 million, mainly arising from income tax expenses of RM2.87 million and this was reduced by the monthly tax instalments paid of RM2.38 million during the year;
- (iv) increase in amount due to holding company of the combining entities of RM0.16 million, being advances from the holding company of the combining entities for the payment of expenses.

11.2.4 Impact of foreign exchange rates, interest rates and/or commodity prices**(a) Impact of foreign exchange rates**

During Financial Years Under Review, our Group was not exposed to foreign exchange rate risk.

(b) Impact of interest rates

Our exposure to changes in interest rate risk relates primarily to our borrowings from banks. We do not generally hedge interest rate risks.

A sensitivity analysis performed on our Group's PAT based on the outstanding floating rate bank borrowings as at 31 December 2022 indicates that a change of 10 basis points in interest rates would not have material impact on the profit or loss of our Group for FYE 2022.

Our interest coverage ratio was between 6.89 times and 14.43 times for the Financial Years Under Review which indicates that we have been able to generate sufficient profits before interest and tax to meet our interest serving obligations.

Our financial results for the Financial Years Under Review were not materially affected by the fluctuations in interest rates. However, any major increase in interest rates would raise the cost of borrowings and finance costs for our working capital, which may have an adverse effect on our performance.

(c) Impact of commodity prices

We are not affected by fluctuations in commodity prices as medical machines and equipment and skincare products that we use in delivering our products and services are not commodities.

11. FINANCIAL INFORMATION (Cont'd)

11.2.5 Impact of inflation

During the Financial Years Under Review, our financial performance was not materially affected by inflation. However, there is no assurance that our financial performance will not be adversely affected by inflation moving forward. Any significant increase in our costs of sales in the future may adversely affect our operations and performance if we are unable to pass on the higher costs to our customers through an increase in selling prices.

11.2.6 Impact of Government, economic, fiscal or monetary policies

There were no Government, economic, fiscal or monetary policies or factors which have materially affected our financial performance during the Financial Years Under Review. There is no assurance that our financial performance will not be adversely affected by the impact of further changes in Government, economic, fiscal or monetary policies or factors moving forward. Risks relating to Government, economic, fiscal or monetary policies or factors which may materially affect our operations are set out in Section 8.

11.3 LIQUIDITY AND CAPITAL RESOURCES

11.3.1 Working capital

We finance our operations with cash generated from operations, credit extended by trade payables and/or financial institutions as well as cash and bank balances. Our facilities from financial institutions comprise term loans and lease liabilities under hire purchase arrangement. As at LPD, we have fully drawdown the term loans facilities.

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 the following:

- (a) our Group generated positive cash flow from operating activities for FYE 2022;
- (b) our cash and cash equivalent of approximately RM4.46 million as at LPD;
- (c) our expected future cash flows from operations; and
- (d) our pro forma gearing level of 0.29 times, based on our pro forma statements of financial position as at 31 December 2022 after the Pre-IPO Restructuring, Public Issue and utilisation of proceeds.

We carefully consider our cash position and ability to obtain further financing before making significant capital commitments.

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11. FINANCIAL INFORMATION *(Cont'd)*

11.3.2 Review of cash flows

	Audited			
	FYE 2019	FYE 2020	FYE 2021	FYE 2022
	RM'000	RM'000	RM'000	RM'000
Net cash from operating activities	2,582	3,860	10,499	12,048
Net cash used in investing activities	(82)	(527)	(3,010)	(6,344)
Net cash used in financing activities	(1,613)	(523)	(1,873)	(8,097)
Net increase/(decrease) in cash and cash equivalents	887	2,810	5,616	(2,393)
Cash and cash equivalents at the beginning of the financial year	754	1,641	4,451	10,067
Cash and cash equivalents at the end of the financial year	1,641	4,451	10,067	7,674

FYE 2019

Net cash from operating activities

For FYE 2019, we recorded net cash inflow from operating activities of RM2.58 million due to cash receipts from our customers which were mainly offset by cash paid to suppliers, staff costs, tax authorities of which are as follows:

- (a) Cash receipts amounted to RM13.66 million from the following items:
 - (i) RM13.42 million from our customers;
 - (ii) RM0.12 million, mainly from compensation from former employee; and
 - (iii) RM0.12 million tax refund from Inland Revenue Board of Malaysia.
- (b) Cash paid amounted to RM11.08 million mainly for the following:
 - (i) RM5.10 million for suppliers and operating expenses;

11. FINANCIAL INFORMATION (Cont'd)

- (ii) RM4.85 million for staff costs;
- (iii) RM0.87 million for income tax; and
- (iv) RM0.26 million for interest charged on lease liabilities and term loans.

Net cash used in investing activities

For FYE 2019, we recorded a net cash outflow of RM0.08 million from our investing activities, mainly attributable to cash payment of RM0.53 million for additional plant and equipment which comprised the renovation cost of RM0.26 million for Bangsar Branch and offices in Kepong.

The cash outflow was offset by the repayment received for the advance to a related company of RM0.46 million.

Net cash used in financing activities

For FYE 2019, we recorded a net cash outflow of RM1.61 million for our financing activities, mainly due to the following:

- (a) net repayment of lease liabilities of RM1.09 million, for the purchase of medical machines and equipment and motor vehicle under hire purchase arrangements, as well as rented offices and aesthetic medical clinic branches; and
- (b) dividend paid of RM0.50 million in respect of FYE 2019.

FYE 2020

Net cash from operating activities

For FYE 2020, we recorded net cash inflow from operating activities of RM3.86 million due to cash receipts from our customers which were mainly offset by cash paid to suppliers, staff costs, tax authorities of which are as follows:

- (a) Cash receipts amounted to RM14.58 million mainly from our customers of RM14.52 million.
- (b) Cash paid amounted to RM10.72 million for the following:
 - (i) RM4.04 million for suppliers and operating expenses;
 - (ii) RM5.44 million for staff costs;
 - (iii) RM0.78 million for income tax; and
 - (iv) RM0.46 million for interest expense charged on lease liabilities and term loans.

Net cash used in investing activities

For FYE 2020, we recorded a net cash outflow of RM0.53 million from our investing activities, mainly attributable to cash payment of RM0.53 million for additional plant and equipment mainly comprising renovation costs for Kepong Branch and TTDI Branch of RM0.37 million, office equipment and furniture and fittings for Kepong Branch and TTDI Branch of RM0.15 million.

11. FINANCIAL INFORMATION (Cont'd)

Net cash used in financing activities

For FYE 2020, we recorded a net cash outflow of RM0.52 million from our financing activities, mainly due to the following:

- (a) net repayment of lease liabilities of RM1.29 million, for the purchase of medical machines and equipment and motor vehicle under hire purchase arrangements, as well as rented offices and aesthetic medical clinic branches;
- (b) dividend paid of RM1.00 million in respect of FYE 2020.

The cash outflow was partially reduced by net drawdown and repayment of term loans of RM1.80 million and RM0.07 million respectively, to finance working capital for daily operating expenditure.

FYE 2021**Net cash from operating activities**

For FYE 2021, we recorded net cash inflow from operating activities of RM10.50 million due to cash receipts from our customers which were mainly offset by cash paid to suppliers, staff costs, tax authorities of which are as follows:

- (a) Cash receipts amounted to RM27.92 million mainly from our customers of RM27.84 million.
- (b) Cash paid amounted to RM17.42 million mainly for the following:
 - (i) RM6.73 million for suppliers and operating expenses;
 - (ii) RM9.42 million for staff costs;
 - (iii) RM0.71 million for income tax; and
 - (iv) RM0.56 million for interest charged on lease liabilities and term loans.

Net cash used in investing activities

For FYE 2021, we recorded a net cash outflow of RM3.01 million from our investing activities, mainly attributable to cash payment of RM3.01 million mainly for renovation costs for Johor Bahru Branch, Sunway Velocity Branch and Seremban Branch of RM1.52 million, additional medical machines and equipment of RM1.26 million (mainly comprising additional 7 units of laser machines of RM1.18 million).

Net cash used in financing activities

For FYE 2021, we recorded a net cash outflow of RM1.87 million for our financing activities, mainly due to the following:

- (a) net repayment of lease liabilities of RM2.19 million, for the purchase of medical machines and equipment and motor vehicle under hire purchase arrangements, as well as rented offices and aesthetic medical clinic branches; and
- (b) dividend paid of RM2.50 million in respect of FYE 2021.

11. FINANCIAL INFORMATION (Cont'd)

The cash outflow was partially reduced by:

- (a) a drawdown and repayment of term loans of RM1.81 million and RM0.27 million respectively, to finance the purchase of medical machines and equipment; and
- (b) capital contribution from DCHG of RM1.04 million.

FYE 2022**Net cash from operating activities**

For FYE 2022, we recorded net cash inflow from operating activities of RM12.05 million due to cash receipts from our customers which were mainly offset by cash paid to suppliers, staff costs, tax authorities of which are as follows:

- (a) Cash receipts amounted to RM52.11 million mainly from our customers of RM51.83 million and tax refund of RM0.13 million.
- (b) Cash paid amounted to RM40.06 million mainly for the following:
 - (i) RM15.88 million for suppliers and operating expenses;
 - (ii) RM20.84 million for staff costs;
 - (iii) RM2.38 million for income tax; and
 - (iv) RM0.93 million for interest charged on lease liabilities and term loans.

Net cash used in investing activities

For FYE 2022, we recorded a net cash outflow of RM6.34 million from our investing activities, mainly attributable to cash payment for additional plant and equipment of RM7.04 million (please refer to Section 11.2.3(a) of this Prospectus for details).

The cash outflow was reduced by the proceeds from the disposal of an investment property, which amounting to RM0.75 million.

Net cash used in financing activities

For FYE 2022, we recorded a net cash outflow of RM8.10 million for our financing activities, mainly due to the following:

- (a) net repayment of lease liabilities of RM4.27 million, for the purchase of medical machines and equipment and motor vehicle under hire purchase arrangements, as well as the rentals of offices and aesthetic medical clinic branches;
- (b) dividend paid of RM3.00 million in respect of FYE 2022; and
- (c) net repayment of term loans of RM1.26 million to finance the purchase of medical machines and equipment.

The cash outflow was reduced by the proceeds from issuance of ordinary share of our Group of RM0.50 million and advances from holding company of the combining entities of RM0.16 million.

11. FINANCIAL INFORMATION (Cont'd)

11.3.3 Borrowings

All of our borrowings are secured, interest-bearing and denominated in RM. Our total outstanding borrowings as at 31 December 2022 stood at RM24.01 million, details of which are set out below:

Type of borrowings	Purpose	Security	Tenure	Effective interest rate %	As at 31 December 2022 RM'000
Interest bearing short-term borrowings, payable within 1 year:					
Lease liabilities	To finance the purchase of motor vehicles, medical machines and equipment and includes rental obligations for the rental of properties	(a) Certain lease liabilities are secured by the motor vehicles and medical machines and equipment under the hire purchase arrangements. (b) For motor vehicles, medical machines and equipment financed under hire purchase arrangement, these are jointly and severally guaranteed by Dr. Chong Tze Sheng and Dr. Lai Ngan Chee.	2 years to 10 years	4.12% to 7.12%	5,050
Term loans	To finance the working capital and purchase of medical machines and equipment	(a) Letter of Guarantee from Credit Guarantee Corporation Malaysia Berhad (b) Guaranteed by Syarikat Jaminan Pembiayaan Perniagaan (SJPP) Berhad (c) Jointly and severally guaranteed by Dr. Chong Tze Sheng and Dr. Lai Ngan Chee (d) Corporate guaranteed by DCHG.	5 years to 7 years	3.12% to 9.90%	626
Subtotal					5,676

11. FINANCIAL INFORMATION (Cont'd)

Type of borrowings	Purpose	Security	Tenure	Effective interest rate %	As at 31 December 2022 RM'000
Interest bearing long-term borrowings, payable after 1 year:					
Lease liabilities	To finance the purchase of motor vehicles, medical machines and equipment and includes rental obligations for the rental of properties	(a) Certain lease liabilities are secured by the motor vehicles and medical machines and equipment under the hire purchase arrangements. (b) For motor vehicles, medical machines and equipment financed under hire purchase arrangement, these are jointly and severally guaranteed by Dr. Chong Tze Sheng and Dr. Lai Ngan Chee.	2 years to 10 years	4.12% to 7.12%	16,247
Term loans	To finance the working capital and purchase of medical machines and equipment	(a) Letter of Guarantee from Credit Guarantee Corporation Malaysia Berhad (b) Guaranteed by Syarikat Jaminan Pembiayaan Perniagaan (SJPP) Berhad (c) Jointly and severally guaranteed by Dr. Chong Tze Sheng and Dr. Lai Ngan Chee (d) Corporate guaranteed by DCHG.	5 years to 7 years	3.12% to 9.90%	2,082
Total					18,329
Total borrowings					24,005
Gearing (times)					
After Pre-IPO Restructuring, but before IPO and utilisation of proceeds ⁽¹⁾					1.60
After Pre-IPO Restructuring, IPO and utilisation of proceeds ⁽²⁾					0.29

11. FINANCIAL INFORMATION (Cont'd)

Notes:

- (1) Computed based on our pro forma equity attributable to the owners of the Company of RM15.05 million in the pro forma statements of financial position after the Pre-IPO Restructuring, but before IPO and utilisation of proceeds.
- (2) Computed based on our pro forma equity attributable to the owners of the Company of RM60.86 million in the pro forma statements of financial position after the Pre-IPO Restructuring, IPO and utilisation of proceeds which includes the repayment of bank borrowings of RM6.24 million.
- (3) In conjunction with our Listing, we have applied to the Financiers to obtain a release and/or discharge of the guarantees by substituting the same with a corporate guarantee from our Company and/or other securities from our Group acceptable to the Financiers. Until such release and/or discharge are obtained from the respective Financiers, our Directors will continue to guarantee the banking facilities and hire purchase facilities extended to our Group. As at the date of this Prospectus, we have received conditional approval from the Financiers to discharge the personal guarantees by substituting the same with a corporate guarantee from our Company.

Included in the borrowings and above table, we have also recognised the following lease liabilities which are denominated in RM:

	Purpose	Tenure	As at 31 December 2022 RM'000
Lease liabilities payable within 1 year	Rental of offices and aesthetic medical clinic branches	Between 2 to 10 years	3,550
Lease liabilities payable after 1 year	Rental of offices and aesthetic medical clinic branches	Between 2 to 10 years	11,925

As at LPD, we do not have any borrowings which are non-interest bearing and/or in foreign currency.

We have not defaulted on payments of principal sums and/or interests in respect of any of our borrowings throughout the Financial Years Under Review and up to LPD.

As at LPD, neither our Company nor any of our subsidiaries is in breach of any terms and conditions or covenants associated with the credit arrangement or bank loan which can materially affect our financial position and results or business operations or the investments by holders of our securities.

During the Financial Years Under Review, we did not experience any claw back or reduction in the facilities limit granted to us by our lenders.

11. FINANCIAL INFORMATION (Cont'd)**11.3.4 Types of financial instruments used, treasury policies and objectives**

Save as disclosed in Section 11.3.3 above, we do not have or utilise any other financial instruments or have any other treasury policies. All our financial instruments are used towards purchase of plant and equipment as well as right-of-use assets. As at LPD, save for our lease liabilities under hire purchase arrangement and 2 term loans which are based on fixed rates, the remaining 1 term loan with licensed financial institutions are based BLR plus a rate.

11.3.5 Material capital commitments, litigations and contingent liabilities**Material capital commitments**

As at LPD, save as disclosed below, we do not have any other material capital commitments for capital expenditure, which upon becoming enforceable, may have a material effect on our financial position:

Approved but not contracted for	RM'000
a) Renovation and fit-out work for new aesthetic medical clinics	8,000
b) Purchase of new medical machines and equipment	13,124
Total	21,124

We expect to fund the above material commitments from the proceeds raised from our Public Issue.

Please refer to Section 4.9.1(i) of this Prospectus for further details on the establishment of new aesthetic medical clinics and purchase of new medical machines and equipment pursuant to the utilisation of proceeds from our Public Issue as set out in Section 4.9.1.

Material litigations and contingent liabilities

We are not engaged in any material litigation, claim or arbitration either as plaintiff or defendant and there is no proceeding pending or threatened or any fact likely to give rise to any proceeding which might materially or adversely affect our position or business as at LPD.

As at LPD, our Directors confirm that there are no material contingent liabilities incurred by our Group, which upon becoming enforceable may have a material effect on our Group's business, financial results or position.

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11. FINANCIAL INFORMATION (Cont'd)

11.4 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
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

Notes:

- (1) Computed based on average opening and closing trade receivables over revenue for each of the financial year and multiplied by 365 days:

	Audited			
	As at 31 December			
	2019	2020	2021	2022
	RM'000	RM'000	RM'000	RM'000
Opening trade receivables	164	1,199	1,097	281
Closing trade receivables	*1,199	*1,097	281	410
Revenue	12,210	14,449	25,479	51,964
Trade receivables turnover (days)	20	29	10	2

* Including amounts due from related company which are trade in-nature.

- (2) Computed based on average opening and closing trade payables over purchases for each of the financial year and multiplied by 365 days:

	Audited			
	As at 31 December			
	2019	2020	2021	2022
	RM'000	RM'000	RM'000	RM'000
Opening trade payables	12	303	266	1,648
Closing trade payables	303	266	1,648	1,951
Purchases	1,708	1,446	2,950	5,210
Trade payables turnover (days)	34	72	118	126

11. FINANCIAL INFORMATION (Cont'd)

- (3) Computed based on the average opening and closing inventory over purchases for each of the financial year and multiplied by 365 days:

	Audited			
	As at 31 December			
	2019	2020	2021	2022
	RM'000	RM'000	RM'000	RM'000
Opening inventory	340	724	722	879
Closing inventory	724	722	879	1,852
Purchases	1,708	1,446	2,950	5,210
Inventory turnover (days)	114	183	99	96

- (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 each financial year end.
- (6) Computed based on the net borrowings (total borrowings net of non-pledged cash and bank balances and fixed deposit 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.

11.4.1 Trade receivables turnover

The normal credit period granted by our Group to our customers are cash term and up to 30 days from the date of invoices or sales contract.

Our trade receivables comprise the followings:

	Audited			
	FYE 2019	FYE 2020	FYE 2021	FYE 2022
	RM'000	RM'000	RM'000	RM'000
Third party (cash term)	94	56	-	-
Credit card sales in transit from financial institutions ⁽¹⁾	101	126	281	410
Related company (credit term : 30 days)	1,004	915	-	-
	1,199	1,097	281	410

Note:

- (1) Typically, it takes 3 to 7 days to process the credit card payment and deposit into our banks. All credit card sales in transit from financial institutions were subsequently collected.

There were no changes to our credit policies and procedures during the Financial Years Under Review. Our Group has outstanding trade receivables of approximately RM0.41 million as at 31 December 2022. Our trade receivable turnover periods for the Financial Years Under Review were between 2 days and 29 days which were within our credit period. The higher trade receivables period for FYE 2019 and FYE 2020 resulted from amount owing from related company of RM1.00 million and RM0.92 million respectively, which were subsequently fully

11. FINANCIAL INFORMATION (Cont'd)

collected. As at the LPD, all outstanding trade receivables as at 31 December 2022 have been collected.

The ageing analysis of our trade receivables as at 31 December 2022 is as follows:

	Trade receivables as at 31 December 2022		Amount collected subsequent from 1 January 2023 up to LPD		Trade receivables net of subsequent collections	
	RM'000 (a)	Percentage of trade receivables (a)/total of (a)	RM'000 (b)	Percentage collected (b)/total of (a)	RM'000 (c) = (a)-(b)	Percentage of trade receivables net of subsequent collections (c)/total of (a)
Neither past due nor impaired	410	100.00	410	100.00	-	-
Past due but not impaired:						
• 1 to 30 days	-	-	-	-	-	-
• 31 to 60 days	-	-	-	-	-	-
• 61 to 90 days	-	-	-	-	-	-
• More than 90 days	-	-	-	-	-	-
Total	410	100.00	410	100.00	-	-

11.4.2 Trade payables turnover

The normal credit terms granted by our trade creditors to our Group ranges from 30 to 90 days from the date of invoice.

Our Group has outstanding trade payables of approximately RM1.95 million as at 31 December 2022. Our trade payables turnover periods for the Financial Years Under Review were between 34 days and 126 days.

Our trade payables turnover period for FYE 2021 (118 days) and FYE 2022 (126 days) were higher than our credit period, arising from higher purchases we made in December 2021 and December 2022 amounting to RM1.04 million and RM0.61 million respectively in anticipation of the increase in our business.

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11. FINANCIAL INFORMATION (Cont'd)

The ageing analysis of our trade payables as at 31 December 2022 is as follows:

	Trade payables as at 31 December 2022		Amount paid subsequent from 1 January 2023 up to LPD		Trade payables net of subsequent payment	
	RM'000 (a)	Percentage of trade payables (a)/total of (a)	RM'000 (b)	Percentage paid (b)/total of (a)	RM'000 (c) = (a)-(b)	Percentage of trade payables net of subsequent payments (c)/total of (a)
Not past due	1,437	73.65	1,437	73.65	-	-
Past due:						
• 1 to 30 days	514	26.35	514	26.35	-	-
• 31 to 60 days	-	-	-	-	-	-
• 61 to 90 days	-	-	-	-	-	-
• More than 90 days	-	-	-	-	-	-
	514	26.35	514	26.35	-	-
Total	1,951	100.00	1,951	100.00	-	-

As at the LPD, all outstanding trade payables as at 31 December 2022 have been paid.

As at LPD, there are no disputes in respect of any trade payables and our Board confirms that there has been no legal action initiated by our suppliers to demand for payment from us in the past and present.

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11. FINANCIAL INFORMATION (Cont'd)**11.4.3 Inventory turnover**

Our inventories consist of consumables for Aesthetic Services, general medicines, products for sale and packaging materials. Our inventory turnover period from FYE 2019 to FYE 2022 are 114 days, 183 days, 99 days, and 96 days respectively.

In general, our order from the suppliers would take 1 month from the date the purchase order is received to be processed. Our inventory turnover days vary from year to year according to our treatments as well as product sales. The inventory turnover days for FYE 2020 of 183 days were higher due to the higher average inventories level for FYE 2020 of RM0.72 million as compared to RM0.53 million for FYE 2019. This was due to a higher closing inventory of RM0.72 million as at 31 December 2020 as compared to a lower opening inventories as at 1 January 2019 of RM0.34 million. The inventory turnover days for FYE 2021 and FYE 2022 reverted to 99 days and 96 days levels as Malaysia gradually transition to the endemic phase of COVID-19 and our Group's business return to normalcy.

As at 31 December 2022, the inventories of our Group amounted to RM1.85 million and can be analysed as follows:

	1 to 30 days	31 to 60 days	61 to 90 days	Total
	RM'000	RM'000	RM'000	RM'000
Consumables for Aesthetic Services	562	392	(1)330	1,284
General medicine	138	115	63	316
Skincare products	80	54	(1)95	229
Packaging materials	2	1	20	23
Total	782	562	508	1,852

Note:

- (1) As at LPD, we had consumed 96.99% of the consumables for Aesthetic Services and sold 99.95% of our skincare products.

We conduct a bi-weekly internal meeting to review our inventory level and inventory ageing. Approval is required from authorised personnel at management level for replenishment of inventory and impairment on slow moving stocks.

Our Group practices first in first out basis in computing the consumables and supplies consumption. The costs of inventory include invoiced value of goods purchased and expenditure incurred in acquiring inventories.

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11. FINANCIAL INFORMATION (Cont'd)**11.4.4 Current ratio**

Our current ratio throughout the Financial Years Under Review is as follows:

	Audited			
	As at 31 December			
	2019	2020	2021	2022
	RM'000	RM'000	RM'000	RM'000
Current assets	4,413	7,014	13,083	15,078
Current liabilities	3,657	4,556	11,039	14,877
Net current assets	756	2,458	2,044	201
Current ratio (times)	1.21	1.54	1.19	1.01

Our current ratio ranged from 1.01 to 1.54 times throughout the Financial Years Under Review. This indicates that our Group is capable of meeting our current obligations as our current assets which can be readily converted to cash, together with our cash in the bank are enough to meet immediate current liabilities.

Our current ratio increased from 1.21 times as at 31 December 2019 to 1.54 times as at 31 December 2020 mainly due to an increase in fixed deposits with licensed banks as well as cash and bank balances attributable to higher internally generated funds through revenue generated from operations.

Our current ratio decreased from 1.54 times as at 31 December 2020 to 1.19 times as at 31 December 2021 mainly due to the higher outstanding trade payables, contract liabilities and lease liabilities.

Our current ratio further decreased from 1.19 times as at 31 December 2021 to 1.01 times as at 31 December 2022 mainly due to higher current lease liabilities and accruals for FYE 2022.

11.4.5 Gearing ratio

Our gearing ratio throughout the Financial Years Under Review is as follows:

	Audited			
	As at 31 December			
	2019	2020	2021	2022
	RM'000	RM'000	RM'000	RM'000
Total borrowings	6,935	9,689	17,519	24,005
Less : cash and cash equivalents and fixed deposits with licensed banks	(1,641)	(4,451)	(10,067)	(7,674)
Net borrowings	5,294	5,238	7,452	16,331
Total equity	3,854	4,755	7,997	15,047
Gearing ratio (times)	1.80	2.04	2.19	1.60
Net gearing ratio (times)	1.37	1.10	0.93	1.09

Our gearing ratio ranged from 1.60 to 2.19 times throughout the Financial Years Under Review.

Our Group's gearing ratio increased from 1.80 times in FYE 2019 to 2.04 times in FYE 2020.

11. FINANCIAL INFORMATION (Cont'd)

This was attributable to our Group's borrowings increased by RM2.75 million or 39.62% in FYE 2020, mainly arising from 2 new term loan facilities amounted to RM1.80 million drawn down during FYE 2020 to finance our Group's working capital. Please refer to Section 11.2.3 (b) of this Prospectus for more details.

For FYE 2021, our Group's gearing ratio increased from 2.04 times in FYE 2020 to 2.19 times in FYE 2021. This was mainly attributable to higher lease liabilities of RM6.29 million arising from 14 new hire purchase facilities of RM1.85 million for the purchase of 14 units of laser machines, and new rental agreements for Sunway Velocity Branch, Puchong Branch, Seremban Branch and 3 offices in Kepong as well as renewal of rental agreements for Bangsar Branch and Johor Bahru Branch in FYE 2021. Please refer to Section 11.2.3 (b) of this Prospectus for more details.

For FYE 2022, our Group's gearing ratio decreased from 2.19 times in FYE 2021 to 1.60 times in FYE 2022. This was attributable to higher profits generated in FYE 2022 which resulted in a substantial increase in total equity by RM7.05 million or 88.13% from RM8.00 million in FYE 2021 to RM15.05 million in FYE 2022, despite our Group's borrowings increased by RM6.49 million or 37.04% in FYE 2022, specifically the lease liabilities i.e. 24 new hire purchase facilities of RM3.27 million for the purchase of 21 units of laser machines and 3 units of motor vehicles as well as new rental agreements for our head office in Centrepont South Mid Valley City, Johor Bahru Branch, Mid Valley Branch, Sri Petaling Branch, Bukit Tinggi Branch and Melawati Branch in FYE 2022. Please refer to Section 11.2.3 (b) of this Prospectus for more details.

Our net gearing ratio decreased from 1.37 times for FYE 2019 to 1.09 times for FYE 2022, signifies that we efficiently manage our debt. It also demonstrates our ability to pay off the debt.

11.5 TREND INFORMATION

Based on our track record for the Financial Years Under Review, the following trends may continue to affect our business:

- (a) During the Financial Years Under Review, more than 84.00% of our revenue was derived from the Aesthetic Services segment. We expect that this segment to continue contributing significantly to our revenue in the future;
- (b) During the Financial Years Under Review, Central Region has been our main focus in terms of geographical location and we will continue to focus in this region;
- (c) The main components of our cost of sales are staff costs and consumables and supplies consumption which collectively accounted for more than 92.00% of our total cost of sales during the Financial Years Under Review. Moving forward, our cost of sales is expected to fluctuate in tandem with the growth of our business and would depend on amongst others, the availability of our LCP Certified Aesthetic Physicians, resident medical doctors and clinic consultants; and
- (d) We achieved a GP margin of between 46.07% and 56.21% for the Financial Years Under Review. Moving forward, our GP margin will depend on, amongst others, our continued ability to manage our costs efficiently and the types of treatments that we can provide in the future.

As at LPD, after all reasonable enquiries, our Board confirms that our operations have not been and are not expected to be affected by any of the following:

11. FINANCIAL INFORMATION (Cont'd)

- (a) Known trends, demands, commitments, events or uncertainties that have had or that we reasonably expect to have, a material favourable or unfavourable impact on our Group's financial performance, position and operations other than those discussed in Sections 6.5.15, 11.2 and 11.8;
- (b) Material commitments for capital expenditure save as disclosed in Section 11.3.5;
- (c) Unusual, infrequent events or transactions or any significant economic changes that have materially affected the financial performance, position and operations of our Group save as discussed in Sections 6.6, 11.2 and 11.8;
- (d) Known trends, demands, commitments, events or uncertainties that have resulted in a substantial increase in our Group's revenue save for those that had been discussed in Sections 6.6, 11.2 and 11.8; and
- (e) Known trends, demands, commitments, events or uncertainties that are reasonably likely to make our Group's historical financial statements not necessarily indicative of the future financial performance and position other than those discussed in Sections 6.6, 11.2 and 11.8.

Our Board is optimistic about the future prospects of our Group given the positive outlook of the aesthetic medicine market in Malaysia as set out in the IMR Report in Section 7, our Group's competitive strengths set out in Section 6.5.7 and our Group's intention to implement the business strategies as set out in Section 6.7.

11.6 ORDER BOOKS

Due to the nature of our business, we do not maintain an order book.

11.7 DIVIDENDS

Our Group presently does not have any formal dividend policy. As our Company is an investment holding company, our income and therefore our ability to pay dividends is dependent upon the dividends we receive from our subsidiaries, present or future. Our subsidiaries will require our financiers' consent (if any) as set out in the respective facility agreements to pay dividends to us. Save for compliance with the solvency requirement under the Act which is applicable to all Malaysian companies, there are no specific legal, financial, or economic restrictions on our existing subsidiaries to declare and pay dividends to us. Moving forward, the payment of dividends or other distributions by our subsidiaries will depend on their distributable profits, operating results, financial condition, capital expenditure plans, business expansion plans and other factors that their respective boards of directors deem relevant.

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.

Actual dividends proposed and declared may vary depending on the financial performance and cash flows of our Group.

11. FINANCIAL INFORMATION (Cont'd)

Dividend payments, capital gains and profits from dealing in our Shares will not be subject to Malaysian taxation (not applicable to entities including companies with trading of shares as their principal activity). No withholding tax is imposed on the above transactions.

During the Financial Years Under review and up to LPD, dividends declared and paid by our subsidiary, Klinik Dr Chong, were follows:

	Audited			
	FYE 2019	FYE 2020	FYE 2021	FYE 2022
	RM'000	RM'000	RM'000	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.

As at the LPD, there is no outstanding dividends declared but remained unpaid. Subsequent to LPD, no dividend was declared, made or paid by our Group.

Our Company has no intention to declare further dividends prior to the Listing.

No influence should or can be made from any of the above statements as to our actual future profitability or our ability to pay dividends in the future.

11.8 SIGNIFICANT CHANGES

Our Directors are not aware of any significant changes that has occurred which may have a material effect on our financial position and results since the date of our audited combined financial statements for FYE 2022.

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11. FINANCIAL INFORMATION (Cont'd)

11.9 CAPITALISATION AND INDEBTEDNESS

The table below summarises our capitalisation and indebtedness:

- (a) Based on the latest unaudited financial information as at 30 April 2023; and
- (b) After adjusting for the effects of Pre-IPO Restructuring, IPO and utilisation of proceeds.

	Unaudited	I	II	III
	As at 30 April 2023	After Pre-IPO Restructuring	After (I) and IPO	After (II) and utilisation of proceeds
	RM'000	RM'000	RM'000	RM'000
Indebtedness				
Current				
<u>Secured and guaranteed</u>				
Term loans	-	638	638	-
Lease liabilities (under hire purchase arrangement) ⁽¹⁾	-	1,520	1,520	-
<u>Unsecured and guaranteed</u>				
Lease liabilities (rentals) ⁽²⁾	-	1,449	1,449	1,449
<u>Unsecured and unguaranteed</u>				
Lease liabilities (rentals) ⁽³⁾	-	2,770	2,770	2,770
Non-current				
<u>Secured and guaranteed</u>				
Term loans	-	1,867	1,867	336
Lease liabilities (under hire purchase arrangement) ⁽¹⁾	-	4,236	4,236	1,687
<u>Unsecured and guaranteed</u>				
Lease liabilities (rentals) ⁽²⁾	-	6,492	6,492	6,492
<u>Unsecured and unguaranteed</u>				
Lease liabilities (rentals) ⁽³⁾	-	8,863	8,863	8,863
Total indebtedness	-	27,835	27,835	21,597
Capitalisation				
Shareholders' equity	(233)	16,533	66,348	62,348
Total capitalisation	(233)	16,533	66,348	62,348
Total capitalisation and indebtedness	-	44,368	94,183	83,945
Gearing ratio⁽⁴⁾	-	1.68	0.42	0.35

11. FINANCIAL INFORMATION (Cont'd)

Notes:

- (1) Lease liabilities (under hire purchase arrangements) represent our motor vehicles and medical equipment under hire purchase arrangements which are guaranteed by our Promoters and secured with the corresponding assets, amongst other, the motor vehicles and medical equipment.
- (2) Lease liabilities (rentals) represent the present value of the remaining rental payments over the rental period for our rented properties as detailed in Section 6.9.1(b) which are guaranteed but unsecured with any assets.
- (3) Lease liabilities (rentals) represent the present value of the remaining rental payments over the rental period for our rented properties as detailed in Section 6.9.1(b) which are neither guaranteed nor secured with any assets.
- (4) Calculated based on total indebtedness divided by total capitalisation.

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12. ACCOUNTANTS' REPORT

DC HEALTHCARE HOLDINGS BERHAD
Registration No.: 202201014036 (1459733-P)
(Incorporated in Malaysia)

**ACCOUNTANTS' REPORT ON
COMBINED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEARS ENDED
31 DECEMBER 2019, 31 DECEMBER 2020,
31 DECEMBER 2021 AND 31 DECEMBER 2022**

12. ACCOUNTANTS' REPORT (*Cont'd*)



Moore Stephens Associates PLT
[201304000972 (LLP)000963-(CA)]
Chartered Accountants (AF0020961)
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**THE BOARD OF DIRECTORS
DC HEALTHCARE HOLDINGS BERHAD**
Suite 22.01, 22.02 & 22.05,
Level 22, Centrepoint South,
Mid Valley City, Lingkaran Syed Putra,
59200 Kuala Lumpur,
Wilayah Persekutuan Kuala Lumpur.

Dear Sir

REPORTING ACCOUNTANTS' OPINION ON THE COMBINED FINANCIAL STATEMENTS CONTAINED IN THE ACCOUNTANTS' REPORT OF DC HEALTHCARE HOLDINGS BERHAD

Opinion

We have audited the combined financial statements of DC Healthcare Holdings Berhad ("DC Healthcare" or "the Company"), which comprise the combined statements of financial position as at 31 December 2019, 31 December 2020, 31 December 2021 and 31 December 2022, and the combined statements of comprehensive income, combined statements of changes in equity and combined statements of cash flows for financial years ended ("FYE") 31 December 2019, 31 December 2020, 31 December 2021 and 31 December 2022, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 4 to 67.

The historical combined financial statements have been prepared for inclusion in the prospectus of DC Healthcare in connection with the listing of and quotation for the entire enlarged issued share capital of DC Healthcare on the ACE Market of Bursa Malaysia Securities Berhad ("Prospectus"). This report is prepared for the purpose of complying with the Prospectus Guidelines - Equity issued by the Securities Commission Malaysia and for no other purpose.

The Company, Klinik Dr Chong Sdn Bhd, DC Lasers Sdn Bhd, DC Lasers (Mid Valley) Sdn Bhd, DC Lasers (Puchong) Sdn Bhd and Ten Doctors Sdn Bhd are collectively referred to as "the Group".

In our opinion, the combined financial statements give a true and fair view of the combined financial position of the Group as at 31 December 2019, 31 December 2020, 31 December 2021 and 31 December 2022, and of its combined financial performance and its combined cash flows for the financial years then ended in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

Basis for Opinion

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

Independence and Other Ethical Responsibilities

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

12. ACCOUNTANTS' REPORT (Cont'd)**Responsibilities of Directors for the Financial Statements**

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

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

Reporting Accountants' Responsibilities for the Audit of the Combined Financial Statements

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

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

- (a) Identify and assess the risks of material misstatement of the combined financial statements of the Group, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- (d) Conclude on the appropriateness of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the combined financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- (e) Evaluate the overall presentation, structure and content of the combined financial statements of the Group, including the disclosures, and whether the combined financial statements of the Group represent the underlying transactions and events in a manner that achieves fair presentation.

12. ACCOUNTANTS' REPORT (Cont'd)



Reporting Accountants' Responsibilities for the Audit of the Combined Financial Statements (cont'd)

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

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

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

Restriction on Distribution and Use

This report has been prepared solely to comply with the Prospectus Guidelines – Equity issued by the Securities Commission Malaysia and for inclusion in the Prospectus of DC Healthcare Holdings Berhad in connection with the listing of and quotation for the entire enlarged issued share capital of DC Healthcare Holdings Berhad on the ACE Market of Bursa Malaysia Securities Berhad and should not be relied upon for any other purposes. We do not assume responsibility to any other person for the content of this report.

A handwritten signature in black ink, appearing to read 'Moore'.

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

Petaling Jaya, Selangor
Date: 31 May 2023

A handwritten signature in black ink, appearing to read 'Tan Kei Hui'.

TAN KEI HUI
03429/04/2025 J
Chartered Accountant

12. ACCOUNTANTS' REPORT (Cont'd)**DC HEALTHCARE HOLDINGS BERHAD**
(Incorporated in Malaysia)**COMBINED STATEMENTS OF COMPREHENSIVE INCOME**

	←	Audited				→
		FYE 2019	FYE 2020	FYE 2021	FYE 2022	
Note		RM'000	RM'000	RM'000	RM'000	
Revenue	4	12,210	14,449	25,479	51,964	
Cost of sales		(6,585)	(6,773)	(11,552)	(22,757)	
Gross profit		5,625	7,676	13,927	29,207	
Other income		144	151	231	236	
Administrative and other expenses		(3,766)	(4,672)	(7,395)	(15,931)	
Profit from operations		2,003	3,155	6,763	13,512	
Finance costs		(258)	(456)	(560)	(934)	
Profit before tax	5	1,745	2,699	6,203	12,578	
Tax expense	6	(577)	(798)	(1,601)	(3,019)	
Profit for the financial year, representing total comprehensive income for the financial year		1,168	1,901	4,602	9,559	
Earnings per ordinary share attributable to Owners of the Group						
Basic and diluted (sen)	7	0.12	0.19	0.46	0.96	

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

12. ACCOUNTANTS' REPORT (Cont'd)**DC HEALTHCARE HOLDINGS BERHAD**
(Incorporated in Malaysia)**COMBINED STATEMENTS OF FINANCIAL POSITION**

		←———— Audited —————→			
		←———— As at 31 December —————→			
	Note	2019 RM'000	2020 RM'000	2021 RM'000	2022 RM'000
ASSETS					
Non-current assets					
Plant and equipment	8	943	1,288	4,042	11,041
Right-of-use assets	9	6,656	7,607	14,312	21,920
Investment properties	10	774	758	742	-
Deferred tax asset	11	202	201	362	278
		8,575	9,854	19,458	33,239
Current assets					
Inventories	12	724	722	879	1,852
Trade receivables	13	195	182	281	410
Other receivables, deposits and prepayments	14	849	744	1,856	5,022
Amounts due from a related company	15	1,004	915	-	-
Tax recoverable		-	-	-	120
Fixed deposits with licensed banks	16	-	1,511	1,537	1,570
Cash and bank balances		1,641	2,940	8,530	6,104
		4,413	7,014	13,083	15,078
TOTAL ASSETS		12,988	16,868	32,541	48,317

12. ACCOUNTANTS' REPORT (Cont'd)**DC HEALTHCARE HOLDINGS BERHAD**
(Incorporated in Malaysia)**COMBINED STATEMENTS OF FINANCIAL POSITION (cont'd)**

	←	Audited →			
		← As at 31 December →			
Note		2019 RM'000	2020 RM'000	2021 RM'000	2022 RM'000
EQUITY AND LIABILITIES					
Equity					
Invested equity		200	200	300	801
Capital contribution from holding company of the combining entities		-	-	1,040	1,030
Retained earnings		3,654	4,555	6,657	13,216
Total equity	17	<u>3,854</u>	<u>4,755</u>	<u>7,997</u>	<u>15,047</u>
Non-current liabilities					
Lease liabilities	18	4,814	5,404	10,158	16,247
Borrowings	19	663	2,153	3,346	2,082
Deferred tax liabilities	11	-	-	1	64
		<u>5,477</u>	<u>7,557</u>	<u>13,505</u>	<u>18,393</u>
Current liabilities					
Trade payables	20	303	266	1,648	1,951
Other payables and accruals	21	366	614	1,045	2,250
Contract liabilities	22	1,391	1,358	2,955	2,948
Amount due to a related company	15	59	-	-	-
Amount due to holding company of the combining entities	23	-	-	-	160
Amounts due to a Director	24	-	92	227	-
Lease liabilities	18	1,435	1,867	3,397	5,050
Borrowings	19	23	265	618	626
Tax payable		80	94	1,149	1,892
		<u>3,657</u>	<u>4,556</u>	<u>11,039</u>	<u>14,877</u>
Total liabilities		<u>9,134</u>	<u>12,113</u>	<u>24,544</u>	<u>33,270</u>
TOTAL EQUITY AND LIABILITIES		<u>12,988</u>	<u>16,868</u>	<u>32,541</u>	<u>48,317</u>

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

12. ACCOUNTANTS' REPORT (Cont'd)

DC HEALTHCARE HOLDINGS BERHAD
(Incorporated in Malaysia)

COMBINED STATEMENTS OF CHANGES IN EQUITY

	Note	Invested equity RM'000	Capital contribution from holding company of the combining entities RM'000	Distributable retained earnings RM'000	Total equity RM'000
At 1 January 2019		200	-	2,986	3,186
Profit net of tax, representing total comprehensive income for the financial year		-	-	1,168	1,168
Transaction with Owners of the Group:					
Dividend paid, representing total transaction with Owners of the Group	25	-	-	(500)	(500)
At 31 December 2019/1 January 2020		200	-	3,654	3,854
Profit net of tax, representing total comprehensive income for the financial year		-	-	1,901	1,901
Transaction with Owners of the Group:					
Incorporation of the combining entities	17	*	-	-	-
Dividend paid	25	-	-	(1,000)	(1,000)
Total transactions with Owners of the Group		-	-	(1,000)	(1,000)
At 31 December 2020		200	-	4,555	4,755

12. ACCOUNTANTS' REPORT (Cont'd)

DC HEALTHCARE HOLDINGS BERHAD
(Incorporated in Malaysia)

COMBINED STATEMENTS OF CHANGES IN EQUITY (cont'd)

	Note	Invested equity RM'000	Capital contribution from holding company of the combining entities RM'000	Distributable retained earnings RM'000	Total equity RM'000
At 1 January 2021		200	-	4,555	4,755
Profit net of tax, representing total comprehensive income for the financial year		-	-	4,602	4,602
Transaction with Owners of the Group:					
Incorporation of the combining entities	17	^ #	-	-	-
Issuance of share capital	17	100	-	-	100
Capital contribution from holding company of the combining entities		-	1,040	-	1,040
Dividend paid	25	-	-	(2,500)	(2,500)
Total transactions with Owners of the Group		100	1,040	(2,500)	(1,360)
At 31 December 2021		300	1,040	6,657	7,997

12. ACCOUNTANTS' REPORT (Cont'd)

DC HEALTHCARE HOLDINGS BERHAD
(Incorporated in Malaysia)

COMBINED STATEMENTS OF CHANGES IN EQUITY (cont'd)

	Note	Invested equity RM'000	Capital contribution from holding company of the combining entities RM'000	Distributable retained earnings RM'000	Total equity RM'000
At 1 January 2022		300	1,040	6,657	7,997
Profit net of tax, representing total comprehensive income for the financial year		-	-	9,559	9,559
Transaction with Owners of the Group:					
Issuance of share capital	17	500	(410)	-	90
Incorporation of the combining entities	17	1	-	-	1
Capital contribution from holding company of the combining entities		-	400	-	400
Dividends paid	25	-	-	(3,000)	(3,000)
Total transactions with Owners of the Group		501	(10)	(3,000)	(2,509)
At 31 December 2022		801	1,030	13,216	15,047

* Represents RM100 being incorporation of Ten Doctors Sdn Bhd.

^ Represents RM100 being incorporation of DC Lasers Sdn Bhd.

Represents RM20 being incorporation of DC Lasers (Mid Valley) Sdn Bhd and DC Lasers (Puchong) Sdn Bhd.

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

12. ACCOUNTANTS' REPORT (Cont'd)**DC HEALTHCARE HOLDINGS BERHAD**
(Incorporated in Malaysia)**COMBINED STATEMENTS OF CASH FLOWS**

	←	Audited				→
		FYE 2019	FYE 2020	FYE 2021	FYE 2022	
Note		RM'000	RM'000	RM'000	RM'000	RM'000
Cash Flows from Operating Activities						
Profit before tax		1,745	2,699	6,203		12,578
Adjustments for:						
Depreciation of investment property		16	16	16		12
Depreciation of plant and equipment		128	176	254		948
Depreciation of right-of-use assets		828	1,407	1,930		3,580
Loss on disposal of plant and equipment		-	-	2		-
Gain on disposal of investment property		-	-	-		(20)
Gain on lease modification		-	-	-		(5)
Waiver of lease liabilities		(27)	(48)	(157)		(62)
Written off of plant and equipment		6	6	-		33
Written off of trade receivables		-	-	56		-
Written off of deposit		-	-	-		13
Interest income		-	(12)	(26)		(34)
Interest expense		258	456	560		934
Operating profit before working capital changes		2,954	4,700	8,838		17,977
Changes in working capital:						
Contract liabilities		1,391	(33)	1,597		(7)
Inventories		(383)	2	(157)		(973)
Receivables		(750)	207	(352)		(3,308)
Payables		381	211	1,813		1,508
Cash generated from operations		3,593	5,087	11,739		15,197
Income tax paid		(869)	(783)	(706)		(2,380)
Income tax refund		116	-	-		131
Interest received		-	12	26		34
Interest paid		(258)	(456)	(560)		(934)
Net cash from operating activities		2,582	3,860	10,499		12,048

12. ACCOUNTANTS' REPORT (Cont'd)**DC HEALTHCARE HOLDINGS BERHAD**
(Incorporated in Malaysia)**COMBINED STATEMENTS OF CASH FLOWS (cont'd)**

	←	Audited				→
		FYE 2019	FYE 2020	FYE 2021	FYE 2022	
Note		RM'000	RM'000	RM'000	RM'000	
Cash Flows from Investing Activities						
Purchase of plant and equipment		(529)	(527)	(3,011)	(7,036)	
Proceeds from disposal of plant and equipment		-	-	1	2	
Proceeds from disposal of investment property		-	-	-	750	
Addition of investment properties		(10)	-	-	-	
Addition of right-of-use assets		-	-	-	(60)	
Net repayment from a related company		457	-	-	-	
Net cash used in investing activities		(82)	(527)	(3,010)	(6,344)	
Cash Flows from Financing Activities						
Dividends paid		(500)	(1,000)	(2,500)	(3,000)	
Incorporation of the combining entities		-	*	^ #	1	
Proceeds from issuance of share capital		-	-	100	500	
Capital contribution from holding company of the combining entities		-	-	1,040	(10)	
Net (repayment to)/advances from a Director	(iii)	(21)	92	135	(227)	
Net advances from holding company of the combining entities		-	-	-	160	
Net repayment to a related company	(iii)	-	(59)	-	-	
Net repayment of lease liabilities	(ii),(iii)	(1,089)	(1,288)	(2,194)	(4,265)	
Net (repayment)/drawdown of term loans	(iii)	(3)	1,732	1,546	(1,256)	
Net cash used in financing activities		(1,613)	(523)	(1,873)	(8,097)	

12. ACCOUNTANTS' REPORT (Cont'd)

DC HEALTHCARE HOLDINGS BERHAD
(Incorporated in Malaysia)

COMBINED STATEMENTS OF CASH FLOWS (cont'd)

	←	Audited				→
		FYE 2019	FYE 2020	FYE 2021	FYE 2022	
Note		RM'000	RM'000	RM'000	RM'000	
Net increase/(decrease) in cash and cash equivalents		887	2,810	5,616	(2,393)	
Cash and cash equivalents at beginning of the financial year		754	1,641	4,451	10,067	
Cash and cash equivalents at end of the financial year	(i)	<u>1,641</u>	<u>4,451</u>	<u>10,067</u>	<u>7,674</u>	

* Represents RM100 being incorporation of Ten Doctors Sdn Bhd.

^ Represents RM100 being incorporation of DC Lasers Sdn Bhd.

Represents RM20 being incorporation of DC Lasers (Mid Valley) Sdn Bhd and DC Lasers (Puchong) Sdn Bhd.

Notes:

(i) Cash and cash equivalents comprise of:

	←	Audited				→
		As at 31 December				
		2019	2020	2021	2022	
		RM'000	RM'000	RM'000	RM'000	
Fixed deposits with licensed banks		-	1,511	1,537	1,570	
Cash and bank balances		1,641	2,940	8,530	6,104	
		<u>1,641</u>	<u>4,451</u>	<u>10,067</u>	<u>7,674</u>	

12. ACCOUNTANTS' REPORT (Cont'd)

DC HEALTHCARE HOLDINGS BERHAD
(Incorporated in Malaysia)

COMBINED STATEMENTS OF CASH FLOWS (cont'd)

Notes: (cont'd)

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

	←———— Audited —————→			
	←———— As at 31 December —————→			
	FYE 2019 RM'000	FYE 2020 RM'000	FYE 2021 RM'000	FYE 2022 RM'000
Included in net cash from operating activities:				
Interest paid in relation to lease liabilities	226	357	409	738
Payment relating to short-term leases	91	69	24	59
Included in net cash used in financing activities:				
Payment for principal portion of lease liabilities	<u>1,089</u>	<u>1,288</u>	<u>2,194</u>	<u>4,265</u>
Total cash outflows for leases	<u><u>1,406</u></u>	<u><u>1,714</u></u>	<u><u>2,627</u></u>	<u><u>5,062</u></u>

12. ACCOUNTANTS' REPORT (Cont'd)

DC HEALTHCARE HOLDINGS BERHAD
(Incorporated in Malaysia)

COMBINED STATEMENTS OF CASH FLOWS (cont'd)

Note: (cont'd)

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

	Amounts due to a Director RM'000	Lease liabilities RM'000	Term loans RM'000
FYE 2019			
At 1 January 2019	21	2,547	689
Acquisition of new leases	-	4,818	-
Waiver of lease liabilities	-	(27)	-
Payment on behalf by	466	-	-
Drawdown	-	-	10
Interest expense	-	226	32
Repayment to	(487)	(1,315)	(45)
Net changes from financing cash flows	(21)	(1,089)	(3)
At 31 December 2019	-	6,249	686

12. ACCOUNTANTS' REPORT (Cont'd)

DC HEALTHCARE HOLDINGS BERHAD
(Incorporated in Malaysia)

COMBINED STATEMENTS OF CASH FLOWS (cont'd)

Note: (cont'd)

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

	Amounts due (from) a related company RM'000	Amounts due to a Director RM'000	Lease liabilities RM'000	Term loans RM'000
FYE 2020				
At 1 January 2020	(945)	-	6,249	686
Acquisition of new leases	-	-	2,358	-
Waiver of lease liabilities	-	-	(48)	-
Repayment from	89	-	-	-
Advances from	-	53	-	-
Payment on behalf by	-	39	-	-
Drawdown	-	-	-	1,800
Interest expense	-	-	357	99
Repayment to	(59)	-	(1,645)	(167)
Net changes from financing cash flows	(59)	92	(1,288)	1,732
At 31 December 2020	(915)	92	7,271	2,418

12. ACCOUNTANTS' REPORT (Cont'd)

DC HEALTHCARE HOLDINGS BERHAD
(Incorporated in Malaysia)

COMBINED STATEMENTS OF CASH FLOWS (cont'd)

Note: (cont'd)

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

	Amounts due to a Director RM'000	Lease liabilities RM'000	Term loans RM'000
FYE 2021			
At 1 January 2021	92	7,271	2,418
Acquisition of new leases	-	8,635	-
Waiver of lease liabilities	-	(157)	-
Advances from	311	-	-
Payment on behalf by	156	-	-
Drawdown	-	-	1,811
Interest expense	-	409	151
Repayment to	(332)	(2,603)	(416)
Net changes from financing cash flows	135	(2,194)	1,546
At 31 December 2021	227	13,555	3,964

12. ACCOUNTANTS' REPORT (Cont'd)

DC HEALTHCARE HOLDINGS BERHAD
(Incorporated in Malaysia)

COMBINED STATEMENTS OF CASH FLOWS (cont'd)

Note: (cont'd)

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

	Amounts due to holding company of the combining entities RM'000	Amounts due to a Director RM'000	Lease liabilities RM'000	Term loans RM'000
FYE 2022				
At 1 January 2022	-	227	13,555	3,964
Acquisition of new leases	-	-	12,147	-
Gain on lease modification	-	-	(78)	-
Waiver of lease liabilities	-	-	(62)	-
Advances from	460	139	-	-
Interest expense	-	-	738	196
Payment on behalf by	-	27	-	-
Payment on behalf of	-	(23)	-	-
Repayment to	(300)	(370)	(5,003)	(1,452)
Net changes from financing cash flows	160	(227)	(4,265)	(1,256)
At 31 December 2022	160	-	21,297	2,708

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

12. ACCOUNTANTS' REPORT (Cont'd)**DC HEALTHCARE HOLDINGS BERHAD**

(Incorporated in Malaysia)

NOTES TO THE COMBINED FINANCIAL STATEMENTS**1. GENERAL INFORMATION**

DC Healthcare was incorporated on 18 April 2022 under the Companies Act 2016 as a public company and is domiciled in Malaysia with issued and fully paid-up share capital of RM1,000 consisting of 1,000 ordinary shares. The Company was incorporated to undertake an internal reorganisation for the purpose of the listing of and quotation of the entire enlarged share capital of the Company on the ACE Market of Bursa Malaysia Securities Berhad ("the Listing").

As an integral part of the Listing, the Company entered into conditional share sale agreements on 11 November 2022 to acquire the entire equity interest in Klinik Dr Chong Sdn Bhd ("Klinik Dr Chong"), Ten Doctors Sdn Bhd ("Ten Doctors") and DC Lasers Sdn Bhd ("DC Lasers") which were completed on 29 May 2023 (collectively referred to as "the Acquisitions"). On 31 May 2023, Klinik Dr Chong has completed the transfer of its entire equity interest in DC Lasers (Mid Valley) Sdn Bhd ("DCL Mid Valley") and DC Lasers (Puchong) Sdn Bhd ("DCL Puchong") to the Company upon the completion of the Acquisition of Klinik Dr Chong by the Company (known as "the Transfers"). Upon the completion of the Acquisitions and the Transfers, Klinik Dr Chong, Ten Doctors, DC Lasers, DCL Mid Valley and DCL Puchong effectively become direct wholly-owned subsidiaries of the Company.

Upon completion of the Listing, the entire enlarged share capital of DC Healthcare of RM59,380,468 comprising 996,300,000 ordinary shares will be listed and quoted on the ACE Market of Bursa Malaysia Securities Berhad.

The principal activity of the Company is investment holding. The principal activities and other information of the combining entities are as follows:

Combining Entities	Country of Incorporation	Date of Incorporation	Principal activities
Klinik Dr Chong Sdn Bhd ("Klinik Dr Chong")	Malaysia	04.03.2016	<ul style="list-style-type: none"> • Aesthetic services • General medical services; and • Sale of skincare products
Ten Doctors Sdn Bhd ("Ten Doctors")	Malaysia	06.03.2020	<ul style="list-style-type: none"> • Sale of skincare products
DC Lasers Sdn Bhd ("DC Lasers")	Malaysia	08.01.2021	<ul style="list-style-type: none"> • Aesthetic services • General medical services; and • Sale of skincare products
DC Lasers (Mid Valley) Sdn Bhd ("DCL Mid Valley")	Malaysia	10.11.2021	<ul style="list-style-type: none"> • Aesthetic services • General medical services; and • Sale of skincare products
DC Lasers (Puchong) Sdn Bhd ("DCL Puchong")	Malaysia	10.11.2021	<ul style="list-style-type: none"> • Aesthetic services • General medical services; and • Sale of skincare products

There have been no significant changes in the nature of the principal activities during these financial years under review.

12. ACCOUNTANTS' REPORT *(Cont'd)*

1. GENERAL INFORMATION (cont'd)

This Accountants' Report comprises the historical combined financial statements of DC Healthcare and the combining entities ("the Group"), which include the combined statements of financial position of the Group as at 31 December 2019, 31 December 2020, 31 December 2021 and 31 December 2022, the combined statements of comprehensive income, combined statements of changes in equity and combined statements of cash flows for the financial years ended 31 December 2019, 31 December 2020, 31 December 2021 and 31 December 2022, and a summary of significant accounting policies and other explanatory notes (together, the "historical combined financial statements"), as set out on pages 4 to 67.

2. BASIS OF PREPARATION

The combined financial statements have been prepared for inclusion into the Prospectus in connection with the proposed listing of the entire enlarged issued share capital of the Company on the ACE Market of Bursa Malaysia Securities Berhad and for no other purpose.

The combined financial statements for the FYE 31 December 2019, 31 December 2020, 31 December 2021 and 31 December 2022 consist of the following entities under common control (collectively hereinafter referred to as the "Group") for each of the financial year under review:

	FYE 31 December			
	2019	2020	2021	2022
Entities under common control:				
DC Healthcare	*	*	*	√
Klinik Dr Chong	√	√	√	√
Ten Doctors	^	√	√	√
DC Lasers	@	@	√	√
DCL Mid Valley	#	#	√	√
DCL Puchong	#	#	√	√

√ *The combined financial statements include the financial statements of these combining entities for the respective financial years.*

* *No financial statements were available for DC Healthcare as the Company was incorporated on 18 April 2022.*

^ *No financial statements were available for Ten Doctors as the Company was incorporated on 6 March 2020.*

@ *No financial statements were available for DC Lasers as the Company was incorporated on 8 January 2021.*

No financial statements were available for DCL Mid Valley and DCL Puchong as the Companies were both incorporated on 10 November 2021.

The audited financial statements of the combining entities within the Group for the respective financial years as reported above were not subject to any qualification or modification.

Entities under common control are entities which are ultimately controlled by the same parties and that control is not transitory ("commonly controlled entities"). Control exists when the same parties have, as a result of common shareholders and contractual agreements, ultimate collective power to govern the financial and operating policies of each of the commonly controlled entities so as to obtain benefits from their activities, and that ultimate collective power is not transitory. The financial statements of commonly controlled entities are included in the combined financial statements from the day that control commences until the date that control ceases.

12. ACCOUNTANTS' REPORT (Cont'd)

2. BASIS OF PREPARATION (cont'd)

The combined financial statements for the relevant periods were prepared in a manner similar to the "pooling-of-interest" method, as if the entities under common control were operating as a single economic enterprise from the beginning of the earliest comparative period covered by the relevant period or the dates of incorporation of the entities, if later. Such manner of preparation reflects the economic substance of the combining entities, which were under common control throughout the relevant periods.

The financial information presented in the combined financial statements may not correspond to those in the consolidated financial statements had the relevant proposed transactions to legally constitute a group been incorporated in the consolidated financial statements for the respective years. Such financial information in the combined financial statements does not purport to predict the financial position, results and the cash flows of the entities under common control for those financial years.

Common control business combination

For such common control business combinations, the "pooling-of-interest" method is used to account for the assets, liabilities, results, equity changes and cash flows in the combined financial statements.

Under the "pooling-of-interest" method, the results of the Group are presented as if the "pooling-of-interest" had been effected throughout the current and previous years. The assets and liabilities combined are accounted for based on the carrying amounts from the perspective of the common control shareholders at the end of transfer of their shareholdings to DC Healthcare.

The effect of all transactions and balances, and any unrealised income and expenses occurring between the combining entities are eliminated in preparing the combined financial statements.

(a) Statement of compliance

The combined financial statements for the FYE 31 December 2019, 31 December 2020, 31 December 2021 and 31 December 2022 have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs") issued by the Malaysian Accounting Standards Board ("MASB"), International Financial Reporting Standards ("IFRSs") and the Guidance Note on "Combined Financial Statements" issued by the Malaysian Institute of Accountants on 28 November 2018.

Application of New Standards, Amendments and Interpretation

In the preparation of the combined financial statements, the Directors have applied consistently throughout the financial years, a number of new accounting pronouncements that became effective mandatorily during the current financial year.

The Group has also considered the new accounting pronouncements in the preparation of the combined financial statements.

12. ACCOUNTANTS' REPORT (*Cont'd*)

2. BASIS OF PREPARATION (cont'd)

(a) Statement of compliance (cont'd)

(i) Accounting pronouncements that are effective and adopted during the FYE 31 December 2022

Amendments to MFRS 3	Reference to the Conceptual Framework
Amendments to MFRS 16	Covid-19 – Related Rent Concessions beyond 30 June 2021
Amendments to MFRS 116	Property, Plant and Equipment – Proceeds before Intended Use
Amendments to MFRS 137	Onerous Contracts – Cost of Fulfilling a Contract
Annual Improvements to MFRSs 2018 – 2020	

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

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

The Group has not adopted the following new accounting pronouncements that have been issued by MASB but are not yet effective for the current financial year:-

Effective for financial periods beginning on or after 1 January 2023

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

Effective for financial periods beginning on or after 1 January 2024

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

Effective date to be announced

Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
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The Group will adopt the above accounting pronouncements when they become effective in the respective financial periods. These accounting pronouncements are not expected to have any effect to the financial statements of the Group upon their initial applications.

(b) Basis of measurement

These combined financial statements have been prepared on the historical cost convention except for those as disclosed in the accounting policy notes.

12. ACCOUNTANTS' REPORT (Cont'd)**2. BASIS OF PREPARATION (cont'd)****(c) Functional and presentation currency**

The individual financial statements of each entity are measured using the currency of the primary economic environment in which they operate ("the functional currency"). The combined financial statements are presented in Ringgit Malaysia ("RM"), which is also the Group's functional currency, and have been rounded to the nearest thousand, unless otherwise stated.

(d) Significant accounting estimates and judgements

The summary of accounting policies as described in Note 3 are essential to understand the Group's result of operations, financial position, cash flows and other disclosures. Certain of these accounting policies require critical accounting estimates that involve complex and subjective judgements and the use of assumptions, some of which may be for matters that are inherently uncertain and susceptible to change. Directors exercise their judgement in the process of applying the Group's accounting policies.

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

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

(i) Income taxes

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

(ii) Deferred tax assets and liabilities

Deferred tax implications arising from the changes in corporate income tax rates are measured with reference to the estimated realisation and settlement of temporary differences in the future periods in which the tax rates are expected to apply, based on the tax rates enacted or substantively enacted at the reporting date. While management's estimates on the realisation and settlement of temporary differences are based on the available information at the reporting date, changes in business strategy, future operating performance and other factors could potentially impact on the actual timing and amount of temporary differences realised and settled. Any difference between the actual amount and the estimated amount would be recognised in the profit or loss in the period in which actual realisation and settlement occurs.

12. ACCOUNTANTS' REPORT (Cont'd)**2. BASIS OF PREPARATION (cont'd)****(d) Significant accounting estimates and judgements (cont'd)***(iii) Depreciation of plant and equipment*

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

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

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

(iv) Determination of the lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The lease term is reassessed if an option is actually exercised (or not exercised) or the Group becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects the assessment, and that is within the control of the lessee. For leases of office premises and service outlets, the Group considers factors including historical lease durations and the costs and business disruption required to replace the leased asset.

- If there are significant penalties to terminate (or not extend), the Group is typically reasonably certain to extend (or not terminate).
- If any leasehold improvements are expected to have a significant remaining value, the Group is typically reasonably certain to extend (or not terminate).
- Otherwise, the Group considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset.

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

For the purpose of calculating the right-of-use asset and lease liability, an entity applies the interest rate implicit in the lease ("IRIL") and, if the IRIL is not readily determinable, the entity uses its IBR applicable to the leased asset. The IBR is the rate of interest that the entity would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. For most of the leases whereby the Group is the lessee, the IRIL is not readily determinable. Therefore, the Group estimates the IBR relevant to each lease asset by using observable inputs (such as market interest rate and asset yield) when available, and then making certain lessee specific adjustments (such as a company entity's credit rating). The carrying amounts of the Group's right-of-use assets and lease liabilities are disclosed in Notes 9 and 18, respectively.

12. ACCOUNTANTS' REPORT (*Cont'd*)

3. SIGNIFICANT ACCOUNTING POLICIES

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

(a) Basis of consolidation

(i) Subsidiaries

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

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

Investments in subsidiaries are measured in the Company's statement of financial position at cost less any impairment losses, unless the investment is classified as held for sale or distribution. The cost of investment includes transaction costs.

(ii) Business Combinations

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

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

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

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

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

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

12. ACCOUNTANTS' REPORT (*Cont'd*)

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(a) Basis of consolidation (cont'd)

(iii) *Entities under common control*

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

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

(iv) *Acquisition of non-controlling interests*

The Group accounts for all changes in its ownership interest in a subsidiary that do not result in a loss of control as equity transactions between the Group and its non-controlling interest holders. Any difference between the Group's share of net assets before and after the change, and any consideration received or paid, is adjusted to or against Group reserves.

(v) *Loss of control*

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

(vi) *Non-controlling interests*

Non-controlling interests at the end of the reporting period, being the equity in a subsidiary not attributable directly or indirectly to the equity holders of the Company, are presented in the consolidated statement of financial position and statement of changes in equity within equity, separately from equity attributable to the owners of the Company. Non-controlling interests in the results of the Group is presented in the consolidated statement of profit or loss and other comprehensive income as an allocation of the profit or loss and the comprehensive income for the year between non-controlling interests and owners of the Company.

Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

12. ACCOUNTANTS' REPORT (*Cont'd*)

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(a) Basis of consolidation (cont'd)

(vii) *Transactions eliminated on consolidation*

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

(b) Revenue and other income recognition

Revenue from contracts with customers

Revenue is recognised when or as a performance obligation in the contract with customer is satisfied, i.e. when the "control" of the goods or services underlying the particular performance obligation is transferred to the customer.

A performance obligation is a promise to transfer a distinct goods or service (or a series of distinct goods or services that are substantially the same and that have the same pattern of transfer) to the customer that is explicitly stated in the contract and implied in the Group's customary business practices.

Revenue is measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring the promised goods or services to the customers, excluding amounts collected on behalf of third parties such as sales taxes or goods and services taxes. If the amount of consideration varies due to discounts, rebates, refunds, credits, incentives, penalties or other similar items, the Group estimates the amount of consideration to which it will be entitled based on the expected value or the most likely outcome. If the contract with customer contains more than one performance obligation, the amount of consideration is allocated to each performance obligation based on the relative stand-alone selling prices of the goods or services promised in the contract.

The revenue is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

The control of the promised goods or services may be transferred over time or at a point in time. The control over the goods or services is transferred over time and revenue is recognised over time if:

- The customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- The Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- The Group's performance does not create an asset with an alternative use and the Group has an enforceable right to payment for performance completed to date.

Revenue for performance obligation that is not satisfied over time is recognised at the point in time at which the customer obtains control of the promised goods or services.

Aesthetic services

Revenue from aesthetic services is recognised when services are rendered. Billed amounts for services which have not been rendered as at the end of the reporting period is recognised as deferred revenue and included in contract liabilities.

12. ACCOUNTANTS' REPORT (Cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(b) Revenue and other income recognition (cont'd)

Revenue from contracts with customers (cont'd)

General medical services

Revenue from general medical services is recognised at a point in time when service is rendered.

Sale of goods

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

Other income

Other revenue earned by the Group is recognised on the following bases:

Dividend income

Dividend income is recognised when the right to receive payment is established.

Interest income

Interest income is recognised on an accrual basis using the effective interest method.

Rental income

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

(c) Employee benefits

(i) Short term employee benefits

Wages, salaries, social security contributions and bonuses are recognised as an expense in the financial year in which the associated services are rendered by employees of the Group. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences, and short term non-accumulating compensated absences such as sick leave are recognised when absences occur.

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

(ii) Defined contribution plan

As required by the law, companies in Malaysia make contributions to the state pension scheme, the Employees Provident Fund ("EPF"). Such contributions are recognised as an expense as incurred. Once the contributions have been paid, the Group has no further payment obligations.

12. ACCOUNTANTS' REPORT *(Cont'd)*

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(d) Borrowing costs

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

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or completed.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

(e) Income tax

Current tax

Tax expense represents the aggregate amount of current and deferred tax. Current tax is the expected amount payable in respect of taxable income for the financial period, using tax rates enacted or substantively enacted by the reporting date, and any adjustments recognised for prior years' tax. When an item is recognised outside profit or loss, the related tax effect is recognised either in other comprehensive income or directly in equity.

Deferred tax

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

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

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

Deferred tax assets relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transactions either in other comprehensive income or directly in equity and deferred tax arising from business combination is adjusted against goodwill on acquisition or the amount of any excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the acquisition cost.

12. ACCOUNTANTS' REPORT (Cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(f) Plant and equipment

Plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

(i) Recognition and measurement

Cost includes expenditures that are directly attributable to the acquisition of the assets and any other costs directly attributable to bringing the asset to working conditions for its intended use, cost of replacing component parts of the assets, and the present value of the expected cost for the decommissioning of the assets after their use. The cost of self-constructed assets also includes the cost of materials and direct labour. For qualifying assets, borrowing costs are capitalised in accordance with the accounting policy on borrowing costs. All other repair and maintenance costs are recognised in the profit or loss as incurred.

When significant parts of an item of plant and equipment have different useful lives, they are accounted for as separate items (major components) of plant and equipment.

Plant and equipment are derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising on the disposal of plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in the profit or loss.

(ii) Subsequent costs

The cost of replacing part of an item of plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its costs can be measured reliably. The costs of the day-to-day servicing of plant and equipment are recognised in the statements of comprehensive income as incurred.

(iii) Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed, and if a component has a useful life that is different from the remainder of that asset, then that component is depreciated separately.

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

Camera	10%
Computer software and hardware	20%
Furniture and fittings	10%
Medical equipment	10%
Motor vehicle	20%
Office equipment	10%
Renovation	10%
Signboard	10%
Soundtech system	10%

Depreciation methods, useful lives and residual values are reviewed at end of the reporting period, and adjusted as appropriate.

12. ACCOUNTANTS' REPORT (Cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(f) Plant and equipment (cont'd)

(iii) Depreciation (cont'd)

Fully depreciated plant and equipment are retained in the financial statements until they are no longer in use and no further charge for depreciation is made in respect of these plant and equipment.

(g) Leases

As a lessee

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

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

Leases of office and service outlets	Over the lease period ranging from 2 to 10 years
Medical equipment	10 years
Motor vehicles	5 years

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

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under MFRS 137 as described in Note 3(o). To the extent that the costs relate to right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

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

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

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

12. ACCOUNTANTS' REPORT (Cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(h) Investment property

Investment properties are properties which are owned or held to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment property is measured initially at its cost. Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, any other cost directly attributable to bringing the investment property to a working condition for their intended use.

Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment losses. The depreciation rate for the building is 2%.

Investment properties are derecognised when either they have been disposed of or when the investment properties are permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in profit or loss in the financial period in which they arise.

When the use of a property changes such that it is reclassified as property, plant and equipment or inventories, its fair value at the date of reclassification becomes its cost for subsequent accounting.

(i) Inventories

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

The cost of inventories is measured based on first-in, first-out ("FIFO") cost formula, and includes expenditure incurred in acquiring the inventories and other costs incurred in bringing them to their existing location and condition.

Net realisable value is the estimated selling price in the ordinary course of business less estimated costs of completion and the estimated costs necessary to make the sale.

(j) Financial instruments

(i) Initial recognition and measurement

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

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

An embedded derivative is recognised separately from the host contract where the host contract is not a financial asset, and accounted for separately if, and only if, the derivative is not closely related to the economic characteristics and risks of the host contract and the host contract is not measured at fair value through profit or loss. The host contract, in the event an embedded derivative is recognised separately, is accounted for in accordance with policy applicable to the nature of the host contract.

12. ACCOUNTANTS' REPORT (Cont'd)**3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)****(j) Financial instruments (cont'd)****(ii) Financial instrument categories and subsequent measurement**

The Group categorises financial instruments as follows:

Financial assets

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

Amortised cost

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

Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

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

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

Financial liabilities

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

Amortised cost

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

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

(iii) Offsetting

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

12. ACCOUNTANTS' REPORT (Cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(j) Financial instruments (cont'd)

(iv) Financial guarantee contracts

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

(v) Regular way purchase or sale of financial assets

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

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

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

(vi) Derecognition

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

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

(k) Impairment assets

(i) Financial assets

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

12. ACCOUNTANTS' REPORT *(Cont'd)*

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(k) Impairment assets (cont'd)

(i) Financial assets (cont'd)

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

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

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

Simplified approach – trade receivables

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

General approach – other financial instruments

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

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

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

Credit impaired financial assets

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

12. ACCOUNTANTS' REPORT *(Cont'd)*

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(k) Impairment of assets (cont'd)

(i) Financial assets (cont'd)

Credit impaired financial assets (cont'd)

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

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

Write-off policy

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

(ii) Non-financial assets

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

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

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

12. ACCOUNTANTS' REPORT (Cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(k) Impairment of assets (cont'd)

(ii) Non-financial assets (cont'd)

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

(l) Cash and cash equivalents

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

(m) Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Ordinary shares are equity instruments.

Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

(n) Contract liabilities

A contract liability is the obligation to transfer services to a customer for which the Group has received consideration (or an amount of consideration is due) from customer. If customer pays consideration before the Group transfers services to the customer, a contract liability is recognised when the payment is made, or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

(o) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

(p) Operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenue and incur expenses, including revenue and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the chief operating decision maker, which in this case is the Board of Directors, to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

12. ACCOUNTANTS' REPORT (Cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)**(q) Earnings per share**

Basic earnings per share ("EPS") is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding during the financial period for the effects of all dilutive potential ordinary shares.

(r) Fair value measurements

Fair value of an asset or a liability, except for share-based payment and lease transactions, is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

For non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair value are categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group and the Company can access at the measurement date.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: Unobservable inputs for the asset or liability.

The Group recognises transfers between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfers.

12. ACCOUNTANTS' REPORT (Cont'd)

4. REVENUE

	← Audited →			
	FYE 2019	FYE 2020	FYE 2021	FYE 2022
	RM'000	RM'000	RM'000	RM'000
Revenue from contracts with customers				
<i>Recognised over time</i>				
- Aesthetic services	10,782	12,282	20,799	45,052
<i>Recognised at point in time</i>				
- General medical services	1,245	1,806	3,852	5,219
- Sales of goods	183	361	828	1,693
	<u>12,210</u>	<u>14,449</u>	<u>25,479</u>	<u>51,964</u>

The revenue is derived solely from local sales.

5. PROFIT BEFORE TAX

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

	← Audited →			
	FYE 2019	FYE 2020	FYE 2021	FYE 2022
	RM'000	RM'000	RM'000	RM'000
Auditors' remuneration	12	13	44	185
Depreciation of investment property	16	16	16	12
Depreciation of plant and equipment	128	176	254	948
Depreciation of right-of-use assets	828	1,407	1,930	3,580
Employee benefits expense [Note (a)]	4,848	5,479	9,417	20,838
Expenses relating to short-term leases	91	69	24	59
Gain on disposal of investment property	-	-	-	(20)
Gain on lease modification	-	-	-	(5)
Interest expense on:				
- lease liabilities	226	357	409	738
- term loans	32	99	151	196
Interest income on:				
- fixed deposits from licensed banks	-	(12)	(26)	(34)
Loss on disposal of plant and equipment	-	-	2	-
Rental income	<u>(13)</u>	<u>(38)</u>	<u>(33)</u>	<u>(24)</u>

12. ACCOUNTANTS' REPORT (Cont'd)

5. PROFIT BEFORE TAX (cont'd)

Profit before tax is arrived at after charging/(crediting): (cont'd)

	← Audited →			
	FYE 2019 RM'000	FYE 2020 RM'000	FYE 2021 RM'000	FYE 2022 RM'000
Wages subsidy [Note (b)]	-	(38)	-	(53)
Waiver of lease liabilities	(27)	(48)	(157)	(62)
Written off of plant and equipment	6	6	-	33
Written off of deposit	-	-	-	13
Written off of trade receivables	-	-	56	-

(a) Employee benefits expense:

	← Audited →			
	FYE 2019 RM'000	FYE 2020 RM'000	FYE 2021 RM'000	FYE 2022 RM'000
Staff costs				
- Salaries, bonuses and allowances	3,017	3,746	6,912	16,557
- Defined contribution plan	384	433	735	1,817
- Social security contributions	23	32	48	130
- Contributions to employee insurance system	3	3	5	14
	<u>3,427</u>	<u>4,214</u>	<u>7,700</u>	<u>18,518</u>
Directors' remuneration				
- Fees	-	-	-	85
- Salaries, bonuses and allowances	1,280	1,108	1,535	1,877
- Defined contribution plan	139	155	180	356
- Social security contributions	2	2	2	2
	<u>1,421</u>	<u>1,265</u>	<u>1,717</u>	<u>2,320</u>
	<u>4,848</u>	<u>5,479</u>	<u>9,417</u>	<u>20,838</u>

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

12. ACCOUNTANTS' REPORT (Cont'd)**6. TAX EXPENSE**

	← Audited →			
	FYE 2019 RM'000	FYE 2020 RM'000	FYE 2021 RM'000	FYE 2022 RM'000
Current tax:				
- Current year	780	800	1,790	2,878
- Under/(Over)provision in prior year	16	(3)	(29)	(6)
	<u>796</u>	<u>797</u>	<u>1,761</u>	<u>2,872</u>
Deferred tax (Note 11):				
- Relating to origination and reversal of temporary differences	(285)	(4)	(159)	162
- Under/(Over)provision in prior year	66	5	(1)	(15)
	<u>(219)</u>	<u>1</u>	<u>(160)</u>	<u>147</u>
Tax expense for the financial year	<u><u>577</u></u>	<u><u>798</u></u>	<u><u>1,601</u></u>	<u><u>3,019</u></u>

Income tax is calculated at the Malaysian statutory tax rate of 24% (2021: 24%; 2020: 24%; 2019: 24%) of the estimated assessable profit for the year. The Group being a resident company incorporated in Malaysia with paid-up capital up to RM2.5 million at the beginning of the basis period for a year of assessment and its gross income from business sources not exceeding RM50 million qualified for the preferential tax rate under Paragraph 2A, Schedule 1 of the Income Tax Act, 1967 ("ITA 1967") as follows:

- On the first RM600,000 (2021: RM600,000; 2020: RM600,000; 2019: RM500,000) of chargeable income: 17% (2021: 17%; 2020: 17%; 2019: 17%)
- In excess of RM600,000 (2021: RM600,000; 2020: RM600,000; 2019: RM500,000) of chargeable income: 24% (2021: 24%; 2020: 24%; 2019: 24%)

12. ACCOUNTANTS' REPORT (Cont'd)

6. TAX EXPENSE (cont'd)

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

	← Audited →			
	FYE 2019 RM'000	FYE 2020 RM'000	FYE 2021 RM'000	FYE 2022 RM'000
Profit before tax	1,745	2,699	6,203	12,578
Tax at Malaysian statutory income tax rate of 24%	419	648	1,489	3,019
Effect of income subject to 17% preferential tax rate	(35)	(42)	(42)	(168)
Income not subject to tax	-	(75)	-	(5)
Tax effect on non-deductible expenses	111	265	184	194
Under/(Over)provision of income tax expense in prior year	16	(3)	(29)	(6)
Under/(Over)provision of deferred tax in prior year	66	5	(1)	(15)
Tax expense for the financial year	577	798	1,601	3,019

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

	← Audited →			
	FYE 2019 RM'000	FYE 2020 RM'000	FYE 2021 RM'000	FYE 2022 RM'000
Unabsorbed capital allowances	-	-	301	25
Unutilised tax losses	-	-	92	599
	-	-	393	624

The unabsorbed capital allowances and unutilised tax losses in FYE 2021 and FYE 2022 were arising from newly start-up subsidiaries which are at the initial stage of operation.

The availability of the unutilised tax losses will be subject to Inland Revenue Board discretion and approval to offset against future taxable profit.

In the announcement of Malaysia 2022 Budget, the unutilised tax losses will be allowed to be carried forward for 10 consecutive years of assessment ("YA") (previously 7 YAs) deemed to be effective from YA 2019.

12. ACCOUNTANTS' REPORT (Cont'd)

7. EARNINGS PER SHARE

Basic EPS is calculated by dividing the profit attributable to Owners of the Group by the expected number of ordinary shares upon completion of the Listing.

For the purpose of illustration, the number of ordinary shares for the respective financial years represents the expected number of ordinary shares upon the completion of the Listing of the Group.

	← Audited →			
	FYE 2019 RM'000	FYE 2020 RM'000	FYE 2021 RM'000	FYE 2022 RM'000
Profit attributable to Owners of the Company (RM'000)	<u>1,168</u>	<u>1,901</u>	<u>4,602</u>	<u>9,559</u>
Expected number of ordinary shares upon completion of the Listing (Unit'000) *	<u>996,300</u>	<u>996,300</u>	<u>996,300</u>	<u>996,300</u>
Basic EPS (sen)	<u>0.12</u>	<u>0.19</u>	<u>0.46</u>	<u>0.96</u>

* *Based on the assumption of the proposed existing issued and enlarged share capital upon completion of listing and private placement*

The basic and diluted EPS are equal as the Group has no potential dilutive ordinary shares at the end of each financial year.

12. ACCOUNTANTS' REPORT (Cont'd)

8. PLANT AND EQUIPMENT

	Camera RM'000	Computer and software RM'000	Furniture and fittings RM'000	Medical equipment RM'000	Office equipment RM'000	Renovation RM'000	Soundtech system RM'000	Total RM'000
31 December 2019								
Cost								
At 1 January 2019	3	41	42	199	64	324	2	675
Additions	5	27	91	89	60	257	-	529
Written off	-	(5)	-	-	(3)	-	-	(8)
At 31 December 2019	8	63	133	288	121	581	2	1,196
Accumulated depreciation								
At 1 January 2019	-	11	6	41	10	58	1	127
Charge for the financial year	1	13	13	29	12	60	-	128
Written off	-	(1)	-	-	(1)	-	-	(2)
At 31 December 2019	1	23	19	70	21	118	1	253
Net carrying amount								
At 31 December 2019	7	40	114	218	100	463	1	943

12. ACCOUNTANTS' REPORT (Cont'd)

8. PLANT AND EQUIPMENT (cont'd)		Camera RM'000	Computer and software RM'000	Furniture and fittings RM'000	Medical equipment RM'000	Office equipment RM'000	Renovation RM'000	Signboard RM'000	Soundtech system RM'000	Total RM'000
31 December 2020										
Cost										
At 1 January 2020	8	63	133	288	121	581	-	2	2	1,196
Additions	-	11	19	25	70	400	2	-	-	527
Written off	-	-	-	-	(8)	-	-	-	-	(8)
At 31 December 2020	8	74	152	313	183	981	2	2	2	1,715
Accumulated depreciation										
At 1 January 2020	1	23	19	70	21	118	-	-	1	253
Charge for the financial year	1	14	16	31	18	96	-	-	-	176
Written off	-	-	-	-	(2)	-	-	-	-	(2)
At 31 December 2020	2	37	35	101	37	214	-	-	1	427
Net carrying amount										
At 31 December 2020	6	37	117	212	146	767	2	2	1	1,288

12. ACCOUNTANTS' REPORT (Cont'd)

8. PLANT AND EQUIPMENT (cont'd)		Camera RM'000	Computer and software RM'000	Furniture and fittings RM'000	Medical equipment RM'000	Office equipment RM'000	Renovation RM'000	Signboard RM'000	Soundtech system RM'000	Total RM'000
31 December 2021										
Cost										
At 1 January 2021		8	74	152	313	183	981	2	2	1,715
Additions		3	102	44	1,256	82	1,524	-	-	3,011
Written off		-	(4)	-	-	-	(2)	-	-	(6)
At 31 December 2021		11	172	196	1,569	265	2,503	2	2	4,720
Accumulated depreciation										
At 1 January 2021		2	37	35	101	37	214	-	1	427
Charge for the financial year		1	21	17	37	20	158	-	-	254
Written off		-	(3)	-	-	-	*	-	-	(3)
At 31 December 2021		3	55	52	138	57	372	-	1	678
Net carrying amount										
At 31 December 2021		8	117	144	1,431	208	2,131	2	1	4,042

* Represents RM428 being disposal of renovation.

12. ACCOUNTANTS' REPORT (Cont'd)

8. PLANT AND EQUIPMENT (cont'd)		Camera RM'000	Computer and software RM'000	Furniture and fittings RM'000	Medical equipment RM'000	Motor vehicle RM'000	Office equipment RM'000	Renovation RM'000	Signboard RM'000	Soundtech system RM'000	Total RM'000
31 December 2022											
Cost											
At 1 January 2022	11	172	196	1,569	-	265	2,503	2	2	4,720	
Additions	1	239	294	1,860	-	211	4,298	133	-	7,036	
Disposals	-	-	(2)	-	-	-	-	-	-	(2)	
Written off	-	-	-	*	-	*	(36)	-	-	(36)	
Transfer from right-of-use assets (Note 9)	-	-	-	1,314	338	-	-	-	-	-	1,652
At 31 December 2022	12	411	488	4,743	338	476	6,765	135	2	13,370	
Accumulated depreciation											
At 1 January 2022	3	55	52	138	-	57	372	-	-	1	678
Charge for the financial year	1	46	31	359	-	40	463	7	7	1	948
Disposals	-	-	^	-	-	-	-	-	-	-	-
Written off	-	-	-	@	-	@	(3)	-	-	-	(3)
Transfer from right-of-use assets (Note 9)	-	-	-	532	174	-	-	-	-	-	706
At 31 December 2022	4	101	83	1,029	174	97	832	7	7	2	2,329
Net carrying amount											
At 31 December 2022	8	310	405	3,714	164	379	5,933	128	-	-	11,041

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12. ACCOUNTANTS' REPORT (Cont'd)

8. PLANT AND EQUIPMENT (cont'd)

* Represents RM262 and RM243 being written off of medical equipment and office equipment respectively.

^ Represents RM30 being disposal of furniture and fittings.

@ Represents RM28 and RM40 being written off of medical equipment and office equipment respectively.

9. RIGHT-OF-USE ASSETS

	Leases of office and service outlets RM'000	Medical equipment RM'000	Motor vehicle RM'000	Total RM'000
31 December 2019				
At cost				
At 1 January 2019	1,258	1,192	744	3,194
Additions	2,848	1,970	-	4,818
At 31 December 2019	4,106	3,162	744	8,012
Accumulated depreciation				
At 1 January 2019	225	166	137	528
Charge for the financial year	459	316	53	828
At 31 December 2019	684	482	190	1,356
Net carrying amount				
At 31 December 2019	3,422	2,680	554	6,656
31 December 2020				
At cost				
At 1 January 2020	4,106	3,162	744	8,012
Additions	1,446	701	211	2,358
At 31 December 2020	5,552	3,863	955	10,370
Accumulated depreciation				
At 1 January 2020	684	482	190	1,356
Charge for the financial year	925	386	96	1,407
At 31 December 2020	1,609	868	286	2,763
Net carrying amount				
At 31 December 2020	3,943	2,995	669	7,607

12. ACCOUNTANTS' REPORT (Cont'd)

9. RIGHT-OF-USE ASSETS (cont'd)

	Leases of office and service outlets RM'000	Medical equipment RM'000	Motor vehicle RM'000	Total RM'000
31 December 2021				
At cost				
At 1 January 2021	5,552	3,863	955	10,370
Additions	6,782	1,853	-	8,635
At 31 December 2021	12,334	5,716	955	19,005
Accumulated depreciation				
At 1 January 2021	1,609	868	286	2,763
Charge for the financial year	1,398	454	78	1,930
At 31 December 2021	3,007	1,322	364	4,693
Net carrying amount				
At 31 December 2021	9,327	4,394	591	14,312
31 December 2022				
At cost				
At 1 January 2022	12,334	5,716	955	19,005
Additions	8,880	2,538	789	12,207
Remeasurement on lease termination	(990)	-	-	(990)
Transfer to plant and equipment (Note 8)	-	(1,314)	(338)	(1,652)
At 31 December 2022	20,224	6,940	1,406	28,570
Accumulated depreciation				
At 1 January 2022	3,007	1,322	364	4,693
Charge for the financial year	2,991	528	61	3,580
Remeasurement on lease termination	(917)	-	-	(917)
Transfer to plant and equipment (Note 8)	-	(532)	(174)	(706)
At 31 December 2022	5,081	1,318	251	6,650
Net carrying amount				
At 31 December 2022	15,143	5,622	1,155	21,920

12. ACCOUNTANTS' REPORT (Cont'd)

9. RIGHT-OF-USE ASSETS (cont'd)

The expenses charged to profit or loss during the financial years are as follows:

	← Audited →			
	FYE 2019	FYE 2020	FYE 2021	FYE 2022
	RM'000	RM'000	RM'000	RM'000
Expenses relating to short-term lease	91	69	24	59
Depreciation of right-of-use assets	828	1,407	1,930	3,580
Interest expense on lease liabilities	226	357	409	738

The Group has leases of office and service outlets that run from 2 to 10 years. Certain leases of office and service outlets contain extension option exercisable by the Group ranging from 1 to 3 years before the end of non-cancellable contract period. Management exercises significant judgement in determining whether these extension options are reasonably certain to be exercised. Management has considered the relevant facts and circumstances that create an economic incentive for the Group to either exercise the option to extend the lease, or to exercise the option to terminate the lease.

10. INVESTMENT PROPERTY

	← Audited →			
	← As at 31 December →			
	2019 RM'000	2020 RM'000	2021 RM'000	2022 RM'000
Freehold building				
At cost				
At 1 January	781	791	791	791
Additions	10	-	-	-
Disposals	-	-	-	(791)
At 31 December	791	791	791	-
Accumulated depreciation				
At 1 January	1	17	33	49
Charge for the financial year	16	16	16	12
Disposals	-	-	-	(61)
At 31 December	17	33	49	-
Net carrying amount				
At 31 December	774	758	742	-

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

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

12. ACCOUNTANTS' REPORT (Cont'd)

10. INVESTMENT PROPERTY (cont'd)

(a) The fair value of the investment property is as below:

	← Audited →			
	← As at 31 December →			
	2019 RM'000	2020 RM'000	2021 RM'000	2022 RM'000
At fair value:				
Freehold building	940	940	940	-

The fair value is determined by the Directors on market values for similar properties in the same vicinity. The fair value of the investment property is within level 3 of the fair value hierarchy.

(b) The entire net carrying amount of RM Nil (2021: RM742,000, 2020: RM758,000, 2019: RM774,000) of freehold building of the Group has been pledged as security to secure term loan of the Group as disclosed in Note 19.

(c) Income and expense derived from the above investment property as below:

	← Audited →			
	FYE 2019 RM'000	FYE 2020 RM'000	FYE 2021 RM'000	FYE 2022 RM'000
	Rental income	13	38	33
Expenses:				
- Quit rent	-	*	*	*
- Assessment	-	1	^	1
- Insurance	1	2	#	-
- Maintenance charges and sinking funds	2	5	5	4

* Represents RM262 (2021: RM262; 2020: RM262; 2019: RM Nil) being quit rent expenses.

^ Represents RM396 being assessment expenses.

Represents RM159 being insurance expenses.

11. DEFERRED TAX ASSETS/(LIABILITIES)

	← Audited →			
	← As at 31 December →			
	2019 RM'000	2020 RM'000	2021 RM'000	2022 RM'000
At 1 January	(17)	202	201	361
Recognised in profit or loss (Note 6)	219	(1)	160	(147)
At 31 December	202	201	361	214

12. ACCOUNTANTS' REPORT (Cont'd)

11. DEFERRED TAX ASSETS/(LIABILITIES) (cont'd)

The recognised deferred tax assets/(liabilities) before offsetting are as follows:

	Plant and equipment, right-of-use assets and lease liabilities RM'000	Contract costs RM'000	Contract liabilities RM'000	Unabsorbed capital allowance RM'000	Unutilised tax losses RM'000	Total RM'000
Deferred tax assets/(liabilities)						
At 1 January 2019	(17)	-	-	-	-	(17)
Recognised in profit or loss (Note 6)	(90)	(25)	334	-	-	219
At 31 December 2019	(107)	(25)	334	-	-	202
Recognised in profit or loss (Note 6)	-	6	(7)	-	-	(1)
At 31 December 2020	(107)	(19)	327	-	-	201
Recognised in profit or loss (Note 6)	(283)	(34)	383	72	22	160
At 31 December 2021	(390)	(53)	710	72	22	361
Recognised in profit or loss (Note 6)	(196)	(5)	(2)	(66)	122	(147)
At 31 December 2022	(586)	(58)	708	6	144	214

12. ACCOUNTANTS' REPORT (Cont'd)

12. INVENTORIES

	← Audited →			
	← As at 31 December →			
	2019	2020	2021	2022
	RM'000	RM'000	RM'000	RM'000
At cost:				
Consumables - aesthetic services	492	458	583	1,284
General medicines	86	162	168	316
Products for sale	146	102	92	229
Packaging materials	-	-	36	23
	724	722	879	1,852

The Group has recognised inventories as cost of sales amounted to RM4,801,000 (2021: RM2,941,000; 2020: RM1,446,000; 2019: RM1,707,000).

13. TRADE RECEIVABLES

		← Audited →			
		← As at 31 December →			
	Note	2019	2020	2021	2022
		RM'000	RM'000	RM'000	RM'000
Third parties	(i)	94	56	-	-
Collection in transit	(ii)	101	126	281	410
		195	182	281	410

(i) The Group's sales are normally conducted on cash term.

(ii) Collection in transit represent credit card sales in transit from financial institutions.

14. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

		← Audited →			
		← As at 31 December →			
	Note	2019	2020	2021	2022
		RM'000	RM'000	RM'000	RM'000
Other receivables		39	-	8	11
Deposits	(i)	489	521	868	1,564
Prepayments		218	146	760	3,207
Contract costs	(ii)	103	77	220	240
		849	744	1,856	5,022

12. ACCOUNTANTS' REPORT (Cont'd)**14. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS (cont'd)**

- (i) A total balance of RM1,324,000 (2021: RM698,000; 2020: RM423,000; 2019: RM275,000) relates to rental deposits paid for the leases of office and service outlets.
- (ii) Represent costs to obtain contracts comprise incremental commission fees paid as a result of obtaining sales contracts which are expected to be recovered through revenue recognition by reference to progress towards complete satisfaction of performance obligation with contract customers. These costs are subsequently expensed off as "cost of sales" by reference to the performance to date, consistent with revenue recognition pattern. During the financial year, the capitalised commission fees being recognised as cost of sales to profit or loss was RM4,142,000 (2021: RM1,890,000; 2020: RM840,000; 2019: RM891,000).

15. AMOUNTS DUE FROM/(TO) A RELATED COMPANY

		← Audited →			
		← As at 31 December →			
	Note	2019 RM'000	2020 RM'000	2021 RM'000	2022 RM'000
Amounts due from/(to)					
Trade	(i)	1,004	915	-	-
Non-trade	(ii)	(59)	-	-	-
		<u>945</u>	<u>915</u>	<u>-</u>	<u>-</u>

- (i) Credit terms granted by the Group ranging from Nil days (2021: Nil; 2020: 0 to 30 days; 2019: 0 to 30 days).
- (ii) These amounts are non-trade in nature, unsecured, interest-free advances which are repayable on demand.

The related company ceased to be a related company with effect from 31 May 2022.

16. FIXED DEPOSITS WITH LICENSED BANKS

The fixed deposits with licensed banks bore interest rates ranging from 2.10% to 3.25% (2021: 2.10%; 2020: 2.10% to 2.15%; 2019: Nil) per annum and have maturity periods of 3 months (2021: 3 months; 2020: 1 to 3 months; 2019: Nil).

17. TOTAL EQUITY

For the purpose of the combined financial statements, the invested equity and retained earnings at the end of the respective financial years are the aggregate of the share capital and the retained earnings of the combining entities. Capital contribution from the existing holding company of the combining entities, i.e. Ten Doctors and DC Lasers, classified under equity represents amount that is not expected to be repaid in the foreseeable future and effectively represents additional investment into the Group by the holding company.

The invested equity, capital contribution from holding company and retained earnings constitute the share capital, capital contribution from holding company and retained earnings of DC Healthcare, Klinik Dr Chong, Ten Doctors, DC Lasers, DCL Mid Valley and DCL Puchong held by the common control shareholders.

On 6 March 2020, Ten Doctors was incorporated with issued and fully paid-up share capital consisting of 100 ordinary shares of RM1 per share as subscribers' shares.

12. ACCOUNTANTS' REPORT (Cont'd)

17. TOTAL EQUITY (cont'd)

On 8 January 2021, DC Lasers was incorporated with issued and fully paid-up share capital consisting of 100 ordinary shares of RM1 per share as subscribers' shares.

On 10 November 2021, DCL Mid Valley was incorporated by Klinik Dr Chong with issued and fully paid-up share capital consisting of 10 ordinary shares of RM1 per share as subscribers' shares.

On 10 November 2021, DCL Puchong was incorporated with issued and fully paid-up share capital consisting of 10 ordinary shares of RM1 per share as subscribers' shares.

On 17 December 2021, DC Lasers has increased its issued ordinary shares from RM100 to RM100,100 by issuance of 100,000 ordinary shares at an issue price of RM1 each for working capital purposes.

On 14 January 2022, Klinik Dr Chong acquired 10 ordinary shares of DCL Puchong, representing 100% equity interest for a consideration of RM10. Consequent thereon, DCL Puchong becomes a wholly-owned subsidiary of Klinik Dr Chong.

On 18 April 2022, DC Healthcare had been incorporated with issued and paid-up ordinary share capital of RM1,000 comprising 1,000 ordinary shares at an issue price of RM1.00 each.

On 25 May 2022, Klinik Dr Chong subscribed for additional 700,000 ordinary shares of DCL Puchong, representing 100% of the additional paid-up share capital of DCL Puchong for a consideration of RM700,000. Consequent thereon, DCL Puchong remains as a wholly-owned subsidiary of Klinik Dr Chong.

On 25 May 2022, Klinik Dr Chong subscribed for additional 800,000 ordinary shares of DCL Mid Valley, representing 100% of the additional paid-up share capital of DCL Mid Valley for a consideration of RM800,000. Consequent thereon, DCL Mid Valley remains as a wholly-owned subsidiary of Klinik Dr Chong.

On 25 May 2022, Klinik Dr Chong has increased its issued ordinary shares from RM200,010 to RM200,100 by issuance of 90 ordinary shares at an issue price of RM1 each for working capital purposes.

On 25 May 2022, Ten Doctors has increased its issued ordinary shares from RM100 to RM300,100 by issuance of 210,000 ordinary shares at an issue price of RM1 each via capitalisation of capital contribution from existing holding company of the combining entities and 90,000 ordinary shares at an issue price of RM1 each for working capital purposes.

On 25 May 2022, DC Lasers has increased its issued ordinary shares from RM100,100 to RM300,100 by issuance of 200,000 ordinary shares at an issue price of RM1 each via capitalisation of capital contribution from existing holding company of the combining entities.

12. ACCOUNTANTS' REPORT (Cont'd)**18. LEASE LIABILITIES**

	← Audited →			
	← As at 31 December →			
	2019	2020	2021	2022
	RM'000	RM'000	RM'000	RM'000
Minimum lease payments:				
- not later than 1 year	1,704	2,203	3,962	5,987
- later than 1 year but not later than 2 years	1,570	1,825	3,338	5,404
- later than 2 years but not later than 5 years	2,696	3,326	6,646	11,556
- More than 5 years	1,109	832	1,116	871
	<u>7,079</u>	<u>8,186</u>	<u>15,062</u>	<u>23,818</u>
Less: Unexpired finance charges	(830)	(915)	(1,507)	(2,521)
	<u>6,249</u>	<u>7,271</u>	<u>13,555</u>	<u>21,297</u>
Present value of lease liabilities:				
- not later than 1 year	1,435	1,867	3,397	5,050
- later than 1 year but not later than 2 years	1,367	1,591	2,932	4,715
- later than 2 years but not later than 5 years	2,412	3,031	6,148	10,738
- More than 5 years	1,035	782	1,078	794
	<u>6,249</u>	<u>7,271</u>	<u>13,555</u>	<u>21,297</u>
Represented by:				
Current liabilities	1,435	1,867	3,397	5,050
Non-current liabilities	4,814	5,404	10,158	16,247
	<u>6,249</u>	<u>7,271</u>	<u>13,555</u>	<u>21,297</u>

The lease liabilities bear effective interest rates ranging from 4.12% to 7.12% (2021: 4.12% to 7.12%; 2020: 4.12% to 7.12%; 2019: 4.12% to 7.12%) per annum.

19. BORROWINGS

	← Audited →			
	← As at 31 December →			
	2019	2020	2021	2022
	RM'000	RM'000	RM'000	RM'000
Term loans (secured)				
Current liabilities	23	265	618	626
Non-current liabilities	663	2,153	3,346	2,082
	<u>686</u>	<u>2,418</u>	<u>3,964</u>	<u>2,708</u>

12. ACCOUNTANTS' REPORT (Cont'd)

19. BORROWINGS (cont'd)

	← Audited →			
	← As at 31 December →			
	2019	2020	2021	2022
	RM'000	RM'000	RM'000	RM'000
Maturity profile of borrowings				
- not later than 1 year	23	265	618	626
- later than 1 year but not later than 2 years	26	293	654	664
- later than 2 years but not later than 5 years	86	1,006	2,107	1,418
- More than 5 years	551	854	585	-
	686	2,418	3,964	2,708

The interest rates per annum are ranging from 3.12% to 9.90% (2021: 3.12% to 8.90%; 2020: 3.12% to 9.15%; 2019: 4.37% to 4.62%).

The term loans of the Group are secured by the following:

- (i) Legal charge over the Group's investment property as disclosed in Note 10. The said legal charge was discharged on 12 September 2022 upon disposal of the investment property;
- (ii) Letter of Guarantee from Credit Guarantee Corporation Malaysia Berhad under Portfolio Guarantee for RM910,000;
- (iii) The Syarikat Jaminan Pembiayaan Perniagaan Berhad's guarantee under the Working Capital Guarantee Scheme of up to RM1,260,000 or 70% of the facilities under the guarantee scheme, whichever is lower;
- (iv) Corporate guarantee by existing holding company of the combining entities; and
- (v) Joint and Several Guarantee by Directors of the Group.

20. TRADE PAYABLES

The normal trade credit terms granted to the Group ranging from 30 to 90 days (2021: 30 to 90 days; 2020: 30 to 90 days; 2019: 30 to 90 days).

21. OTHER PAYABLES AND ACCRUALS

	← Audited →			
	← As at 31 December →			
	2019	2020	2021	2022
	RM'000	RM'000	RM'000	RM'000
Other payables	48	131	130	913
Accruals	308	472	904	1,337
Deposits received	10	11	11	-
	366	614	1,045	2,250

12. ACCOUNTANTS' REPORT (Cont'd)

22. CONTRACT LIABILITIES

	← Audited →			
	← As at 31 December →			
	2019	2020	2021	2022
	RM'000	RM'000	RM'000	RM'000
Aesthetic services	1,391	1,358	2,955	2,948

Contract liabilities mainly relates to advance consideration received from customers at inception of contracts, for services which have not been rendered as at the reporting date.

Movement of contract liabilities is as follows:

	← Audited →			
	← As at 31 December →			
	2019	2020	2021	2022
	RM'000	RM'000	RM'000	RM'000
At 1 January	-	1,391	1,358	2,955
Collection during the financial year	12,173	12,249	22,396	45,045
Revenue recognised during the financial year (Note 4)	(10,782)	(12,282)	(20,799)	(45,052)
At 31 December	1,391	1,358	2,955	2,948

The remaining unsatisfied performance obligation are expected to be recognised as revenue within the next 12 months.

23. AMOUNT DUE TO HOLDING COMPANY OF THE COMBINING ENTITIES

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

24. AMOUNTS DUE TO A DIRECTOR

	← Audited →			
	← As at 31 December →			
	2019	2020	2021	2022
	RM'000	RM'000	RM'000	RM'000
At 1 January	21	-	92	227
Advances received from Director	-	53	311	139
Repayment of advances received from Director	-	-	(240)	(109)
Payment on behalf by Director	466	39	156	27
Payment on behalf of Director	-	-	-	(23)
Repayment to	(487)	-	(92)	(261)
At 31 December	-	92	227	-

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

12. ACCOUNTANTS' REPORT (Cont'd)

25. DIVIDENDS

	Paid on	Audited			
		2019 RM'000	As at 31 December 2020 RM'000	2021 RM'000	2022 RM'000
Recognised for the financial year					
First interim single tier dividend for the financial year ended					
31 December 2019 of approximately RM2.50 per ordinary share	11 December 2019	500	-	-	-
First interim single tier dividend for the financial year ended					
31 December 2020 of RM5.00 per ordinary share	25 December 2020	-	1,000	-	-
First interim single tier dividend for the financial year ended					
31 December 2021 of approximately RM5.00 per ordinary share	18 October 2021	-	-	1,000	-
Second interim single tier dividend for the financial year ended					
31 December 2021 of approximately RM7.50 per ordinary share	25 November 2021	-	-	1,500	-
First interim single tier dividend for the financial year ended					
31 December 2022 of approximately RM15.00 per ordinary share	31 May 2022	-	-	-	3,000
		500	1,000	2,500	3,000

12. ACCOUNTANTS' REPORT (Cont'd)**26. OPERATING SEGMENT**

The Group operates predominantly in one business segment in Malaysia. Accordingly, the information by business and geographical segments is not presented.

There is no single customer that contributed 10% or more to the Group's revenue.

27. RELATED PARTY DISCLOSURESIdentity of related parties

For the purpose of these financial statements, parties are considered to be related to the Group if the Group has the ability to directly control the party or exercise significant influence over the party in making financial and operating decision, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

The Group has related party relationships with its related companies and key management personnel. Related company refers to a company in which certain Directors of the Group have substantial financial interests and/or are also Directors of the Company prior to FYE 2021. The related party balances are shown in Notes 15, 23 and 24.

Related party transactions

Other than disclosed elsewhere in the financial statements, the significant related party transactions between the Group and its related parties during the financial years are as follows:

	← Audited →			
	FYE 2019 RM'000	FYE 2020 RM'000	FYE 2021 RM'000	FYE 2022 RM'000
Transaction with holding company of the combining entities				
Capital contribution	-	-	1,040	400
Capitalisation of capital contribution into share capital	-	-	-	(410)
Repayment of advances received	-	-	-	(300)
Advances received from	-	-	-	460
Transaction with a related company				
Sales receivable	223	-	-	-
Purchase of plant and equipment	(402)	(30)	-	-
Payment on behalf by related company	(166)	-	-	-
Transaction with a Director				
Advances received from Director	-	53	311	139
Repayment of advances received from Director	-	-	(240)	(109)
Payment on behalf by Director	(466)	(39)	(156)	(27)
Payment on behalf of Director	-	-	-	23

12. ACCOUNTANTS' REPORT (Cont'd)

27. RELATED PARTY DISCLOSURES (cont'd)

Compensation of key management personnel

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel refer to all the Directors of the Group and certain members of senior management of the Group.

The remuneration of the Directors of the Group during the financial year are disclosed in Note 5(a).

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

	← Audited →			
	FYE 2019 RM'000	FYE 2020 RM'000	FYE 2021 RM'000	FYE 2022 RM'000
Key management personnel				
- Salaries, bonuses and allowances	-	290	448	881
- Defined contribution plan	-	34	51	92
- Social security contributions	-	1	1	2
	-	325	500	975

28. FINANCIAL INSTRUMENTS

Categories of financial instruments

The Group's financial assets and financial liabilities are all categorised as amortised costs respectively.

Financial risk management objectives and policies

The Group's financial risk management policy is to ensure that adequate financial resources are available for the development of the Group's operations whilst managing its financial risks, including credit risk, liquidity risk and interest rate risk. The Group operates within clearly defined guidelines that are approved by the Board and the Group's policy is not to engage in speculative transactions.

The following sections provide details regarding the Group's exposure to the abovementioned financial risks and the objectives, policies and processes for the management of these risks.

(a) Credit risk

Credit risk is the risk of financial loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises principally from its receivables and amount due from a related company. There are no significant changes as compared to prior years.

12. ACCOUNTANTS' REPORT (Cont'd)

28. FINANCIAL INSTRUMENTS (cont'd)**Financial risk management objectives and policies (cont'd)****(a) Credit risk (cont'd)****Trade receivables**Risk management objectives, policies and processes for managing the risk

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit risk is minimised and monitored via strictly limiting the Group's associations to business partners with good credit rating. Credit evaluations are performed on all customers requiring credit over a certain amount.

At each reporting date, the Group assesses whether any of the trade receivables are credit impaired.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting year, the maximum exposure to credit risk arising from receivables and financial assets is represented by the carrying amount in the combined statements of financial position.

Cash in transit from banks and financial institutions have low credit risks. Hence, a loss allowance is not necessary.

None of the trade receivables are secured by any collateral or supported by any other credit enhancement.

Credit risk concentration profile

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

Recognition and measurement of impairment loss

In managing credit risk of trade receivables, the Group manages its debtors and takes appropriate actions (including but not limited to legal actions) to recover long overdue balances and to ensure that receivables that are neither past due nor impaired are stated at their realisable values. Any receivables having significant balances past due more than 180 days, which are deemed to have higher credit risk, are monitored individually.

The Group assesses impairment of trade receivable on individual basis and the Group has reasonable and supportable information available to assess the impairment individually.

Loss rates are based on actual credit loss experienced over the prior years. The Group also considers differences between (a) economic conditions during the period over which the historic data has been collected, (b) current conditions and (c) the Group's view of economic conditions over the expected lives of the receivables. Nevertheless, the Group believes that these factors are immaterial for the purpose of impairment calculation for the year.

12. ACCOUNTANTS' REPORT (Cont'd)**28. FINANCIAL INSTRUMENTS (cont'd)****Financial risk management objectives and policies (cont'd)****(a) Credit risk (cont'd)****Trade receivables (cont'd)**Impairment losses

The following table provides information about the exposure to credit risk for trade receivables as at reporting date which are grouped together as they are expected to have similar risk nature.

	←———— Audited —————→			
	←———— As at 31 December —————→			
	2019	2020	2021	2022
	RM'000	RM'000	RM'000	RM'000
Neither past due nor impaired	101	126	281	410
Past due but not impaired:				
More than 180 days	94	56	-	-
	<u>195</u>	<u>182</u>	<u>281</u>	<u>410</u>

Related company balancesRisk management objectives, policies and processes for managing the risk*Trade*

Related company receivable (trade) represents amounts outstanding arising from sales of goods.

In arriving at impairment loss, the management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all related company balances requiring credit over a certain amount.

Generally, the Group considers receivables from a related company to have low credit risk. The Group assumes that there is a significant increase in credit risk when the related company's financial position deteriorates significantly. As the Group is able to influence the timing of payments of the related company's balances, the Group considers the outstanding amounts to be in default when the related company is not able to pay when demanded.

The management was of the view that there is no indication of impairment loss in respect of amount due from a related company as at the reporting date.

12. ACCOUNTANTS' REPORT (Cont'd)

28. FINANCIAL INSTRUMENTS (cont'd)**Financial risk management objectives and policies (cont'd)****(a) Credit risk (cont'd)****Other receivables and deposits**

Expected credit loss of other receivables is determined individually after considering the financial strength of the other receivables. As at the end of the reporting year, the maximum exposure to credit risks is represented by their carrying amounts in the combined statements of financial position.

Credit risk on deposits is mainly arising from deposits paid to its landlord as security and utilities deposit for rental of premises which will be received upon termination of such services and thus have low credit risks.

As at the end of the reporting year, no allowance for doubtful debts is necessary in respect of other receivables and deposits that are neither past due nor impaired as these are mainly arising from debtors that have good records of payment in the past.

Cash and cash equivalents

The cash and cash equivalents are held with banks and financial institutions. As at the reporting year, the maximum exposure to credit risk is represented by their carrying amounts in the combined statements of financial position. These banks and financial institutions have low credit risks. Hence, a loss allowance is not necessary.

(b) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulties in meeting financial obligations due to shortage of funds. The Group's exposure to liquidity risk arises primarily from mismatch of financial assets and liabilities.

The Group's liquidity risk management policy is to manage their debt maturity profile, operating cash flows and the availability of funding so as to ensure that refinancing, repayment and funding needs are met. In addition, the Group maintains sufficient levels of cash and available banking facilities at a reasonable level to its overall debt position to meet their working capital requirement.

The Group practices prudent risk management by maintaining sufficient cash balances.

12. ACCOUNTANTS' REPORT (Cont'd)

28. FINANCIAL INSTRUMENTS (cont'd)

Financial risk management objectives and policies (cont'd)

(b) Liquidity risk (cont'd)

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's financial liabilities at the reporting date based on contractual undiscounted repayment obligations.

	Carrying amount RM'000	Contractual cash flows RM'000	Contractual Cash Flows				
			On demand or within 1 year RM'000	1 to 2 years RM'000	3 to 5 years RM'000	More than 5 years RM'000	
31 December 2019							
Trade payables	303	303	303	-	-	-	-
Other payables	366	366	366	-	-	-	-
Amounts due to related companies	59	59	59	-	-	-	-
Lease liabilities	6,249	7,079	1,704	1,570	2,696	1,109	1,109
Borrowings	686	922	47	47	142	686	686
	7,663	8,729	2,479	1,617	2,838	1,795	1,795
31 December 2020							
Trade payables	266	266	266	-	-	-	-
Other payables	614	614	614	-	-	-	-
Amounts due to a Director	92	92	92	-	-	-	-
Lease liabilities	7,271	8,186	2,203	1,825	3,326	832	832
Borrowings	2,418	3,070	405	415	1,244	1,006	1,006
	10,661	12,228	3,580	2,240	4,570	1,838	1,838

12. ACCOUNTANTS' REPORT (Cont'd)

28. FINANCIAL INSTRUMENTS (cont'd)

Financial risk management objectives and policies (cont'd)

(b) Liquidity risk (cont'd)

Analysis of financial instruments by remaining contractual maturities (cont'd)

The table below summarises the maturity profile of the Group's financial liabilities at the reporting date based on contractual undiscounted repayment obligations. (cont'd)

	Carrying amount RM'000	Contractual cash flows RM'000	Contractual Cash Flows				
			On demand or within 1 year RM'000	1 to 2 years RM'000	3 to 5 years RM'000	More than 5 years RM'000	
31 December 2021							
Trade payables	1,648	1,648	1,648	-	-	-	-
Other payables	1,045	1,045	1,045	-	-	-	-
Amounts due to a Director	227	227	227	-	-	-	-
Lease liabilities	13,555	15,062	3,962	3,338	6,646	1,116	-
Borrowings	3,964	4,716	822	822	2,367	705	-
	20,439	22,698	7,704	4,160	9,013	1,821	-
31 December 2022							
Trade payables	1,951	1,951	1,951	-	-	-	-
Other payables	2,250	2,250	2,250	-	-	-	-
Amount due to holding company of the combining entities	160	160	160	-	-	-	-
Lease liabilities	21,297	23,818	5,987	5,404	11,556	871	-
Borrowings	2,708	3,066	775	775	1,516	-	-
	28,366	31,245	11,123	6,179	13,072	871	-

12. ACCOUNTANTS' REPORT (Cont'd)

28. FINANCIAL INSTRUMENTS (cont'd)

Financial risk management objectives and policies (cont'd)

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk arises mainly from interest-bearing financial assets and financial liabilities.

The interest rate profile of the Group's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting year was:

	←———— Audited —————→			
	←———— As at 31 December —————→			
	2019	2020	2021	2022
	RM'000	RM'000	RM'000	RM'000
Floating rate instruments:				
Financial asset				
- Fixed deposits with licensed banks	-	1,511	1,537	1,570
Financial liability				
- Term loans	<u>(686)</u>	<u>(2,418)</u>	<u>(3,964)</u>	<u>(2,708)</u>
	<u>(686)</u>	<u>(907)</u>	<u>(2,427)</u>	<u>(1,138)</u>

The Group is exposed to interest rate risk through the impact of rate changes in fixed deposits with licensed banks and floating rate term loans. The interest rates of fixed deposits with licensed banks and term loans are disclosed in Notes 16 and 19 respectively. The changes of 10 basis points in interest rates would not have material impact on the profit or loss of the Group.

29. FAIR VALUE INFORMATION

Financial instrument at fair value

As the financial assets and liabilities of the Group are not carried at fair value by any valuation method, the fair value hierarchy analysis is not presented.

There were no material transfer between Level 1, Level 2, and Level 3 during the reporting years.

12. ACCOUNTANTS' REPORT (Cont'd)

29. FAIR VALUE INFORMATION (cont'd)

Financial instrument other than those carried at fair value

Financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair values

The carrying amounts of receivables, payables and cash and cash equivalents approximate their fair values due to relatively short term nature of these financial instruments and the insignificant impact of discounting.

30. CAPITAL MANAGEMENT

The Group manages its capital to ensure that the Group will be able to maintain an optimal capital structure so as to support its business and maximise shareholder value. To achieve this objective, the Group may make adjustments to the capital structure in view of changes in economic conditions, such as adjusting the amount of dividend payment, returning of capital to shareholders or issuing new shares.

The Group monitors capital using debt-to-equity ratio which is the total debts divided by total equity. Debt includes borrowings and lease liabilities, whilst total capital is equity attributable to Owners of the Group. The gearing ratio is not governed by the MFRS and its definition and calculation may vary from others.

The debt-to-equity ratios at end of the reporting years are as follows:

	←———— Audited —————→			
	←———— As at 31 December —————→			
	2019 RM'000	2020 RM'000	2021 RM'000	2022 RM'000
Borrowings (Note 19)	686	2,418	3,964	2,708
Lease liabilities (Note 18)	6,249	7,271	13,555	21,297
	<u>6,935</u>	<u>9,689</u>	<u>17,519</u>	<u>24,005</u>
Total equity attributable to the Owners of the Group	<u>3,854</u>	<u>4,755</u>	<u>7,997</u>	<u>15,047</u>
Debt-to-equity ratio (times)	<u>1.80</u>	<u>2.04</u>	<u>2.19</u>	<u>1.60</u>

There were no changes in the Group's approach to capital management during the reporting years.

The Group is not subject to any externally imposed capital requirements.

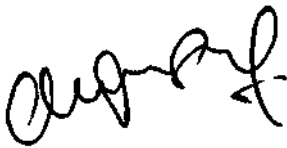
12. ACCOUNTANTS' REPORT (Cont'd)

DC HEALTHCARE HOLDINGS BERHAD
(Incorporated in Malaysia)

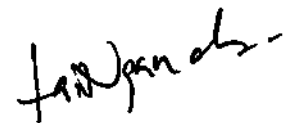
STATEMENT BY DIRECTORS

We, the undersigned, being two of the Directors of the Company, do hereby state that, in the opinion of the Directors, the combined financial statements as set out on pages 4 to 67 are drawn up in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards, so as to give a true and fair view of the combined financial position as at 31 December 2019, 31 December 2020, 31 December 2021 and 31 December 2022 and of their combined financial performance and combined cash flows for the financial years then ended.

Approved and signed on behalf of the Board in accordance with a resolution of the Directors dated 31 May 2023.



DR. CHONG TZE SHENG



DR. LAI NGAN CHEE

13. REPORTING ACCOUNTANTS' REPORT ON THE COMPILATION OF PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION



Moore Stephens Associates PLT
(201304000972 (LLP000963-LCA))

Chartered Accountants (AF002086)
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31 May 2023

The Board of Directors
DC Healthcare Holdings Berhad
Suite 22.01, 22.02 & 22.05,
Level 22, Centrepoin South,
Mid Valley City, Lingkaran Syed Putra,
59200 Kuala Lumpur,
Wilayah Persekutuan Kuala Lumpur.

Dear Sir,

DC HEALTHCARE HOLDINGS BERHAD ("DC HEALTHCARE" OR "COMPANY") AND ITS PROPOSED SUBSIDIARIES

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE COMPILATION OF PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2022 INCLUDED IN A PROSPECTUS

We have completed our assurance engagement to report on the compilation of the pro forma consolidated statements of financial position of DC Healthcare and its proposed subsidiaries as at 31 December 2022 ("Group") by the Directors. The pro forma consolidated statements of financial position as at 31 December 2022 together with the accompanying notes thereon, for which we have stamped for the purpose of identification only, have been prepared for inclusion in the prospectus ("the Prospectus") in connection with the admission to the Official List of Bursa Malaysia Securities Berhad and the listing of and quotation for the entire enlarged issued share capital of DC Healthcare on ACE Market of Bursa Malaysia Securities Berhad.

The applicable criteria on the basis of which the Board of Directors have compiled the pro forma consolidated statements of financial position are described in notes of the pro forma consolidated statements of financial position and are prepared in accordance with the Prospectus Guidelines issued by the Securities Commission Malaysia ("Prospectus Guidelines").

The pro forma consolidated statements of financial position has been compiled by the Board of Directors to illustrate the impact of the transactions as set out in the notes thereon to the pro forma consolidated statements of financial position as at 31 December 2022 had the transactions been effected as at 31 December 2022. As part of this process, information about the Group's consolidated financial position has been extracted by the Board of Directors from the subsidiaries' statements of financial position as at 31 December 2022, on which an auditors' report has been issued.

Directors' Responsibility for the Pro Forma Consolidated Statements of Financial Position

The Directors of the Company are responsible for compiling the pro forma consolidated statements of financial position on the basis as set out in the notes thereon in accordance with the Prospectus Guidelines.

Reporting Accountants' Independence and Quality Control

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

13. REPORTING ACCOUNTANTS' REPORT ON THE COMPILATION OF PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (Cont'd)



DC HEALTHCARE HOLDINGS BERHAD (“DC HEALTHCARE” OR “COMPANY”) AND ITS PROPOSED SUBSIDIARIES

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE COMPILATION OF PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2022 INCLUDED IN A PROSPECTUS (cont'd)

Reporting Accountants' Independence and Quality Control (cont'd)

Our firm applies the International Standard on Quality Management 1 (ISQM 1), *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, and Other Assurance or Related Services Engagements* adopted by the Malaysian Institute of Accountants and, accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountants' Responsibilities

Our responsibility is to express an opinion, as required by the Prospectus Guidelines, about whether the pro forma consolidated statements of financial position have been compiled, in all material respects, by the Directors on the basis set out in the notes thereon.

We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3420, *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus*, issued by the International Auditing and Assurance Standards Board and adopted by the Malaysian Institute of Accountants. This standard requires that we comply with ethical requirements and plan and perform our procedures to obtain reasonable assurance about whether the Directors have compiled, in all material respects, the pro forma consolidated statements of financial position on the basis set out in the notes thereon in accordance with the requirements of the Prospectus Guidelines.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the pro forma consolidated statements of financial position, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the pro forma consolidated statements of financial position.

The purpose of pro forma consolidated statements of financial position included in the Prospectus is solely to illustrate the impact of a significant event or transaction on unadjusted statements of financial position of the entities as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction as at 31 December 2022, would have been as presented.

A reasonable assurance engagement to report on whether the pro forma consolidated statements of financial position has been compiled, in all material respects, on the basis as set out in the notes thereon involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the pro forma consolidated statements of financial position provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The pro forma consolidated statements of financial position reflects the proper application of those adjustments to the unadjusted statements of financial position.

The procedures selected depend on the reporting accountants' judgment, having regard to the reporting accountants' understanding of the nature of the Group, the event or transaction in respect of which the pro forma consolidated statements of financial position has been compiled, and other relevant engagement circumstances.

13. REPORTING ACCOUNTANTS' REPORT ON THE COMPILATION OF PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (Cont'd)



DC HEALTHCARE HOLDINGS BERHAD ("DC HEALTHCARE" OR "COMPANY") AND ITS PROPOSED SUBSIDIARIES

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE COMPILATION OF PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2022 INCLUDED IN A PROSPECTUS (cont'd)

Reporting Accountants' Responsibilities (cont'd)

The engagement also involves evaluating the overall presentation of the pro forma consolidated statements of financial position.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the pro forma consolidated statements of financial position have been compiled, in all material respects by the Directors on the basis as set out in the notes thereon and in accordance with the requirements of the Prospectus Guidelines.

Other Matters

This report has been prepared solely for the purpose stated above, in connection with the admission to the Official List of Bursa Malaysia Securities Berhad and the listing of and quotation for the entire enlarged issued share capital of DC Healthcare on the ACE Market of Bursa Malaysia Securities Berhad. As such, this report should not be used for any other purpose without our prior written consent. Neither the firm nor any member or employee of the firm undertakes responsibility arising in any way whatsoever to any party in respect of this report contrary to the aforesaid purpose.

A handwritten signature in black ink, appearing to read 'Moore Stephens'.

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

A handwritten signature in black ink, appearing to read 'Tan Kei Hui'.

TAN KEI HUI
03429/04/2025 J
Chartered Accountant

13. REPORTING ACCOUNTANTS' REPORT ON THE COMPILATION OF PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (Cont'd)

DC HEALTHCARE HOLDINGS BERHAD ("DC HEALTHCARE" OR "COMPANY") AND ITS PROPOSED SUBSIDIARIES ("GROUP")

1.0 PRO FORMA GROUP AND BASIS OF PREPARATION

1.1 INTRODUCTION

The pro forma consolidated statements of financial position as at 31 December 2022 together with the notes thereon, for which the Directors of DC Healthcare are solely responsible, has been prepared for illustration purposes only, for inclusion in the Prospectus in connection with the listing of and quotation for the entire enlarged issued share capital of DC Healthcare on the ACE Market of Bursa Malaysia Securities Berhad ("Bursa Securities") ("Listing").

1.2 BASIS OF PREPARATION

The pro forma consolidated statements of financial position of the Group has been prepared on the basis consistent with the format of financial statements of the Group and the accounting policies adopted by the Group, in accordance with the Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards ("IFRSs") and the requirements of the Prospectus Guidelines issued by the Securities Commission Malaysia.

The audit opinion on the financial statements of DC Healthcare and its proposed subsidiaries for financial year ended 31 December 2022 were not subject to any modifications.

The Group is regarded as a continuing entity resulting from the reorganisation exercise as set out in Note 1.3 because the Directors of all the entities within the Group, which took part in the reorganisation exercise, was under the common control before and immediately after the reorganisation exercise. The Group has applied the merger method of accounting on a retrospective basis as if the merger had been effected throughout the current financial year.

The pro forma consolidated statements of financial position, because of its nature, may not reflect the Group's actual financial position. Further, such information does not predict the Group's future financial position.

The pro forma consolidated statements of financial position of the Group comprises the pro forma consolidated statements of financial position as at 31 December 2022, adjusted for the impacts of the Initial Public Offering ("IPO") Reorganisation and Listing Scheme as set out in Note 1.3 and 1.4 respectively to the pro forma consolidated statements of financial position.

13. REPORTING ACCOUNTANTS' REPORT ON THE COMPILATION OF PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (Cont'd)

DC HEALTHCARE HOLDINGS BERHAD ("DC HEALTHCARE" OR "COMPANY") AND ITS PROPOSED SUBSIDIARIES ("GROUP")

PRO FORMA GROUP AND BASIS OF PREPARATION (cont'd)

1.0 PRO FORMA GROUP AND BASIS OF PREPARATION (cont'd)

1.3 IPO REORGANISATION

1.3.1 Acquisitions

As part of the IPO Reorganisation, DC Healthcare had on 11 November 2022 entered into 3 conditional share sale agreements ("SSA") to acquire the entire issued share capital of Klinik Dr Chong Sdn Bhd ("Klinik Dr Chong") (including Klinik Dr Chong's subsidiaries), DC Lasers Sdn Bhd ("DC Lasers") and Ten Doctors Sdn Bhd ("Ten Doctors") respectively, ("Acquisitions") as detailed below:

Company	Consideration	
	Number of shares issued	RM
Klinik Dr Chong	644,750,000	7,737,000
DC Lasers	104,575,000	1,254,900
Ten Doctors	47,714,000	572,568
Total	797,039,000	9,564,468

The total purchase consideration for the Acquisitions were satisfied in full by the allotment and issuance of 797,039,000 ordinary shares in DC Healthcare ("DC Healthcare Shares" or "Shares") at an issue price of RM0.012 per share.

1.3.2 Transfers

On 31 May 2023, Klinik Dr Chong has completed the transfer of its entire equity interest in DC Lasers (Mid Valley) Sdn Bhd ("DCL Mid Valley") and DC Lasers (Puchong) Sdn Bhd ("DCL Puchong") to DC Healthcare upon the completion of the Acquisition of Klinik Dr Chong. Following the Transfers, DCL Mid Valley and DCL Puchong effectively become direct wholly-owned subsidiaries of DC Healthcare.

The effect of IPO Reorganisation has been incorporated into Pro Forma I.

1.4 LISTING SCHEME

In conjunction with, and as an integral part of the Listing, DC Healthcare had proposed to undertake the following transactions:

1.4.1 IPO

(a) Public Issue

Public issue totaling to 199,260,000 new DC Healthcare Shares ("Issue Shares") ("Public Issue"), representing approximately 20.0% of the enlarged share capital are offered at an issue price of RM0.25 per Share. The Issue Shares shall be allocated in the following manner:

13. REPORTING ACCOUNTANTS' REPORT ON THE COMPILATION OF PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (Cont'd)

DC HEALTHCARE HOLDINGS BERHAD ("DC HEALTHCARE" OR "COMPANY") AND ITS PROPOSED SUBSIDIARIES ("GROUP")

PRO FORMA GROUP AND BASIS OF PREPARATION (cont'd)

1.0 PRO FORMA GROUP AND BASIS OF PREPARATION (cont'd)

1.4 LISTING SCHEME (cont'd)

1.4.1 IPO (cont'd)

(a) Public Issue (cont'd)

(i) Malaysian public

49,815,000 Issue Shares, representing approximately 5.0% 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 made available to public investors; and
- (ii) 24,907,500 Issue Shares made available to Bumiputera public investors.

(ii) Eligible Directors and employees

29,889,000 Issue Shares, representing approximately 3.0% of our enlarged share capital, are reserved for our eligible Directors and employees under the Pink Form Allocations.

(iii) Private placement to selected investors

119,556,000 Issue Shares, representing 12.0% of our enlarged share capital are reserved for private placement to selected investors.

(b) Offer for Sale

Selling Shareholders will undertake an offer for sale of 99,630,000 DC Healthcare Shares ("Offer Shares"), representing 10.0% of our enlarged share capital by way of private placement to selected investors to be identified.

(c) Listing

Upon completion of the IPO and before deducting the estimated listing expenses directly attributable to the issuance of new shares of RM1,500,000, DC Healthcare share capital will increase from RM9,565,468 comprising 797,040,000 Shares to RM59,380,468 comprising 996,300,000 Shares.

Upon completion of the IPO, the Company shall be admitted to the official list and the entire enlarged share capital of approximately RM58,380,468 (after deducting the estimated listing expenses directly attributable to the issuance of new shares of RM1,500,000) comprising 996,300,000 Shares shall be listed and quoted on the ACE Market of Bursa Securities.

13. REPORTING ACCOUNTANTS' REPORT ON THE COMPILATION OF PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (Cont'd)

DC HEALTHCARE HOLDINGS BERHAD ("DC HEALTHCARE" OR "COMPANY") AND ITS PROPOSED SUBSIDIARIES ("GROUP")

PRO FORMA GROUP AND BASIS OF PREPARATION (cont'd)

1.0 PRO FORMA GROUP AND BASIS OF PREPARATION (cont'd)

1.4 LISTING SCHEME (cont'd)

1.4.2 Utilisation of Proceeds from Public Issue

The gross proceeds from the Public Issue of RM49,815,000 are expected to be used as per Prospectus in the following manner:

	RM	%
Establishing new aesthetic medical clinics *	9,440,000	18.95%
Purchase new medical machines and equipment *	13,124,000	26.35%
Repayment of borrowings	6,238,000	12.52%
Working capital	17,013,000	34.15%
Estimated listing expenses ^	<u>4,000,000</u>	<u>8.03%</u>
	<u>49,815,000</u>	<u>100.00%</u>

Estimated listing expenses to be charged to/set-off against:

	RM
- Share capital	1,500,000
- Profit or loss	<u>2,500,000</u>
	<u>4,000,000</u>

* Based on the latest practicable date of the prospectus as at 31 May 2023, there are no supportable purchase orders, sale and purchase agreements or contractual binding agreements in relation to the utilisation of proceeds for establishing new aesthetic medical clinics as well as purchasing new medical machines and equipment. In view that the utilisation of proceeds for the purposes above are not factually supported, hence, such utilisation of proceeds will not be illustrated in this pro forma consolidated statements of financial position.

^ The estimated listing expenses totalling RM4,000,000 to be borne by the Company comprise, amongst others, underwriting, placement and brokerage fees, professional fees and miscellaneous expenses, of which RM1,995,399 had been paid and capitalised in prepayment of the Group up to 31 December 2022. A total of RM1,500,000 is assumed to be directly attributable to the issuance of new shares and as such, will be debited against the share capital of the Company and the remaining expenses of RM2,500,000 are assumed to be attributable to the Listing and as such, will be expensed off to the statement of comprehensive income.

13. REPORTING ACCOUNTANTS' REPORT ON THE COMPILATION OF PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (Cont'd)
DC HEALTHCARE HOLDINGS BERHAD ("DC HEALTHCARE" OR "COMPANY") AND ITS PROPOSED SUBSIDIARIES ("GROUP")
2.0 PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2022

The pro forma consolidated statements of financial position of DC Healthcare and its proposed subsidiaries as at 31 December 2022 has been prepared by the Directors for illustrative purposes only and after making such adjustments as considered necessary on the assumption that the listing of and quotation for the entire enlarged issued share capital on the ACE Market of Bursa Securities had been effected on 31 December 2022.

			Pro Forma I	Pro Forma II	Pro Forma III
	Note	As at 31.12.2022 RM	After IPO Reorganisation RM	After Pro Forma I and Public Issue RM	After Pro Forma II and Utilisation of Proceeds RM
ASSETS					
Non-current assets					
Plant and equipment		-	11,040,716	11,040,716	11,040,716
Right-of-use assets		-	21,920,473	21,920,473	21,920,473
Deferred tax assets		-	278,181	278,181	278,181
		-	33,239,370	33,239,370	33,239,370
Current assets					
Inventories		-	1,852,491	1,852,491	1,852,491
Trade receivables		-	410,284	410,284	410,284
Other receivables, deposits and prepayments	3.1	2,010,963	5,021,631	5,021,631	3,026,232
Tax recoverable		-	120,155	120,155	120,155
Fixed deposits with licensed banks		-	1,570,340	1,570,340	1,570,340
Cash and bank balances	3.2	1,938	6,103,218	55,918,218	47,675,617
		2,012,901	15,078,119	64,893,119	54,655,119
TOTAL ASSETS		2,012,901	48,317,489	98,132,489	87,894,489
EQUITY AND LIABILITIES					
Share capital	3.3	1,000	9,565,468	59,380,468	57,880,468
Capital contribution from holding company of the combining entities		-	1,030,000	1,030,000	1,030,000
Reorganisation reserve	3.4	-	(8,764,168)	(8,764,168)	(8,764,168)
(Accumulated loss)/ Retained earnings	3.5	(110,941)	13,216,225	13,216,225	10,716,225
Total equity		(109,941)	15,047,525	64,862,525	60,862,525

13. REPORTING ACCOUNTANTS' REPORT ON THE COMPILATION OF PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (Cont'd)
DC HEALTHCARE HOLDINGS BERHAD ("DC HEALTHCARE" OR "COMPANY") AND ITS PROPOSED SUBSIDIARIES ("GROUP")
2.0 PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2022 (cont'd)

			Pro Forma I	Pro Forma II	Pro Forma III
		As at 31.12.2022	After IPO Reorganisation	After Pro Forma I and Public Issue	After Pro Forma II and Utilisation of Proceeds
	Note	RM	RM	RM	RM
Non-current liabilities					
Lease liabilities	3.6	-	16,247,166	16,247,166	16,247,166
Borrowings	3.7	-	2,081,547	2,081,547	538,798
Deferred tax liabilities		-	64,318	64,318	64,318
		-	18,393,031	18,393,031	16,850,282
Current liabilities					
Trade payables		-	1,951,695	1,951,695	1,951,695
Other payables, deposits and accruals		221,625	2,249,505	2,249,505	2,249,505
Contract liabilities		-	2,948,131	2,948,131	2,948,131
Amount due to combining entities		1,901,217	-	-	-
Amounts due to holding company of the combining entities		-	159,982	159,982	159,982
Lease liabilities	3.6	-	5,049,769	5,049,769	980,769
Borrowings	3.7	-	626,251	626,251	-
Tax payable		-	1,891,600	1,891,600	1,891,600
		2,122,842	14,876,933	14,876,933	10,181,682
Total liabilities		2,122,842	33,269,964	33,269,964	27,031,964
TOTAL EQUITY AND LIABILITIES		2,012,901	48,317,489	98,132,489	87,894,489
Number of ordinary shares assumed in issue		1,000	797,040,000	996,300,000	996,300,000
Net assets per share (RM)		(109.94)	0.02	0.07	0.06
Borrowings and lease liabilities (RM)		-	24,004,733	24,004,733	17,766,733
Gearing (Times)		-	1.60	0.37	0.29

13. REPORTING ACCOUNTANTS' REPORT ON THE COMPILATION OF PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (Cont'd)

DC HEALTHCARE HOLDINGS BERHAD ("DC HEALTHCARE" OR "COMPANY") AND ITS PROPOSED SUBSIDIARIES ("GROUP")

2.0 PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2022 (cont'd)

2.1 Pro Forma I

Pro Forma I incorporates the effects of the acquisitions of Klinik Dr Chong, DC Lasers and Ten Doctors by DC Healthcare as part of the IPO Reorganisation as disclosed in Note 1.3.

Upon completion of the IPO Reorganisation, the issued share capital of DC Healthcare will increase from RM1,000 comprising 1,000 DC Healthcare Shares to RM9,565,468 comprising 797,040,000 DC Healthcare Shares.

2.2 Pro Forma II

Pro Forma II incorporates the effects of Pro Forma I and the Public Issue.

Upon completion of the Public Issue, the issued share capital of DC Healthcare will increase from RM9,565,468 comprising 797,040,000 DC Healthcare Shares to RM59,380,468 comprising 996,300,000 DC Healthcare Shares.

2.3 Pro Forma III

Pro Forma III incorporates the effect of Pro Forma I, Pro Forma II and after the Listing and utilisation of proceeds from the Public Issue.

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13. REPORTING ACCOUNTANTS' REPORT ON THE COMPILATION OF PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (Cont'd)

DC HEALTHCARE HOLDINGS BERHAD ("DC HEALTHCARE" OR "COMPANY") AND ITS PROPOSED SUBSIDIARIES ("GROUP")

3.0 NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

3.1 Other receivables, deposits and prepayments

		RM
As at 31 December 2022		2,010,963
Pro Forma I	After IPO Reorganisation	<u>3,010,668</u>
After Pro Forma I and II		5,021,631
Pro Forma III	After utilisation of proceeds - Estimated listing of expenses	<u>(1,995,399)</u>
After Pro Forma I, II and III		<u>3,026,232</u>

3.2 Cash and bank balances

		RM
As at 31 December 2022		1,938
Pro Forma I	After IPO Reorganisation	<u>6,101,280</u>
After Pro Forma I		6,103,218
Pro Forma II	After Public Issue	<u>49,815,000</u>
After Pro Forma I and II		55,918,218
Pro Forma III	After utilisation of proceeds - Repayment of borrowings - Estimated listing expenses	<u>(6,238,000)</u> <u>(2,004,601)</u>
After Pro Forma I, II and III		<u>47,675,617</u>

3.3 Share Capital

		RM
As at 31 December 2022		1,000
Pro Forma I	After IPO Reorganisation	<u>9,564,468</u>
After Pro Forma I		9,565,468
Pro Forma II	After Public Issue	<u>49,815,000</u>
After Pro Forma I and II		59,380,468
Pro Forma III	After utilisation of proceeds - Estimated listing expenses	<u>(1,500,000)</u>
After Pro Forma I, II and III		<u>57,880,468</u>

13. REPORTING ACCOUNTANTS' REPORT ON THE COMPILATION OF PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (Cont'd)

DC HEALTHCARE HOLDINGS BERHAD ("DC HEALTHCARE" OR "COMPANY") AND ITS PROPOSED SUBSIDIARIES ("GROUP")

3.0 NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (cont'd)

3.4 Reorganisation reserve

		RM
As at 31 December 2022		-
Pro Forma I	After IPO Reorganisation	<u>(8,764,168)</u>
	After Pro Forma I, II and III	<u>(8,764,168)</u>

In conjunction with the Listing, the acquisitions as disclosed in Note 1.3.1 were accounted for under the merger method whereby the difference between the acquisition cost and the nominal value of the share capital of the subsidiaries is taken to the reorganisation reserve.

3.5 (Accumulated loss)/Retained earnings

		RM
As at 31 December 2022		(110,941)
Pro Forma I	After IPO Reorganisation	<u>13,327,166</u>
	After Pro Forma I and II	13,216,225
Pro Forma III	After utilisation of proceeds - Estimated listing expenses	<u>(2,500,000)</u>
	After Pro Forma I, II and III	<u>10,716,225</u>

3.6 Lease liabilities

		Current Liabilities RM	Non- Current Liabilities RM	Total Liabilities RM
As at 31 December 2022		-	-	-
Pro Forma I	After IPO Reorganisation	<u>5,049,769</u>	<u>16,247,166</u>	<u>21,296,935</u>
	After Pro Forma I and II	5,049,769	16,247,166	21,296,935
Pro Forma III	After utilisation of proceeds	<u>(4,069,000)</u>	-	<u>(4,069,000)</u>
	After Pro Forma I, II and III	<u>980,769</u>	<u>16,247,166</u>	<u>17,227,935</u>

13. REPORTING ACCOUNTANTS' REPORT ON THE COMPILATION OF PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (Cont'd)

DC HEALTHCARE HOLDINGS BERHAD ("DC HEALTHCARE" OR "COMPANY") AND ITS PROPOSED SUBSIDIARIES ("GROUP")

3.0 NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (cont'd)

3.7 Borrowings

		Current Liabilities RM	Non- Current Liabilities RM	Total Liabilities RM
As at 31 December 2022		-	-	-
Pro Forma I	After IPO Reorganisation	626,251	2,081,547	2,707,798
After Pro Forma I and II		626,251	2,081,547	2,707,798
Pro Forma III	After utilisation of proceeds	(626,251)	(1,542,749)	(2,169,000)
After Pro Forma I, II and III		-	538,798	538,798

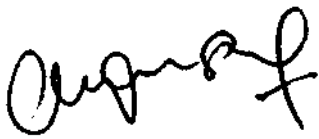
13. REPORTING ACCOUNTANTS' REPORT ON THE COMPILATION OF PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (Cont'd)

DC HEALTHCARE HOLDINGS BERHAD ("DC HEALTHCARE" OR "COMPANY") AND ITS PROPOSED SUBSIDIARIES ("GROUP")

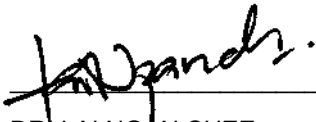
APPROVAL ON BEHALF OF THE BOARD OF DIRECTORS

Approved and adopted on behalf of the Board of Directors of DC Healthcare in accordance with a resolution dated 31 May 2023.

Signed on behalf the Board of Directors,



DR. CHONG TZE SHENG



DR. LAI NGAN CHEE

14. STATUTORY AND OTHER INFORMATION**14.1 OUR SHARE CAPITAL**

As at the LPD, our issued share capital is RM9,565,468 comprising 797,040,000 Shares. The movements in our share capital since the date of our incorporation are set out below:

<u>Date of allotment</u>	<u>No. of Shares allotted</u>	<u>Consideration/Types of issue</u>	<u>Cumulative share capital</u>
18 April 2022	1,000	RM1,000/ Subscribers' share in cash	1,000
29 May 2023	644,750,000	RM7,737,000/ Consideration for the Acquisition of Klinik Dr Chong	7,738,000
29 May 2023	104,575,000	RM1,254,900/ Consideration for the Acquisition of DC Lasers	8,992,900
29 May 2023	47,714,000	RM572,568/ Consideration for the Acquisition of Ten Doctors	9,565,468

As at the date of this Prospectus, we only have one class of shares, namely, ordinary shares, all of which rank equally with one another and we do not have any outstanding warrants, options, convertible securities and uncalled capital. In addition, there are no discounts, special terms or instalment payment terms applicable to the payment of the consideration for the allotment.

Upon completion of our IPO, our enlarged share capital will increase to RM59,380,468 comprising 996,300,000 Shares.

Save for the Pink Form Allocations as disclosed in Section 4.3.3,

- (a) no Director or employee of our Group has been or is entitled to be given or has exercised any option to subscribe for any share of our Company or our subsidiaries; and
- (b) there is no scheme involving the employees of our Group in the shares of our Company or our subsidiaries.

Save for the issuance of our subscribers' shares upon our incorporation, new Shares issued and to be issued for the Acquisitions and Public Issue, and issuance of shares in our subsidiaries as disclosed under section 14.2, no shares of our Company or our subsidiaries have been issued or are proposed to be issued as fully or partly paid-up, in cash or otherwise, within the past 2 years immediately preceding the date of this Prospectus. Other than our Public Issue as disclosed in Section 4.3, there is no intention on the part of our Directors to further issue any Shares on the basis of this Prospectus.

14. STATUTORY AND OTHER INFORMATION (Cont'd)**14.2 SHARE CAPITAL OF OUR SUBSIDIARIES****14.2.1 DCL Mid Valley**

DCL Mid Valley's share capital as at LPD is RM800,010 comprising 800,010 ordinary shares. The movements in its share capital since incorporation are as follows:

<u>Date of allotment</u>	<u>No. of Shares allotted</u>	<u>Consideration/Types of issue</u>	<u>Cumulative share capital</u>
10 November 2021	10	RM10/ Subscribers' shares in cash	10
25 May 2022	800,000	RM800,010/ Allotment of shares otherwise than cash	800,010

As at the LPD, there are no outstanding warrants, options, convertible securities or uncalled capital in DCL Mid Valley. In addition, there are no discounts, special terms or instalment payment terms applicable to the payment of the consideration for the allotment.

DCL Mid Valley is our wholly-owned subsidiary. The director of DCL Mid Valley is Dr. Chong Tze Sheng.

As at the LPD, DCL Mid Valley does not have any subsidiary and/or associated company.

14.2.2 DCL Puchong

DCL Puchong's share capital as at LPD is RM700,010 comprising 700,010 ordinary shares. The movements in its share capital since incorporation are as follows:

<u>Date of allotment</u>	<u>No. of Shares allotted</u>	<u>Consideration/Types of issue</u>	<u>Cumulative share capital</u>
10 November 2021	10	RM10/ Subscribers' shares in cash	10
25 May 2022	700,000	RM700,000/ Allotment of shares otherwise than cash	700,010

As at the LPD, there are no outstanding warrants, options, convertible securities or uncalled capital in DCL Puchong. In addition, there are no discounts, special terms or instalment payment terms applicable to the payment of the consideration for the allotment.

DCL Puchong is our wholly-owned subsidiary. The directors of DCL Puchong are Dr. Chong Tze Sheng and Dr. Lai Ngan Chee.

As at the LPD, DCL Puchong does not have any subsidiary and/or associated company.

14. STATUTORY AND OTHER INFORMATION (Cont'd)**14.2.3 DC Lasers**

DC Lasers' share capital as at LPD is RM300,100 comprising 300,100 ordinary shares. The movements in its share capital since incorporation are as follows:

Date of allotment	No. of Shares allotted	Consideration/Types of issue	Cumulative share capital
8 January 2021	100	RM100/ Subscribers' shares in cash	100
17 December 2021	100,000	RM100,000/ Allotment of shares otherwise than cash	100,100
25 May 2022	200,000	RM200,000/ Allotment of shares otherwise than cash	300,100

As at the LPD, there are no outstanding warrants, options, convertible securities or uncalled capital in DC Lasers. In addition, there are no discounts, special terms or instalment payment terms applicable to the payment of the consideration for the allotment.

DCL Lasers is our wholly-owned subsidiary. The director of DCL Lasers is Dr. Chong Tze Sheng.

As at the LPD, DCL Lasers does not have any subsidiary and/or associated company.

14.2.4 Klinik Dr Chong

Klinik Dr Chong's share capital as at LPD is RM200,100 comprising 200,100 ordinary shares. The movements in its share capital since incorporation are as follows:

Date of allotment	No. of Shares allotted	Consideration/Types of issue	Cumulative share capital
4 March 2016	10	RM10/ Subscribers' shares in cash	10
30 November 2018	200,000	RM200,000/ Allotment of shares in cash	200,010
25 May 2022	90	RM90/ Allotment of shares otherwise than cash	200,100

As at the LPD, there are no outstanding warrants, options, convertible securities or uncalled capital in Klinik Dr Chong. In addition, there are no discounts, special terms or instalment payment terms applicable to the payment of the consideration for the allotment.

Klinik Dr Chong is our wholly-owned subsidiary. The directors of Klinik Dr Chong are Dr. Chong Tze Sheng and Dr. Lai Ngan Chee.

As at the LPD, Klinik Dr Chong does not have any subsidiary and/or associated company.

14. STATUTORY AND OTHER INFORMATION (Cont'd)**14.2.5 Ten Doctors**

Ten Doctors' share capital as at LPD is RM300,100 comprising 300,100 ordinary shares. The movements in its share capital since incorporation are as follows:

Date of allotment	No. of Shares allotted	Consideration/Types of issue	Cumulative share capital
6 March 2020	100	RM100/ Subscribers' shares in cash	100
25 May 2022	300,000	RM300,000/ Allotment of shares otherwise than cash	300,100

As at the LPD, there are no outstanding warrants, options, convertible securities or uncalled capital in Ten Doctors. In addition, there are no discounts, special terms or instalment payment terms applicable to the payment of the consideration for the allotment.

Ten Doctors is our wholly-owned subsidiary. The directors of Ten Doctors are Dr. Chong Tze Sheng and Dr. Lai Ngan Chee.

As at the LPD, Ten Doctors does not have any subsidiary and/or associated company.

14.3 CONSTITUTION

The following provisions are extracted from our Constitution. Terms defined in our Constitution shall have the same meanings when used here unless they are otherwise defined here or the context otherwise requires. The following provisions extracted from our Constitution are based on the current Listing Requirements and the Act.

(1) Remuneration of Directors**Clause 116 - Remuneration**

The fees and any benefits payable to the Directors from time to time, be subject to annual shareholder approval at general meeting and shall (unless such resolution otherwise provides) be divisible among the Directors as they may agree, except that any Director, who shall hold office for part only of the period in respect of which such fees are payable, shall be entitled only to rank in such division for a proportion of the fees related to the period during which he has held office, PROVIDED ALWAYS that:

- (a) fees payable to non-executive Directors shall be by a fixed sum, and not by a commission on or percentage of profits or turnover;
- (b) salaries payable to executive Directors shall not include a commission on or percentage of turnover;
- (c) fees and any benefits payable to Directors shall not be increased except pursuant to a resolution passed at a general meeting, where notice of the proposed increase has been given in the notice convening the meeting; and
- (d) any fee paid to an alternate Director shall be agreed upon between himself and the Director nominating him and shall be paid out of the remuneration of that Director.

14. STATUTORY AND OTHER INFORMATION (Cont'd)

Clause 117(1) - Reimbursement

The Directors shall be entitled to be reimbursed for all travelling or such other reasonable expenses as may be incurred in attending and returning from meetings of the Directors or of any committee of the Directors or general meetings or otherwise, howsoever, in or about the business of the Company in the course of the performance of their duties as Directors.

Clause 121 - Directors' borrowing powers

- (a) To the extent that the Act, the Listing Requirements and the Constitution allow, the Directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertakings, property and uncalled capital, or any part thereof, and to issue debentures and other Securities whether outright or as security for any debt, liability or obligation of the Company or of any related third party, PROVIDED ALWAYS that nothing contained in this Constitution shall authorise the Directors to borrow any money or mortgage or charge any of the Company's undertaking, property or any uncalled capital or to issue debentures and other Securities whether outright or as security for any debt, liability or obligation of an unrelated third party. Provided also that the Directors shall not issue any debt Securities convertible to ordinary shares without the prior approval of the Company in meeting of members.
- (b) The Directors shall cause a proper register to be kept in accordance with Section 60 of the Act of all mortgages and charges specifically affecting the property of the Company and shall duly comply with the requirements of the Act in regard the registration of mortgages and charges therein specified or otherwise.
- (c) Subject to the Act, if the Directors or any of them or any other person, shall become personally liable for the payment of any sum primarily due from the Company, the Directors may execute or cause to be executed any mortgage, charge or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the Directors, or other persons so becoming liable as aforesaid from any loss in respect of such liability.

(2) Voting of Directors**Clause 133 - Proceedings of meeting**

A meeting of the Directors, for the time being at which a quorum is present, shall be competent to exercise all or any of the powers, authorities and discretion by or under the Constitution, vested in or exercisable by the Directors generally. Subject to the Constitution, questions arising at any meeting of the Directors shall be decided by a majority of votes.

Clause 134 – Chairman has casting vote

In case of equality of votes, the Chairman shall have a second or casting vote, except where only two (2) Directors are competent to vote on the questions at issue, or at the meeting where only two (2) Directors form the quorum.

14. STATUTORY AND OTHER INFORMATION (Cont'd)

(3) Share capital and variation of class rights

Clause 60 - Increase of share capital

The Company may, from time to time, whether all the Shares for the time being issued shall have been fully paid up or not, by Ordinary Resolution increase its share capital by the creation and issue of new shares, such new capital to be of such amount to be divided into Shares of such respective amounts and to carry such rights or to be subject to such conditions or restrictions in regard to dividend, return of capital or otherwise as the Company may direct in the resolution authorising such increase.

Clause 12 - Power to Issue Preference Shares

The Company shall have power to issue preference shares ranking equally with or in priority to preference shares already issued and the Directors may, subject to the provisions of the Act, redeem such shares on such terms and in such manner as they may think fit.

Clause 13 - Rights of Preference Shareholders

- (a) Save as otherwise specifically provided for under this Constitution in respect of any particular class of preference shares and subject to the Act, preference shareholders shall have the same right as ordinary shareholders as regards to receiving notices, reports and audited financial statements and attending general meetings of the Company.
- (b) Save as otherwise specifically provided for under this Constitution in respect of any particular class of preference share, preference shareholders shall also have the right to vote at any meeting convened for the purpose of reducing the share capital of the Company or sanctioning a disposal of the whole of the Company's property, business and undertaking or where the proposition to be submitted to the meeting directly affects their rights and privileges, or when the dividend or part of the dividend on the preference shares is in arrears for more than six (6) months or on a proposal to wind-up the Company or during the winding up of the Company, but shall have no other rights whatsoever.
- (c) The holder of a preference share must be entitled to a return of capital in preference to holders of ordinary shares when the Company is wound up.

Clause 61 – Issue of New Shares to Existing Members

Subject to any direction to the contrary that may be given by the Company in general meeting, all new Shares or other convertible Securities shall, before they are issued, be offered to such persons as at the date of the offer are entitled to receive notices from the Company of general meetings in proportion, as nearly as the circumstances admit, to the amount of the existing Shares or Securities to which they are entitled. The offer shall be made by notice specifying the number of Shares or Securities offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined, and, after the expiration of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the Shares or Securities offered, the Directors may dispose of those Shares or Securities in such manner as they think most beneficial to the Company. The Directors may, likewise, also dispose of any new Shares or Securities which (by reason of the ratio which the new Shares or Securities bear to Shares or Securities held by persons entitled to an offer of new Shares or Securities), cannot, in the opinion of the Directors, be conveniently offered under this Clause.

14. STATUTORY AND OTHER INFORMATION (Cont'd)

Clause 25 - Modification of Rights

If at any time the share capital of the Company, by reason of the issuance of preference shares or otherwise is divided into different classes, the repayment of such preferred capital or all or any of the rights and privilege attached to each class may subject to the provisions of Section 91 of the Act, this Constitution and the provisions of any written law, be varied, modified, commuted, affected, abrogated or dealt with by resolution passed by the holders of at least three-fourth of the issued shares of that class at a separate meeting of the holders of that class and all the provisions hereinafter contained as to general meetings shall mutatis mutandis apply to every such meeting except that the quorum hereof shall be two (2) persons at least holding or representing by proxy one third of the issued shares of the class and for an adjourned meeting one (1) person holding shares of such class.

Provided however that in the event of the necessary majority for such a resolution not having been obtained in the manner aforesaid consent in writing may be secured by members holding at least three-fourths of the issued shares of the class and such consent if obtained within two (2) months from the date of the separate meeting shall have the force and validity of a resolution duly carried. To every such resolution the provisions of Section 91 of the Act, shall with such adaptations as are necessary apply.

Alteration of Capital

Clause 63 - Alteration of Capital

Subject to the Statutes, the Company may from time to time alter its share capital by passing a special resolution to:

- (a) consolidate and divide all or any of its share capital, the proportion between the amount paid and the amount, if any, unpaid on each subdivided share, shall be the same as it was in the case of the share from which the subdivided share is derived;
- (b) convert all or any of its issued paid-up shares into stock and reconvert that stock into paid up Shares;
- (c) subdivide its shares or any of the shares, whatever is in the subdivision, the proportions between the amount paid and the amount, if any, unpaid on each subdivided share shall be the same as it was in the case of the share from which the subdivided share is derived;
- (d) cancel any Shares, which at the date of the passing of the resolution, which have not been taken or agreed to be taken by any person or which have been forfeited, and diminish the amount of its share capital by the amount of the Shares so cancelled; or
- (e) subject to the provisions of the Constitution and the Act, convert and/or reclassify any class of Shares into any other class of Shares.

Clause 64 – Capital Reduction

The Company may by Special Resolution, reduce its share capital in accordance with Section 84 of the Act.

14. STATUTORY AND OTHER INFORMATION (Cont'd)

Clause 17 - Shares Issued for Purposes of Raising Money for the Construction of Works or Building

Subject to Section 130 of the Act and any other conditions and restrictions prescribed by the Act, if any Shares of the Company are issued for the purpose of raising money to defray the expenses of construction of any works or buildings or the provision of any plant or equipment which cannot be made profitable for lengthened period, the Company may pay interest on so much of that share capital as is for the time being paid up for the period, and may charge the sum so paid by way of interest to capital as part of the cost of construction of the works or buildings or the provision of plant or equipment.

(4) Transfer of securities

Clause 49 - Transfer of securities

The transfer of any Listed Securities or class of Listed Securities in the Company shall be by way of book entry by the Depository in accordance with the Rules and, notwithstanding Sections 105, 106 and 110 of the Act, but subject to Section 148(2) of the Act and any exemption that may be made from compliance with Section 148(1) of the Act, the Company shall be precluded from registering and effecting any transfer of Listed Security.

Clause 50 - Instrument of Transfer

- (a) Every instrument of transfer (for any share not being a Deposited Security) must be left for registration at the office of the Company's Registrar accompanied by the certificate of the shares comprised therein (if any) and such evidence as the Directors may reasonably require to prove the right of the transferor to make the transfer and the due execution by him of the instrument of transfer which is executed in accordance with the Statutes, and subject to the power vested in the Directors by this Constitution or the provisions of any other written law and if required, to reasonable evidence of nationality, the Company shall register the transferee as shareholder.
- (b) A fee not exceeding RM3.00 (excluding the stamp duty) or any amount as shall be determined from time to time by the Exchange may be charged for each transfer and shall if required by the Directors be paid before the registration thereof.

Clause 51 - Person Under Disability

No shares shall in any circumstances be transferred to any minor, bankrupt or person of unsound mind.

Clause 52(1) - Refusal to Transfer

Subject to Section 106 and any other relevant provisions of the Act, the Directors may refuse or delay to register the transfer of a share, not being a Deposited Security, to a person of whom they shall not approve.

Clause 52(2) - Notice of Refusal

If the Directors passed a resolution to refuse or delay the registration of a transfer, they shall, within seven (7) days of the resolution being passed, give to the lodging broker, transferor and the transferee written notice of the resolution setting out the precise reasons thereof.

14. STATUTORY AND OTHER INFORMATION (Cont'd)

Clause 53 - Non-Liability of the Company, its Directors and Officers in Respect of Transfer

Neither the Company nor its Directors nor any of its officers shall incur any liability for registering or acting upon a transfer of shares apparently made by sufficient parties, although the same may, by reason of any fraud or other cause not known to the Company or its Directors or other officers be legally inoperative or insufficient to pass the property in the shares proposed or professed to be transferred, and although the transfer may, as between the transferor and transferee, be liable to be set aside, and notwithstanding that the Company may have notice that such instrument of transfer was signed or executed and delivered by the transferor in blank as to the name of the transferee or the particulars of the shares transferred or otherwise in defective manner. And in every such case, the person registered as transferee, his executors, administrators and assigns alone shall be entitled to be recognised as the holder of such shares and the previous holder shall, so far as the Company is concerned, be deemed to have transferred his whole title thereto.

(5) Winding up**Clause 195 – Distribution of assets in Specie**

If the Company is wound up (whether the liquidation is voluntary, under supervision, or by the Court), the liquidator may, with the sanction of a special resolution of the Company and subject to the Act, divide amongst the members in specie or in kind the whole or any part of the assets of the Company (whether they consist of property of the same kind or not) and may for that purpose set such value as he deems fair upon any property to be divided as aforesaid and may determine how the division shall be carried out as between the members or different classes of members. The liquidator may, with the like sanction, vest the whole or any part of any such assets, in trustees upon such trusts for the benefit of the contributories as the liquidator, with the like sanction, thinks fit, but so that no member shall be compelled to accept any shares or other Securities whereon there is any liability.

14.4 GENERAL INFORMATION

- (a) Save for the dividends paid to the shareholders of our subsidiaries as disclosed in Section 11.7, purchase consideration paid for the Acquisitions as disclosed in Section 6.1.3 and Directors' remuneration as disclosed in Section 5.5.1, no other amount or benefit has been paid or given within the past 2 years immediately preceding the date of this Prospectus, nor is it intended to be paid or given, to any of our Promoters, Directors or substantial shareholders.
- (b) Save as disclosed in Section 9.1, none of our Directors or substantial shareholders have any interest, direct or indirect, in any contract or arrangement subsisting at the date of this Prospectus and which is significant in relation to the business of our Group.
- (c) The manner in which copies of this Prospectus together with the official application forms and envelopes may be obtained and the details of the summarised procedures for application of our Shares are set out in Section 15.
- (d) There is no limitation on the right to own securities including limitation on the right of non-residents or foreign shareholders to hold or exercise their voting rights on our Shares.

14. STATUTORY AND OTHER INFORMATION (Cont'd)

14.5 CONSENTS

- (a) The written consents of the Principal Adviser, Sponsor, Underwriter, Placement Agent, Solicitors, Share Registrar, Company Secretary and Issuing House to the inclusion in this Prospectus of their names in the form and context in which such names appear have been given before the issue of this Prospectus and have not subsequently been withdrawn;
- (b) The written consents of the Auditors and Reporting Accountants to the inclusion in this Prospectus of their names, Accountants' Report and report relating to the pro forma consolidated financial information in the form and context in which they are contained in this Prospectus have been given before the issue of this Prospectus and have not subsequently been withdrawn; and
- (c) The written consent of the IMR to the inclusion in this Prospectus of its name and the IMR Report, in the form and context in which they are contained in this Prospectus have been given before the issue of this Prospectus and have not been subsequently withdrawn.

14.6 DOCUMENTS FOR INSPECTION

Copies of the following documents are available for inspection at the Registered Office of our Company during normal business hours for a period of 6 months from the date of this Prospectus:

- (a) Constitution;
- (b) Audited financial statements for DC Healthcare for financial period ended 31 December 2022;
- (c) Audited financial statements for:
 - (i) DC Lasers for financial period ended 31 December 2021 and FYE 2022;
 - (ii) DCL Mid Valley and DCL Puchong for the financial period ended 31 December 2022;
 - (iii) Klinik Dr Chong for FYE 2019, FYE 2020, FYE 2021 and FYE 2022; and
 - (iv) Ten Doctors for financial period ended 31 December 2020, FYE 2021 and FYE 2022;
- (d) Accountants' Report as set out in Section 12;
- (e) Reporting Accountants' report relating to our pro forma consolidated statements of financial position as set out in Section 13;
- (f) IMR Report as set out in Section 7;
- (g) Material contracts as set out in Section 6.8; and
- (h) Letters of consent as set out in Section 14.5.

14. STATUTORY AND OTHER INFORMATION *(Cont'd)*

14.7 RESPONSIBILITY STATEMENTS

Our Directors, Promoters and Selling Shareholders have seen and approved this Prospectus. They collectively and individually accept full responsibility for the accuracy of the information. 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 this Prospectus false or misleading.

M&A Securities 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.

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15. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE

THIS SUMMARY OF PROCEDURES FOR APPLICATION AND ACCEPTANCE DOES NOT CONTAIN THE DETAILED PROCEDURES AND FULL TERMS AND CONDITIONS AND YOU CANNOT RELY ON THIS SUMMARY FOR PURPOSES OF ANY APPLICATION FOR OUR IPO SHARES. YOU MUST REFER TO THE DETAILED PROCEDURES AND TERMS AND CONDITIONS AS SET OUT IN THE "DETAILED PROCEDURES FOR APPLICATION AND ACCEPTANCE" ACCOMPANYING THE ELECTRONIC PROSPECTUS ON THE WEBSITE OF BURSA SECURITIES. YOU SHOULD ALSO CONTACT THE ISSUING HOUSE FOR FURTHER ENQUIRIES.

Unless otherwise defined, all words and expressions used here shall carry the same meaning as ascribed to them in our Prospectus.

Unless the context otherwise requires, words used in the singular include the plural, and vice versa.

15.1 OPENING AND CLOSING OF APPLICATION PERIOD

OPENING OF THE APPLICATION PERIOD: 10.00 A.M., 27 JUNE 2023

CLOSING OF THE APPLICATION PERIOD: 5.00 P.M., 5 JULY 2023

In the event of any changes to the date or time for closing, we will make an announcement on Bursa Securities' website and advertise the notice of changes in a widely circulated daily English and Bahasa Malaysia newspaper in Malaysia.

Late Applications will not be accepted.

15.2 METHODS OF APPLICATIONS

15.2.1 Retail Offering

Application must accord with our Prospectus and our Constitution. The submission of an Application Form does not mean that the Application will succeed.

<u>Types of Application and category of investors</u>	<u>Application Method</u>
Applications by our eligible Directors and employees of our Group	Pink Application Form only
Applications by the Malaysian Public:	
(a) Individuals	White Application Form or Electronic Share Application or Internet Share Application
(b) Non-Individuals	White Application Form only

15. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

15.2.2 Placement

Types of Application

Applications by selected investors

Application Method

The Placement Agent will contact the selected investors directly. They should follow the Placement Agent's instructions.

Selected investors may still apply for our IPO Shares offered to the Malaysian Public using the White Application Form, Electronic Share Application or Internet Share Application.

15.3 ELIGIBILITY

15.3.1 General

You must have a CDS Account and a correspondence address in Malaysia. If you do not have a CDS Account, you may open a CDS Account by contacting any of the ADAs set out in the list of ADAs set out in Section 12 of the Detailed Procedures for Application and Acceptance accompanying the Electronic Prospectus on the website of Bursa Securities. The CDS Account must be in your own name. **Invalid, nominee or third party CDS Accounts will not be accepted for the Applications.**

Only **ONE** Application Form for each category from each applicant will be considered and **APPLICATIONS MUST BE FOR AT LEAST 100 IPO SHARES OR MULTIPLES OF 100 IPO SHARES.**

MULTIPLE APPLICATIONS WILL NOT BE ACCEPTED UNLESS EXPRESSLY ALLOWED IN THESE TERMS AND CONDITIONS. AN APPLICANT WHO SUBMITS MULTIPLE APPLICATIONS IN HIS OWN NAME OR BY USING THE NAME OF OTHERS, WITH OR WITHOUT THEIR CONSENT, COMMITS AN OFFENCE UNDER SECTION 179 OF THE CMSA AND IF CONVICTED, MAY BE PUNISHED WITH A MINIMUM FINE OF RM1,000,000 AND A JAIL TERM OF UP TO 10 YEARS UNDER SECTION 182 OF THE CMSA.

AN APPLICANT IS NOT ALLOWED TO SUBMIT MULTIPLE APPLICATIONS IN THE SAME CATEGORY OF APPLICATION.

15.3.2 Application by Malaysian Public

You can only apply for our IPO Shares if you fulfill all of the following:

- (a) You must be one of the following:
 - (i) a Malaysian citizen who is at least 18 years old as at the date of the application for our IPO Shares; or
 - (ii) a corporation/ institution incorporated in Malaysia with a majority of Malaysian citizens on your board of directors/ trustees and if you have a share capital, more than half of the issued share capital, excluding preference share capital, is held by Malaysian citizens; or
 - (iii) a superannuation, co-operative, foundation, provident, pension fund established or operating in Malaysia.
- (b) You must not be a director or employee of the Issuing House or an immediate family member of a director or employee of the Issuing House; and

15. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

- (c) You must submit Applications by using only one of the following methods:
- (i) White Application Form; or
 - (ii) Electronic Share Application; or
 - (iii) Internet Share Application.

15.3.3 Application by eligible Directors and employees of our Group

The eligible Directors and employees of our Group will be provided with Pink Application Forms and letters from us detailing their respective allocation as well as detailed procedures on how to subscribe to the allocated Issue Shares. The eligible Directors and employees of our Group must follow the notes and instructions in the said document and where relevant, in this Prospectus.

15.4 APPLICATION BY WAY OF APPLICATION FORM

The Application Form must be completed in accordance with the notes and instructions contained in the respective category of the Application Form. Applications made on the incorrect type of Application Form or which do not conform **STRICTLY** to the terms of our Prospectus or the respective category of Application Form or notes and instructions or which are illegible will not be accepted.

The FULL amount payable is RM0.25 for each IPO Share.

Payment must be made out in favour of "**TIIH SHARE ISSUE ACCOUNT NO. 744**" and crossed "**A/C PAYEE ONLY**" and endorsed on the reverse side with your name and address.

Each completed Application Form, accompanied by the appropriate remittance and legible photocopy of the relevant documents may be submitted using one of the following methods:

- (a) despatch by **ORDINARY POST** in the official envelopes provided, to the following address:

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

- (b) **DELIVER BY HAND AND DEPOSIT** in the drop-in boxes provided at Tricor Customer Service Centre, Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur.

so as to arrive not later than 5.00 p.m. on 5 July 2023 or by such other time and date specified in any change to the date or time for closing.

We, together with the Issuing House, will not issue any acknowledgement of the receipt of your Application Forms or Application monies. Please direct all enquiries in respect of the White Application Form to the Issuing House.

15. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

15.5 APPLICATION BY WAY OF ELECTRONIC SHARE APPLICATION

Only Malaysian individuals may apply for our IPO Shares offered to the Malaysian Public by way of Electronic Share Application.

Electronic Share Applications may be made through the ATM of the following Participating Financial Institutions and their branches, namely, Affin Bank Berhad, Alliance Bank Malaysia Berhad, AmBank (M) Berhad, Malayan Banking Berhad, Public Bank Berhad and RHB Bank Berhad. A processing fee will be charged by the respective Participating Financial Institutions (unless waived) for each Electronic Share Application.

The exact procedures, terms and conditions for Electronic Share Application are set out on the ATM screens of the relevant Participating Financial Institutions.

15.6 APPLICATION BY WAY OF INTERNET SHARE APPLICATION

Only Malaysian individuals may use the Internet Share Application to apply for our IPO Shares offered to the Malaysian Public.

Internet Share Applications may be made through an internet financial services website of the Internet Participating Financial Institutions, namely, Affin Bank Berhad, Alliance Bank Malaysia Berhad, CGS-CIMB Securities Sdn Bhd, Malayan Banking Berhad and Public Bank Berhad. A processing fee will be charged by the respective Internet Participating Financial Institutions (unless waived) for each Internet Share Application.

The exact procedures, terms and conditions for Internet Share Application are set out on the internet financial services website of the respective Internet Participating Financial Institutions.

15.7 AUTHORITY OF OUR BOARD AND THE ISSUING HOUSE

The Issuing House, on the authority of our Board reserves the right to:

- (a) reject Applications which:
 - (i) do not conform to the instructions of our Prospectus, Application Forms, Electronic Share Application and Internet Share Application (where applicable); or
 - (ii) are illegible, incomplete or inaccurate; or
 - (iii) are accompanied by an improperly drawn up or improper form of remittance; or
- (b) reject or accept any Application, in whole or in part, on a non-discriminatory basis without the need to give any reason; and
- (c) bank in all Application monies (including those from unsuccessful/ partially successful applicants) which would subsequently be refunded, where applicable (without interest), in accordance with Section 15.9 below.

15. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

If you are successful in your Application, our Board reserves the right to require you to appear in person at the registered office of the Issuing House at anytime within 14 days of the date of the notice issued to you to ascertain that your Application is genuine and valid. Our Board shall not be responsible for any loss or non-receipt of the said notice nor will it be accountable for any expenses incurred or to be incurred by you for the purpose of complying with this provision.

15.8 OVER/ UNDERSUBSCRIPTION

In the event of over-subscription, the Issuing House will conduct a ballot in the manner approved by our Directors to determine the acceptance of Applications in a fair and equitable manner. In determining the manner of balloting, our Directors will consider the desirability of allotting and allocating our IPO Shares to a reasonable number of applicants for the purpose of broadening the shareholding base of our Company and establishing a liquid and adequate market for our Shares.

The basis of allocation of our IPO Shares and the balloting results in connection therewith will be furnished by the Issuing House to Bursa Securities, all major Bahasa Malaysia and English newspapers as well as posted on the Issuing House's website at <https://tiih.online> within 1 Market Day after the balloting event.

Pursuant to the Listing Requirements, we are required to have at least 25.00% of our total number of Shares for which listing is sought to be held by a minimum number of 200 public shareholders holding not less than 100 Shares each upon our admission to the Official List and completion of our IPO. We expect to achieve this at the point of Listing. In the event this requirement is not met, we may not be allowed to proceed with our Listing. In the event thereof, monies paid in respect of all the Applications will be returned in full (without interest or any share of revenue or benefits arising therefrom) and if such monies are not returned in full within 14 days after our Company becomes liable to do so, the provision of Section 243(2) of the CMSA shall apply accordingly.

In the event of any undersubscription of the IPO Shares, subject to the clawback and reallocation provisions set out Section 4.3.4 of this Prospectus, any of the aforementioned Issue Shares not applied for will then be subscribed by the Underwriter subject to the terms and conditions of the Underwriting Agreement.

15.9 UNSUCCESSFUL/ PARTIALLY SUCCESSFUL APPLICANTS

If you are unsuccessful/ partially successful in your Application, your Application Monies (without interest) will be refunded to you in the following manner.

15.9.1 For applications by way of Application Forms

- (a) The Application monies or the balance of it, as the case may be, will be returned to you through the self-addressed and stamped Official "A" envelope you provided by ordinary post (for fully unsuccessful applications) or by crediting into your bank account (the same bank account you have provided to Bursa Depository for the purposes of cash dividend/ distribution) or if you have not provided such bank account information to Bursa Depository, the balance of Application monies will be refunded via banker's draft sent by ordinary/ registered post to your last address maintained with Bursa Depository (for partially successful applications) within 10 Market Days from the date of the final ballot at your own risk.

15. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE (*Cont'd*)

- (b) If your Application is rejected because you did not provide a CDS Account number, your Application monies will be refunded via banker's draft sent by ordinary/ registered post to your address as stated in the NRIC or any official valid temporary identity document issued by the relevant authorities from time to time or the authority card (if you are a member of the armed forces or police) at your own risk.
- (c) A number of Applications will be reserved to replace any successfully balloted Applications that are subsequently rejected. The Application monies relating to these Applications which are subsequently rejected or unsuccessful or only partly successful will be refunded (without interest) by the Issuing House as per items (a) and (b) above (as the case may be).
- (d) The Issuing House reserves the right to bank into its bank account all Application monies from unsuccessful applicants. These monies will be refunded (without interest) within 10 Market Days from the date of the final ballot by crediting into your bank account (the same bank account you have provided to Bursa Depository for the purposes of cash dividend/ distribution) or by issuance of banker's draft sent by ordinary/ registered post to your last address maintained with Bursa Depository if you have not provided such bank account information to Bursa Depository or as per item (b) above (as the case may be).

15.9.2 For applications by way of Electronic Share Application and Internet Share Application

- (a) The Issuing House shall inform the Participating Financial Institutions or Internet Participating Financial Institutions of the unsuccessful or partially successful Applications within 2 Market Days after the balloting date. The full amount of the Application monies or the balance of it will be credited without interest into your account with the Participating Financial Institution or Internet Participating Financial Institution (or arranged with the Authorised Financial Institutions) within 2 Market Days after the receipt of confirmation from the Issuing House.
- (b) You may check your account on the 5th Market Day from the balloting date.
- (c) A number of Applications will be reserved to replace any successfully balloted Applications that are subsequently rejected. The Application monies relating to these Applications which are subsequently rejected will be refunded (without interest) by the Issuing House by crediting into your account with the Participating Financial Institution or Internet Participating Financial Institutions (or arranged with the Authorised Financial Institutions) not later than 10 Market Days from the date of the final ballot. For Applications that are held in reserve and which are subsequently unsuccessful or partially successful, the relevant Participating Financial Institution will be informed of the unsuccessful or partially successful Applications within 2 Market Days after the final balloting date. The Participating Financial Institution will credit the Application monies or any part thereof (without interest) within 2 Market Days after the receipt of confirmation from the Issuing House.

15.10 SUCCESSFUL APPLICANTS

If you are successful in your application:

- (a) Our IPO Shares allotted to you will be credited into your CDS Account.

15. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

- (b) A notice of allotment will be despatched to you at your last address maintained with the Bursa Depository, at your own risk, before our Listing. This is your only acknowledgement of acceptance of your Application.
- (c) In accordance with Section 14(1) of the SICDA, Bursa Securities has prescribed our Shares as Prescribed Securities. As such, our IPO Shares issued/ offered through our Prospectus will be deposited directly with Bursa Depository and any dealings in these Shares will be carried out in accordance with the SICDA and Depository Rules.
- (d) In accordance with Section 29 of the SICDA, all dealings in our Shares will be by book entries through CDS Accounts. No physical share certificates will be issued to you and you shall not be entitled to withdraw any deposited securities held jointly with Bursa Depository or its nominee as long as our Shares are listed on Bursa Securities.

15.11 ENQUIRIES

Enquiries in respect of the applications may be directed as follows:

Mode of application	Parties to direct the enquiries
Application Form	Issuing House Enquiry Services at telephone no. 03-2783 9299
Electronic Share Application	Participating Financial Institution
Internet Share Application	Internet Participating Financial Institution and Authorised Financial Institution

The results of the allocation of IPO Shares derived from successful balloting will be made available to the public at the Issuing House website at <https://tjih.online>, **one Market Day** after the balloting date.

You may also check the status of your Application at the above website, **5 Market Days** after the balloting date or by calling your respective ADA during office hours at the telephone number as stated in the list of ADAs set out in Section 12 of the Detailed Procedures for Application and Acceptance accompanying the Electronic Prospectus on the website of Bursa Securities.

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APPENDIX I – MAJOR APPROVALS, LICENSES AND PERMITS

As at the LPD, save as disclosed below, there are no other major approvals, licenses and permits issued to our Group and our LCP Certified Aesthetic Physicians in order to carry out our operations:

No.	Licencee	Issuing authority	Date of issue / Validity period	Licenses No. /Nature of approval	Equity and/or major conditions imposed	Compliance status
1.	Dr. Leong Chee Yong	MOH	2 March 2023 / 3 February 2023 to no expiry	<p>Registration No. 231400-10395-11</p> <p>This Certificate of Registration to establish, maintain, operate or provide a private medical clinic is for Dr Chong Clinic located at No.14 & 16, Jalan Wan Kadir, Taman Tun Dr Ismail, 60000 Wilayah Persekutuan Kuala Lumpur.</p> <p>Certificate holder: Dr. Leong Chee Yong</p> <p>Scope of service: Private medical clinic with aesthetic services as area of interest in line with Dr. Leong Chee Yong's LCP that is valid.</p> <p>Scope of facilities and equipment: 5 consultation rooms and 4 treatment rooms</p> <p>Responsible Person: Dr. Leong Chee Yong</p>	There are no major conditions that are imposed by the MOH.	N/A

APPENDIX I – MAJOR APPROVALS, LICENSES AND PERMITS (Cont'd)

No.	Licencee	Issuing authority	Date of issue / Validity period	Licenses No. / Nature of approval	Equity and/or major conditions imposed	Compliance status
2.	Dr. Chong Tze Sheng	MOH	11 November 2020 / 27 October 2020 to no expiry	<p>Registration No. 231401-10079-11</p> <p>This Certificate of Registration to establish, maintain, operate or provide a private medical clinic is for Klinik Dr Chong Premium located at 40G & 42G, Jalan Telawi, Bangsar Baru, 59100 Bangsar, Wilayah Persekutuan Kuala Lumpur.</p> <p>Certificate holder: Dr. Chong Tze Sheng</p> <p>Scope of service: Private medical clinic with aesthetic services as area of interest in line with Dr. Chong Tze Sheng's LCP that is valid.</p> <p>Scope of facilities and equipment: 1 consultation room and 7 treatment rooms</p> <p>Responsible Person: Dr. Chong Tze Sheng</p>	There are no major conditions that are imposed by the MOH.	N/A
3.	Dr. Chong Tze Sheng	MOH	28 March 2022 / 12 March 2022 to no expiry	<p>Registration No. 231401-08698-11</p> <p>This Certificate of Registration to establish, maintain, operate or provide a private medical clinic is for Klinik Dr Chong located at 35G, 37G and 39G, Jalan Metro Perdana Barat 1, Taman</p>	There are no major conditions that are imposed by the MOH.	N/A

APPENDIX I – MAJOR APPROVALS, LICENSES AND PERMITS (Cont'd)

No.	Licencee	Issuing authority	Date of issue / Validity period	Licenses No. / Nature of approval	Equity and/or major conditions imposed	Compliance status
				<p>Usahawan Kepong, 52100 Wilayah Persekutuan Kuala Lumpur.</p> <p>Certificate holder: Dr. Chong Tze Sheng</p> <p>Scope of service: Private medical clinic with aesthetic services as area of interest in line with Dr. Chong Tze Sheng's LCP that is valid.</p> <p>Scope of facilities and equipment: 3 consultation rooms and 7 treatment rooms</p> <p>Responsible Person: Dr. Chong Tze Sheng</p>		
4.	Dr. Yong Chi Khoon	MOH	11 May 2022 / 27 April 2022 to no expiry	<p>Registration No. 231400-11211-11</p> <p>This Certificate of Registration to establish, maintain, operate or provide a private medical clinic is for Dr Chong Clinic located at No. 59G, The Boulevard, Mid Valley City, Lingkaran Syed Putra, 59200 Wilayah Persekutuan Kuala Lumpur.</p> <p>Certificate holder: Dr. Yong Chi Khoon</p>	There are no major conditions that are imposed by the MOH.	N/A

APPENDIX I – MAJOR APPROVALS, LICENSES AND PERMITS (Cont'd)

No.	Licencee	Issuing authority	Date of issue / Validity period	Licenses No. / Nature of approval	Equity and/or major conditions imposed	Compliance status
5.	Dr. Yong Chi Khoon	MOH	13 January 2022 / 11 January 2022 to no expiry	<p>Registration No. 230505-10984-11</p> <p>This Certificate of Registration to establish, maintain, operate or provide a private medical clinic is for Dr Chong Clinic located at No. 20 (Ground Floor), Jalan S2 B18, Biz Avenue Seremban 2, 70300 Negeri Sembilan.</p> <p>Certificate holder: Dr. Yong Chi Khoon</p> <p>Scope of service: Private medical clinic with aesthetic services as area of interest in line with Dr. Yong Chi Khoon's LCP that is valid.</p> <p>Scope of facilities and equipment: 1 consultation room and 2 treatment rooms</p> <p>Responsible Person: Dr. Yong Chi Khoon</p>	<p>Scope of service: Private medical clinic with aesthetic services as area of interest in line with Dr. Yong Chi Khoon's LCP that is valid.</p> <p>Scope of facilities and equipment: 2 consultation rooms and 6 treatment rooms</p> <p>Responsible Person: Dr. Yong Chi Khoon</p> <p>Transfer of title of the certificate of registration is not allowed unless modifications are made to non-compliance in accordance with Act 586 and its regulations in full.</p>	N/A

APPENDIX I – MAJOR APPROVALS, LICENSES AND PERMITS (Cont'd)

No.	Licencee	Issuing authority	Date of issue / Validity period	Licenses No. / Nature of approval	Equity and/or major conditions imposed	Compliance status
6.	Dr. Yong Chi Khoon	MOH	1 November 2022 / 6 October 2022 to no expiry	<p>Registration No. 231001-11616-11</p> <p>This Certificate of Registration to establish, maintain, operate or provide a private medical clinic is for Dr Chong Clinic located at G-1 & TA-G-2 MTBBT2 (The Landmark), Jalan Batu Nilam 16/KS06, Bandar Bukit Tinggi 2, 41200 Klang Selangor.</p> <p>Certificate holder: Dr. Yong Chi Khoon</p> <p>Scope of service: Private medical clinic with aesthetic services as area of interest in line with Dr. Yong Chi Khoon's LCP that is valid.</p> <p>Scope of facilities and equipment: 3 consultation rooms and 8 treatment rooms</p> <p>Responsible Person: Dr. Yong Chi Khoon</p>	There are no major conditions that are imposed by the MOH.	N/A
7.	Dr. Nur Atiqah Binti Md Nor	MOH	29 July 2022 / 27 June 2022 to no expiry	<p>Registration No. 231400-11318-11</p> <p>This Certificate of Registration to establish, maintain, operate or provide a private medical clinic is for Dr Chong Clinic located at 36G, Jalan Radin Anum, Bandar Baru Sri Petaling, 57000 Wilayah Persekutuan Kuala Lumpur.</p>	There are no major conditions that are imposed by the MOH.	N/A

APPENDIX I – MAJOR APPROVALS, LICENSES AND PERMITS (Cont'd)

No.	Licencee	Issuing authority	Date of issue / Validity period	Licenses No. / Nature of approval	Equity and/or major conditions imposed	Compliance status
				<p>Certificate holder: Dr. Nur Atiqah Binti Md Nor</p> <p>Scope of service: Private medical clinic with aesthetic services as area of interest in line with Dr. Nur Atiqah Binti Md Nor's LCP that is valid.</p> <p>Scope of facilities and equipment: 2 consultation rooms and 5 treatment rooms</p> <p>Responsible Person: Dr. Nur Atiqah Binti Md Nor</p>		
8.	Dr. Leong Chee Yong	MOH	13 October 2021 / 6 October 2021 to no expiry	<p>Registration No. 231400-10877-11</p> <p>This Certificate of Registration to establish, maintain, operate or provide a private medical clinic is for Dr Chong Clinic located at V02-01-02, Office 2, Lingkaran SV, Sunway Velocity, 55100 Wilayah Persekutuan Kuala Lumpur.</p> <p>Certificate holder: Dr. Leong Chee Yong</p> <p>Scope of service: Private medical clinic with aesthetic services as area of interest in line with Dr. Leong Chee Yong's LCP that is valid.</p>	Transfer of title of the certificate of registration is not allowed unless modifications are made to non-compliance in accordance with Act 586 and its regulations in full.	N/A

APPENDIX I – MAJOR APPROVALS, LICENSES AND PERMITS (Cont'd)

No.	Licencee	Issuing authority	Date of issue / Validity period	Licenses No. / Nature of approval	Equity and/or major conditions imposed	Compliance status
9.	Dr. Sareswathi A/P R. Arunasalam	MOH	10 February 2023 / 25 January 2023 to no expiry	<p>Registration No. 230102-11958-11</p> <p>This Certificate of Registration to establish, maintain, operate or provide a private medical clinic is for Dr Chong Clinic located at No 15 & 17 (Ground Floor) Jalan Indah 15/2, Taman Bukit Indah 79100 Iskandar Puteri, Johor.</p> <p>Certificate holder: Dr. Sareswathi A/P R. Arunasalam</p> <p>Scope of service: Private medical clinic with aesthetic services as area of interest in line with Dr. Sareswathi A/P R. Arunasalam's LCP that is valid.</p> <p>Scope of facilities and equipment: 4 consultation rooms and 9 treatment rooms</p> <p>Responsible Person: Dr. Sareswathi A/P R. Arunasalam</p>	There are no major conditions that are imposed by the MOH.	N/A

APPENDIX I – MAJOR APPROVALS, LICENSES AND PERMITS (Cont'd)

No.	Licencee	Issuing authority	Date of issue / Validity period	Licenses No. / Nature of approval	Equity and/or major conditions imposed	Compliance status
10.	Dr. Chong Tze Sheng	MOH	17 January 2023 / 13 April 2022 to no expiry	<p>Registration No. 2301005-09117-11</p> <p>This Certificate of Registration to establish, maintain, operate or provide a private medical clinic is for Klinik Dr Chong located at 33G, Jalan Ikhtisas 14/1, Seksyen 14, 40000 Shah Alam, Selangor.</p> <p>Certificate holder: Dr. Chong Tze Sheng</p> <p>Scope of service: Private medical clinic with aesthetic services as area of interest in line with Dr. Nur Atiqah Binti Md Nor's LCP that is valid</p> <p>Scope of facilities and equipment: 1 consultation room and 1 treatment room</p> <p>Responsible Person: Dr. Nur Atiqah Binti Md Nor</p>	There are no major conditions that are imposed by the MOH.	N/A
11.	Dr. Leong Chee Yong	MOH	20 April 2022 / 14 April 2022 to no expiry	<p>Registration No. 231007-11187-11</p> <p>This Certificate of Registration to establish, maintain, operate or provide a private medical clinic is for Dr Chong Clinic located at B-G-2 & B-G-3, IOI Boulevard, Jalan Kenari 5, Bandar</p>	There are no major conditions that are imposed by the MOH.	N/A

APPENDIX I – MAJOR APPROVALS, LICENSES AND PERMITS (Cont'd)

No.	Licencee	Issuing authority	Date of issue / Validity period	Licenses No. / Nature of approval	Equity and/or major conditions imposed	Compliance status
				<p>Puchong Jaya, 47170 Puchong, Selangor.</p> <p>Certificate holder: Dr. Leong Chee Yong</p> <p>Scope of service: Private medical clinic with aesthetic services as area of interest in line with Dr. Leong Chee Yong's LCP that is valid.</p> <p>Scope of facilities and equipment: 2 consultation rooms and 7 treatment rooms</p> <p>Responsible Person: Dr. Leong Chee Yong</p>		
12.	Dr. Jeffrey Lim Chung Yeow	MOH	13 January 2023 / 27 December 2022 to no expiry	<p>Registration No. 231008-11893-11</p> <p>This Certificate of Registration to establish, maintain, operate or provide a private medical clinic is for Dr Chong Clinic located at G-6, Level G, Melawati Corporate Centre (MCC), Jalan Bandar Melawati, Taman Melawati, 53100 Kuala Lumpur.</p> <p>Certificate holder: Dr. Jeffrey Lim Chung Yeow</p>	There are no major conditions that are imposed by the MOH.	N/A

APPENDIX I – MAJOR APPROVALS, LICENSES AND PERMITS (Cont'd)

<u>No.</u>	<u>Licencee</u>	<u>Issuing authority</u>	<u>Date of issue / Validity period</u>	<u>Licenses No. / Nature of approval</u>	<u>Equity and/or major conditions imposed</u>	<u>Compliance status</u>
				<p>Scope of service: Private medical clinic with aesthetic services as area of interest in line with Dr. Jeffrey Lim Chung Yeow's LCP that is valid.</p> <p>Scope of facilities and equipment: 2 consultation rooms and 5 treatment rooms</p> <p>Responsible Person: Dr. Jeffrey Lim Chung Yeow</p>		
13.	Klinik Chong	Dr Jabatan Pelesenan dan Pembangunan Perniagaan DBKL	16 November 2022 / 16 November 2022 to 15 November 2023	File No. DBKL.JPPP/01004/10/2019/IK2A Signboard licence to display signboard at 40G, Jalan Telawi, Bangsar Baru, 59100 Kuala Lumpur.	(a) Licensing conditions (i) The mayor of Kuala Lumpur has the right to impose additional conditions as a business control measure from time to time and to take action in accordance with the laws and acts applicable to the departments/agencies related to the business; (ii) The license holder shall renew licence every year 60 days before the expiration of the licence	Complied

APPENDIX I – MAJOR APPROVALS, LICENSES AND PERMITS (Cont'd)

No.	Licencee	Issuing authority	Date of issue / Validity period	Licenses No. / Nature of approval	Equity and/or major conditions imposed	Compliance status
					without notice from the mayor of Kuala Lumpur; (iii) Employees on the premise shall be made up of 50.0% local employees and 50.0% foreign employees with valid working permits.	
14.	DC Lasers	Majlis Bandaraya Iskandar Puteri	16 February 2023 / 16 February 2023 to 31 December 2023	File No. MBIP(L)03/09/06/01/(15/2)015 Business and signboard licence for 15, Jalan Indah 15/2 Taman Bukit Indah, 79100 Iskandar Puteri, Johor Darul Takzim.	There are no major conditions imposed by Majlis Bandaraya Iskandar Puteri.	N/A
15.	DC Lasers	Majlis Bandaraya Iskandar Puteri	16 February 2023 / 16 February 2023 to 31 December 2023	File No. MBIP(L)03/09/06/01/(15/2)/017 Business and signboard licence for 17, Jalan Indah 15/2 Taman Bukit Indah, 79100 Iskandar Puteri, Johor Darul Takzim.	There are no major conditions imposed by Majlis Bandaraya Iskandar Puteri.	N/A
16.	Klinik Chong	Dr Jabatan Pelesenan dan Pembangunan Perniagaan DBKL	7 October 2022/ 7 October 2022 to 6 October 2023	File No. DBKL.JPPP/00254/10/2022/KM01 Signboard licence to display signboard at 35-G, 37-G, 39G, Jalan Metro Perdana Barat 1, Taman Usahawan Kepong, 52100 Kuala Lumpur.	(a) Licensing conditions (i) The mayor of Kuala Lumpur has the right to impose additional conditions as a business control measure from time to time and to take	Complied

APPENDIX I – MAJOR APPROVALS, LICENSES AND PERMITS (Cont'd)

No.	Licencee	Issuing authority	Date of issue / Validity period	Licenses No. / Nature of approval	Equity and/or major conditions imposed	Compliance status
					<p>action in accordance with the laws and acts applicable to the departments/agencies related to the business;</p> <p>(ii) The license holder shall renew licence every year 60 days before the expiration of the licence without notice from the mayor of Kuala Lumpur;</p> <p>(iii) Foreign employees on the premise shall not exceed local employees or 50.0% and shall have valid working permits;</p> <p>(b) Temporary conditions</p> <p>(i) The licence holder shall comply with the licensing conditions and guidelines that have been imposed.</p>	

APPENDIX I – MAJOR APPROVALS, LICENSES AND PERMITS (Cont'd)

No.	Licencee	Issuing authority	Date of issue / Validity period	Licenses No. / Nature of approval	Equity and/or major conditions imposed	Compliance status	
17.	Klinik Chong	Dr	Jabatan Pelesenan dan Pembangunan Perniagaan DBKL	27 November 2022 / 27 November 2022 to 26 November 2023	File No. DBKL.JPPP/08454/11/2021/IK2A Signboard licence to display signboard at V02-01-02, Lingkaran SV, Sunway Velocity, 55100 Kuala Lumpur.	(a) Licensing conditions (i) The mayor of Kuala Lumpur has the right to impose additional conditions as a business control measure from time to time and to take action in accordance with the laws and acts applicable to the departments/agencies related to the business; (ii) The license holder shall renew licence every year 60 days before the expiration of the licence without notice from the mayor of Kuala Lumpur; and (iii) Employees on the premise shall be made up of 50.0% local employees and 50.0% foreign employees with valid working permits. (b) Temporary conditions (i) The license holder shall comply with the prescribed premise signboard licensing guidelines.	Complied

APPENDIX I – MAJOR APPROVALS, LICENSES AND PERMITS (Cont'd)

No.	Licencee	Issuing authority	Date of issue / Validity period	Licenses No. / Nature of approval	Equity and/or major conditions imposed	Compliance status
18.	Klinik Chong	Dr Jabatan Pelesenan dan Pembangunan Perniagaan DBKL	11 February 2023 / 11 February 2023 to 10 February 2024	File No. DBKL.JPPP/07990/10/2020/IK2A Signboard licence to display signboard at No. 14 & 16 (Tingkat Bawah & Satu), Jalan Wan Kadir, Taman Tun Dr Ismail, 60000 Kuala Lumpur.	There are no major conditions imposed by Jabatan Pelesenan dan Pembangunan Perniagaan DBKL.	Complied
19.	Klinik Chong	Dr Jabatan Pelesenan dan Pembangunan Perniagaan DBKL	1 August 2022 / 1 August 2022 to 31 July 2023	File No. DBKL.JPPP/01082/07/2022/KM01 Business licence for No. 16A, Jalan Wan Kadir, Taman Tun Dr Ismail, 60000 Kuala Lumpur.	(a) Licensing conditions (i) The mayor of Kuala Lumpur has the right to impose additional conditions as a business control measure from time to time and to take action in accordance with the laws and acts applicable to the departments/agencies related to the business; (ii) The license holder shall renew licence every year 60 days before the expiration of the licence without notice from the mayor of Kuala Lumpur; and (iii) Employees on the premise shall be made up	Complied

APPENDIX I – MAJOR APPROVALS, LICENSES AND PERMITS (Cont'd)

No.	Licencee	Issuing authority	Date of issue / Validity period	Licenses No. / Nature of approval	Equity and/or major conditions imposed	Compliance status
					<p>of 50.0% local employees and 50.0% foreign employees with valid working permits.</p> <p>(b) Temporary conditions</p> <p>(i) The activities carried out must not create disturbances;</p> <p>(ii) The permit holder shall carry out activities that are permitted under the license only and comply with the prescribed licensing conditions and guidelines;</p> <p>(iii) The applicant/permit holder shall comply with all the requirements of the general health conditions set out by the Health and Environment Department, DBKL</p> <p>(iv) The licence holder shall register its business and submit copies of current financial statements and</p>	

APPENDIX I – MAJOR APPROVALS, LICENSES AND PERMITS (Cont'd)

No.	Licencee	Issuing authority	Date of issue / Validity period	Licenses No. / Nature of approval	Equity and/or major conditions imposed	Compliance status
					<p>annual statements to CCM;</p> <p>(v) The license holder shall obtain planning approval;</p> <p>(vi) The licence holder shall not carry out activities that violates the law;</p> <p>(vii) The licence holder has to obtain and comply with all the conditions of approval of the building plan from Building Control Department; and</p> <p>(viii) The licence holder shall obtain approval from Fire & Rescue Department.</p>	
20.	Klinik Chong	Dr Jabatan Pelesenan dan Pembangunan Perniagaan DBKL	16 July 2022 / 16 July 2022 to 15 July 2023	File No. DBKL.JPPP/01113/07/2022/KM01 Business licence for 37-1 & 39-1, Jalan Metro Perdana Barat 1, Taman Usahawan, Kepong, 52100 Kuala Lumpur	<p>(a) Licensing conditions</p> <p>(i) The mayor of Kuala Lumpur has the right to impose additional conditions as a business control measure from time to time and to take action in accordance with the laws and acts applicable to the</p>	Complied

APPENDIX I – MAJOR APPROVALS, LICENSES AND PERMITS (Cont'd)

No.	Licencee	Issuing authority	Date of issue / Validity period	Licenses No. / Nature of approval	Equity and/or major conditions imposed	Compliance status
					<p>departments/agencies related to the business;</p> <p>(ii) The license holder shall renew licence every year 60 days before the expiration of the licence without notice from the mayor of Kuala Lumpur; and</p> <p>(iii) Employees on the premise shall be made up of 50.0% local employees and 50.0% foreign employees with valid working permits.</p> <p>(b) Temporary conditions</p> <p>(i) The activities carried out must not create disturbances;</p> <p>(ii) The permit holder shall carry out activities that are permitted under the license only and comply with the prescribed licensing conditions and guidelines;</p>	

APPENDIX I – MAJOR APPROVALS, LICENSES AND PERMITS (Cont'd)

No.	Licencee	Issuing authority	Date of issue / Validity period	Licenses No. / Nature of approval	Equity and/or major conditions imposed	Compliance status
					<ul style="list-style-type: none"> (iii) The applicant/permit holder shall comply with all the requirements of the general health conditions set out by the Health and Environment Department, DBKL; (iv) The licence holder shall fulfil the safety criteria set by the Fire & Rescue Department; (v) The licence holder shall register its business and submit copies of current financial statements and annual statements to CCM; (vi) The license holder shall obtain planning approval; (vii) The licence holder shall not carry out activities that violates the law; and (viii) The licence holder has to obtain and comply with all the conditions of approval of the building 	

APPENDIX I – MAJOR APPROVALS, LICENSES AND PERMITS (Cont'd)

No.	Licencee	Issuing authority	Date of issue / Validity period	Licenses No. / Nature of approval	Equity and/or major conditions imposed	Compliance status
21.	Klinik Chong	Dr Jabatan Pelesenan dan Pembangunan Perniagaan DBKL	15 July 2022 / 15 July 2022 to 14 July 2023	File No. DBKL.JPPP/01088/07/2022/KM01 Signboard licence to display signboard at No. 59-G, The Boulevard, Lingkaran Syed Putra Mid Valley City, 59200 Kuala Lumpur.	plan from Building Control Department. (a) Licensing conditions (i) The mayor of Kuala Lumpur has the right to impose additional conditions as a business control measure from time to time and to take action in accordance with the laws and acts applicable to the departments/agencies related to the business; (ii) The license holder shall renew licence every year 60 days before the expiration of the licence without notice from the mayor of Kuala Lumpur; and (iii) Employees on the premise shall be made up of 50.0% local employees and 50.0% foreign employees with valid working permits.	Complied

APPENDIX I – MAJOR APPROVALS, LICENSES AND PERMITS (Cont'd)

No.	Licencee	Issuing authority	Date of issue / Validity period	Licenses No. / Nature of approval	Equity and/or major conditions imposed	Compliance status
22.	Ten Doctors	Jabatan Pelesenan dan Pembangunan Perniagaan DBKL	30 June 2022 / 30 June 2022 to 29 June 2023	File No. DBKL.JPPP/02662/06/2022/KM01 Business licence to operate Ten Doctor's office at 49-1, Taman Usahawan Kepong, Jalan Metro Perdana 1, Taman Usahawan Kepong, 52100 Kuala Lumpur.	(a) Licensing conditions (i) The mayor of Kuala Lumpur has the right to impose additional conditions as a business control measure from time to time and to take action in accordance with the laws and acts applicable to the departments/agencies related to the business; (ii) The license holder shall renew licence every year 60 days before the expiration of the licence without notice from the mayor of Kuala Lumpur; and (iii) Employees on the premise shall be made up of 50.0% local employees and 50.0% foreign employees with valid working permits.	Complied

APPENDIX I – MAJOR APPROVALS, LICENSES AND PERMITS (Cont'd)

No.	Licencee	Issuing authority	Date of issue / Validity period	Licenses No. / Nature of approval	Equity and/or major conditions imposed	Compliance status
23.	Klinik Chong Dr	Majlis Bandaraya Shah Alam	10 March 2023 / 10 March 2023 to 14 April 2024	File No. MBSA/LSP/LS/900-3/1/0037-17 Temporary signboard licence to display signboard at F-G-33, Vista Alam, Jalan Ikhtisas 14/1, Seksyen 14, 40000 Shah Alam.	Majlis Bandaraya Shah Alam has the right to suspend or cancel this temporary licence at any time without any reason or payment of compensation.	N/A
24.	Klinik Chong Dr	Majlis Bandaraya Shah Alam	10 August 2022 / 10 August 2022 to 14 August 2023	File No. MBSA/LSP/LS/600-4/1/1082-22 Business licence for Lot No. F-1-33, Vista Alam, Jalan Ikhtisas 14/1, Seksyen 14, 40000 Shah Alam.	There are no major conditions that are imposed by the Majlis Bandaraya Shah Alam.	N/A
25.	DCL Puchong / Dr. Chong Tze Sheng	Majlis Bandaraya Subang Jaya	13 February 2023 / 13 February 2023 to 15 August 2023	File No. MPSJ/LES/600/03/06690-22 Temporary business and signboard licence to operate business and their signboard at B-G-2 & B-G-3, IOI Boulevard, Jalan Kenari 5, Bandar Puchong Jaya, 47170 Puchong, Selangor.	(a) Licensing conditions (i) This licence has to be displayed on the business premise. (ii) This licence has to be renewed 3 months before expiry date except for temporary licence. (iii) Please visit www.mbsj.gov.my for compliance with business license requirements. (iv) Implement the Selangor State Plastic Free Campaign, 'NO	Complied

APPENDIX I – MAJOR APPROVALS, LICENSES AND PERMITS (Cont'd)

No.	Licencee	Issuing authority	Date of issue / Validity period	Licenses No. / Nature of approval	Equity and/or major conditions imposed	Compliance status
					<p>POLYSTERINA' and 'NO STRAW'. Disposable plastic bags (disposable/single use) is no longer supplied for free. Premises owners must be registered under the Bag Charge Collection Program Plastik N. Selangor at the MBSJ Licensing Department for control and adjustment purposes.</p> <p>(v) Please inform the Licensing Department if the premises have closed or ceased operation for a security claim (if any).</p>	
26.	DCL Puchong	Jabatan Pelesenan dan Pembangunan Perniagaan DBKL	23 August 2022 / 23 August 2022 to 22 August 2023	File No. DBKL.JPPP/01884/08/2022/KM01 Signboard licence to display signboard at 36G, Bandar Baru Sri Petaling, Jalan Radin Anum Sri Petaling, 57000 Kuala Lumpur.	<p>(a) Licensing conditions</p> <p>(i) The mayor of Kuala Lumpur has the right to impose additional conditions as a business control measure from time to time and to take action in accordance with the laws and acts applicable to the</p>	Complied

APPENDIX I – MAJOR APPROVALS, LICENSES AND PERMITS (Cont'd)

No.	Licencee	Issuing authority	Date of issue / Validity period	Licenses No. / Nature of approval	Equity and/or major conditions imposed	Compliance status
					<p>departments/agencies related to the business;</p> <p>(ii) The license holder shall renew licence every year 60 days before the expiration of the licence without notice from the mayor of Kuala Lumpur; and</p> <p>(iii) Employees on the premise shall be made up of 50.0% local employees and 50.0% foreign employees with valid working permits.</p> <p>(b) Temporary conditions</p> <p>(i) To comply with the premise signboard advertising licensing guidelines that has been set.</p>	

APPENDIX I – MAJOR APPROVALS, LICENSES AND PERMITS (Cont'd)

No.	Licencee	Issuing authority	Date of issue / Validity period	Licenses No. / Nature of approval	Equity and/or major conditions imposed	Compliance status
27.	DCL Puchong	Jabatan Pelesenan dan Pembangunan Perniagaan DBKL	7 April 2023 / 7 April 2023 to 6 April 2024	File No. DBKL.JPPP/01549/03/2023/KM01 Business licence for 36-2, Bandar Baru Sri Petaling, Jalan Radin Anum Sri Petaling 57000 Kuala Lumpur.	(a) Licensing conditions (i) The mayor of Kuala Lumpur has the right to impose additional conditions as a business control measure from time to time and to take action in accordance with the laws and acts applicable to the departments/agencies related to the business; (ii) The license holder shall renew licence every year 60 days before the expiration of the licence without notice from the mayor of Kuala Lumpur; and (iii) Employees on the premise shall be made up of 50.0% local employees and 50.0% foreign employees with valid working permits.	Complied

APPENDIX I – MAJOR APPROVALS, LICENSES AND PERMITS (Cont'd)

No.	Licencee	Issuing authority	Date of issue / Validity period	Licenses No. / Nature of approval	Equity and/or major conditions imposed	Compliance status
					(b) Temporary conditions <ul style="list-style-type: none"> (i) Activities carried out shall not cause any disturbance; (ii) The permit holder shall carry out activities that are permitted under the license only and comply with the prescribed licensing conditions and guidelines; (iii) The applicant/permit holder shall comply with all the requirements of the general health conditions set out by the Ministry of Health and Environment, DBKL; (iv) The licence holder shall comply with the safety criteria set out by the Fire and Rescue Department; (v) The licence holder shall register its business and submit copies of current financial statements and 	

APPENDIX I – MAJOR APPROVALS, LICENSES AND PERMITS (Cont'd)

No.	Licencee	Issuing authority	Date of issue / Validity period	Licenses No. / Nature of approval	Equity and/or major conditions imposed	Compliance status
					<p>annual statements to CCM;</p> <p>(vi) The licence holder shall not carry out illegal activities;</p> <p>(vii) The applicant shall obtain and comply with all the approval conditions of the building plan from Control Development Department; and</p> <p>(viii) The applicant shall obtain approval from City Hall Planning Department.</p>	
28.	Klinik Chong	Dr Jabatan Pelesenan dan Pembangunan Perniagaan DBKL	12 November 2022 / 12 November 2022 to 11 November 2023	File No. DBKL.JPPP/02273/11/2022/KM01 Business and signboard licence to operate Klinik Dr Chong's office and display signboard at Suite 22.01, 22.02 & 22.05, Level 22, Centrepoint South, Lingkaran Syed Putra Mid Valley City, 59200 Kuala Lumpur.	<p>(a) Licensing conditions</p> <p>(i) The mayor of Kuala Lumpur has the right to impose additional conditions as a business control measure from time to time and to take action in accordance with the laws and acts applicable to the departments/agencies related to the business;</p>	Complied

APPENDIX I – MAJOR APPROVALS, LICENSES AND PERMITS (Cont'd)

No.	Licencee	Issuing authority	Date of issue / Validity period	Licenses No. / Nature of approval	Equity and/or major conditions imposed	Compliance status
					(ii) The license holder shall renew licence every year 60 days before the expiration of the licence without notice from the mayor of Kuala Lumpur; and (iii) Employees on the premise shall be made up of 50.0% local employees and 50.0% foreign employees with valid working permits.	
29.	DC Lasers	Majlis Bandaraya Seremban	23 August 2022 / 23 August 2022 to 31 July 2023	File No. 0A010154072022MPS(UP)500/05011 Signboard licence to display signboard at No. 20, Jalan S2 B18, Biz Avenue Seremban 2, Seremban Negeri Sembilan.	There are no major conditions that are imposed by the Majlis Bandaraya Seremban.	N/A
30.	DC Lasers	Majlis Bandaraya Seremban	23 August 2022 / 23 August 2022 to 3 August 2023	File No. 02010264022022MPS(UP)40751 Business and signboard licence for No. 20-1, Jalan S2 B18, Biz Avenue Seremban 2, Seremban, Negeri Sembilan.	There are no major conditions that are imposed by the Majlis Bandaraya Seremban.	N/A

APPENDIX I – MAJOR APPROVALS, LICENSES AND PERMITS (Cont'd)

No.	Licencee	Issuing authority	Date of issue / Validity period	Licenses No. / Nature of approval	Equity and/or major conditions imposed	Compliance status
31.	Klinik Chong	Dr Jabatan Pelesenan dan Pembangunan Perniagaan DBKL	11 February 2023 / 11 February 2023 to 10 February 2024	File No. DBKL.JPPP/07990/10/2020/IK2A Signboard licence for No.14 & 16 (Tingkat Bawah & Satu), Jalan Wan Kadir, Taman Tun Dr Ismail, 60000 Kuala Lumpur.	There are no major conditions that are imposed by the Majlis Bandaraya Seremban.	N/A
32.	DCL Puchong	Majlis Bandaraya Klang	14 December 2022 / 14 December 2022 to 13 June 2023	File No. MPK/L/1211/2022 Business and signboard licence for G-1 & G-2, MTBBT2 (The Landmark), Jalan Batu Nilam 16/KS06, Bandar Bukit Tinggi 2, 41200 Klang, Selangor	There are no major conditions that are imposed by the Majlis Bandaraya Klang.	N/A
33.	Klinik Chong	Dr Majlis Bandaraya Ampang Jaya	18 January 2023 / 18 January 2023 to 31 December 2023	File No. MPAJ01 -06/2/6-34870 Business and signboard licence for G-6, Melawati Corporate Centre (MCC), Taman Melawati, 53100 Kuala Lumpur	There are no major conditions that are imposed by the Majlis Bandaraya Ampang Jaya.	N/A
34.	Klinik Chong	Dr MAB, MOH	26 April 2021 / 26 April 2021 to 31 December 2023	Approval Serial No. KKLIIU 1384/2021 Reference No. 4/2021/P/80 This Certificate of Approval allows the article "Dr Chong Clinic" to be used and advertised on all types of media, except radio and the language used is Bahasa Malaysia, Chinese and English.	(a) The applicant is not allowed to make any amendments on the approved advertisements without the prior approval from the MAB; (b) Following Regulation 7 of MAB Regulations 1976, it is required to show clearly the approval serial number and date of expiry of the Certificate of Approval on every advertisement; and	Complied

APPENDIX I – MAJOR APPROVALS, LICENSES AND PERMITS (Cont'd)

No.	Licencee	Issuing authority	Date of issue / Validity period	Licenses No. / Nature of approval	Equity and/or major conditions imposed	Compliance status
35.	Klinik Chong	Dr MAB, MOH	26 April 2021 / 26 April 2021 to 31 December 2023	Approval Serial No. KKLIU 1385/2021 Reference No. 4/2021/P/86 This Certificate of Approval allows the article "Dr Chong Clinic" to be used and advertised on all types of media, except radio and the language used is Bahasa Malaysia, Chinese and English.	(c) The approval of this advertisement format by MAB does not exempt the applicant from any other written law regulating this advertisement. (a) The applicant is not allowed to make any amendments on the approved advertisements without the prior approval from the MAB; (b) Following Regulation 7 of MAB Regulations 1976, it is required to show clearly the approval serial number and date of expiry of the Certificate of Approval on every advertisement; and (c) The approval of this advertisement format by MAB does not exempt the applicant from any other written law regulating this advertisement.	Complied

APPENDIX I – MAJOR APPROVALS, LICENSES AND PERMITS (Cont'd)

No.	Licencee	Issuing authority	Date of issue / Validity period	Licenses No. / Nature of approval	Equity and/or major conditions imposed	Compliance status
36.	Klinik Dr Chong	MAB, MOH	19 January 2022/ 19 January 2022 to 31 December 2024	Approval Serial No. KKLIU 0266/2022 Reference No. 1/2022/P/17 This Certificate of Approval allows the article "Klinik Dr Chong" to be used and advertised on all types of media, except radio and the language used is Chinese and English.	(a) The applicant is not allowed to make any amendments on the approved advertisements without the prior approval from the MAB; (b) Following Regulation 7 of MAB Regulations 1976, it is required to show clearly the approval serial number and date of expiry of the Certificate of Approval on every advertisement; and (c) The approval of this advertisement format by MAB does not exempt the applicant from any other written law regulating this advertisement.	Complied
37.	Klinik Dr Chong	MAB, MOH	8 December 2021 / 8 December 2021 to 31 December 2023	Approval Serial No. KKLIU 3294/2021 Reference No. 12/2021/P/11 This Certificate of Approval allows the article "Klinik Dr Chong" to be used and advertised on the radio and the language used is Chinese.	(a) The applicant is not allowed to make any amendments on the approved advertisements without the prior approval from the MAB; and (b) The approval of this advertisement format by MAB does not exempt the applicant from any other written law regulating this advertisement.	Complied

APPENDIX I – MAJOR APPROVALS, LICENSES AND PERMITS (Cont'd)

No.	Licencee	Issuing authority	Date of issue / Validity period	Licenses No. / Nature of approval	Equity and/or major conditions imposed	Compliance status
38.	Klinik Dr Chong	MAB, MOH	8 December 2021 / 8 December 2021 to 31 December 2023	Approval Serial No. KKLIU 3297/2021 Reference No. 12/2021/P/10 This Certificate of Approval allows the article "Klinik Dr Chong" to be used and advertised on the radio and the language used is Bahasa Malaysia.	(a) The applicant is not allowed to make any amendments on the approved advertisements without the prior approval from the MAB; and (b) The approval of this advertisement format by MAB does not exempt the applicant from any other written law regulating this advertisement.	Complied
39.	Klinik Dr Chong	MAB, MOH	13 May 2022 / 13 May 2022 to 31 December 2024	Approval serial no.: KKLIU 1407/2022 Reference no.: 5/2022/P/15 This Certificate of Approval allows the article "Klinik Dr Chong" to be used and advertised on all media except radio and the language used is Chinese and English.	(a) The applicant is not allowed to make any amendments on the approved advertisements without the prior approval from the MAB; (b) Following Regulation 7 of MAB Regulations 1976, it is required to show clearly the approval serial number and date of expiry of the Certificate of Approval on every advertisement; and (c) The approval of this advertisement format by MAB does not exempt the applicant from any other written law regulating this advertisement.	Complied

APPENDIX I – MAJOR APPROVALS, LICENSES AND PERMITS (Cont'd)

No.	Licencee	Issuing authority	Date of issue / Validity period	Licenses No. / Nature of approval	Equity and/or major conditions imposed	Compliance status
40.	Klinik Dr Chong	MAB, MOH	20 May 2022 / 20 May 2022 to 31 December 2024	Approval serial no.: KKLIU 1508/2022 Reference no.: 5/2022/P/36 This Certificate of Approval allows the article "Klinik Dr Chong" to be used and advertised on vehicle and the language used is English.	(a) The applicant is not allowed to make any amendments on the approved advertisements without the prior approval from the MAB; (b) Following Regulation 7 of MAB Regulations 1976, it is required to show clearly the approval serial number and date of expiry of the Certificate of Approval on every advertisement; and (c) The approval of this advertisement format by MAB does not exempt the applicant from any other written law regulating this advertisement.	Complied
41.	Klinik Dr Chong	MAB, MOH	25 May 2022 / 25 May 2022 to 31 December 2024	Approval serial no.: KKLIU 1545/2022 Reference no.: 5/2022/P/32 This Certificate of Approval allows the article "Klinik Dr Chong" to be used and advertised on video and the language used is English.	(a) The applicant is not allowed to make any amendments on the approved advertisements without the prior approval from the MAB; (b) Following Regulation 7 of MAB Regulations 1976, it is required to show clearly the approval serial number and date of expiry of the Certificate of Approval on every advertisement; and	Complied

APPENDIX I – MAJOR APPROVALS, LICENSES AND PERMITS (Cont'd)

No.	Licencee	Issuing authority	Date of issue / Validity period	Licenses No. / Nature of approval	Equity and/or major conditions imposed	Compliance status
42.	Klinik Chong	Dr MAB, MOH	25 May 2022 / 25 May 2022 to 31 December 2024	Approval serial no.: KKLIU 1546/2022 Reference no.: 5/2022/P/34 This Certificate of Approval allows the article "Klinik Dr Chong" to be used and advertised on video and the language used is Chinese, Bahasa Malaysia, English.	(c) The approval of this advertisement format by MAB does not exempt the applicant from any other written law regulating this advertisement. (a) The applicant is not allowed to make any amendments on the approved advertisements without the prior approval from the MAB; and (b) Following Regulation 7 of MAB Regulations 1976, it is required to show clearly the approval serial number and date of expiry of the Certificate of Approval on every advertisement. (c) The approval of this advertisement format by MAB does not exempt the applicant from any other written law regulating this advertisement.	Complied

APPENDIX I – MAJOR APPROVALS, LICENSES AND PERMITS (Cont'd)

No.	Licencee	Issuing authority	Date of issue / Validity period	Licenses No. / Nature of approval	Equity and/or major conditions imposed	Compliance status
43.	Klinik Dr Chong	MAB, MOH	25 May 2022 / 25 May 2022 to 31 December 2024	Approval serial no.: KKLIU 1547/2022 Reference no.: 5/2022/P/38 This Certificate of Approval allows the article "Klinik Dr Chong" to be used and advertised on video and the language used is Chinese, English.	(a) The applicant is not allowed to make any amendments on the approved advertisements without the prior approval from the MAB; and (b) Following Regulation 7 of MAB Regulations 1976, it is required to show clearly the approval serial number and date of expiry of the Certificate of Approval on every advertisement. (c) The approval of this advertisement format by MAB does not exempt the applicant from any other written law regulating this advertisement.	Complied
44.	Klinik Dr Chong	MAB, MOH	25 May 2022 / 25 May 2022 to 31 December 2024	Approval serial no.: KKLIU 1549/2022 Reference no.: 5/2022/P/33 This Certificate of Approval allows the article "Klinik Dr Chong" to be used and advertised on video and the language used is English, Bahasa Malaysia, Chinese.	(a) The applicant is not allowed to make any amendments on the approved advertisements without the prior approval from the MAB; (b) Following Regulation 7 of MAB Regulations 1976, it is required to show clearly the approval serial number and date of expiry of the Certificate of Approval on every advertisement; and	Complied

APPENDIX I – MAJOR APPROVALS, LICENSES AND PERMITS (Cont'd)

No.	Licencee	Issuing authority	Date of issue / Validity period	Licenses No. / Nature of approval	Equity and/or major conditions imposed	Compliance status
45.	Klinik Dr Chong	MAB, MOH	25 May 2022 / 25 May 2022 to 31 December 2024	Approval serial no.: KKLIU 1550/2022 Reference no.: 5/2022/P/35 This Certificate of Approval allows the article "Klinik Dr Chong" to be used and advertised on video and the language used is English.	(c) The approval of this advertisement format by MAB does not exempt the applicant from any other written law regulating this advertisement. (a) The applicant is not allowed to make any amendments on the approved advertisements without the prior approval from the MAB; (b) Following Regulation 7 of MAB Regulations 1976, it is required to show clearly the approval serial number and date of expiry of the Certificate of Approval on every advertisement; and (c) The approval of this advertisement format by MAB does not exempt the applicant from any other written law regulating this advertisement.	Complied

APPENDIX I – MAJOR APPROVALS, LICENSES AND PERMITS (Cont'd)

No.	Licencee	Issuing authority	Date of issue / Validity period	Licenses No. / Nature of approval	Equity and/or major conditions imposed	Compliance status
46.	Klinik Dr Chong	MAB, MOH	25 May 2022 / 25 May 2022 to 31 December 2024	Approval serial no.: KKLIU 1551/2022 Reference no.: 5/2022/P/37 This Certificate of Approval allows the article "Klinik Dr Chong" to be used and advertised on video and the language used is English.	(a) The applicant is not allowed to make any amendments on the approved advertisements without the prior approval from the MAB; and (b) Following Regulation 7 of MAB Regulations 1976, it is required to show clearly the approval serial number and date of expiry of the Certificate of Approval on every advertisement. (c) The approval of this advertisement format by MAB does not exempt the applicant from any other written law regulating this advertisement.	Complied
47.	Klinik Dr Chong	MAB, MOH	27 June 2022 / 27 June 2022 to 31 December 2024	Approval serial no.: KKLIU 1752/2022 Reference no.: 5/2022/P/16 This Certificate of Approval allows the article "Klinik Dr Chong" to be used and advertised on website and the language used is English.	(a) The applicant is not allowed to make any amendments on the approved advertisements without the prior approval from the MAB; (b) Following Regulation 7 of MAB Regulations 1976, it is required to show clearly the approval serial number and date of expiry of the Certificate of Approval on every advertisement; and	Complied

APPENDIX I – MAJOR APPROVALS, LICENSES AND PERMITS (Cont'd)

No.	Licencee	Issuing authority	Date of issue / Validity period	Licenses No. / Nature of approval	Equity and/or major conditions imposed	Compliance status
48.	Klinik Chong	Dr MAB, MOH	1 July 2022 / 1 July 2022 to 31 December 2024	Approval serial no.: KKLIU 1828/2022 Reference no.: 6/2022/P/110 This Certificate of Approval allows the article "Klinik Dr Chong" to be used and advertised on radio and the language used is English.	<p>(c) The approval of this advertisement format by MAB does not exempt the applicant from any other written law regulating this advertisement.</p> <p>(a) The applicant is not allowed to make any amendments on the approved advertisements without the prior approval from the MAB;</p> <p>(b) Following Regulation 7 of MAB Regulations 1976, it is required to show clearly the approval serial number and date of expiry of the Certificate of Approval on every advertisement; and</p> <p>(c) The approval of this advertisement format by MAB does not exempt the applicant from any other written law regulating this advertisement.</p>	Complied

APPENDIX I – MAJOR APPROVALS, LICENSES AND PERMITS (Cont'd)

No.	Licencee	Issuing authority	Date of issue / Validity period	Licenses No. / Nature of approval	Equity and/or major conditions imposed	Compliance status
49.	Klinik Dr Chong	MAB, MOH	11 August 2021 / 11 August 2021 to 31 December 2023	Approval serial no.: KKLIU 2129/2021 Reference no.: 8/2021/P/9 This Certificate of Approval allows the article "Klinik Dr Chong" to be used and advertised on all media (except radio) and the language used is English.	(a) The applicant is not allowed to make any amendments on the approved advertisements without the prior approval from the MAB; (b) Following Regulation 7 of MAB Regulations 1976, it is required to show clearly the approval serial number and date of expiry of the Certificate of Approval on every advertisement; and (c) The approval of this advertisement format by MAB does not exempt the applicant from any other written law regulating this advertisement.	Complied
50.	Klinik Dr Chong	MAB, MOH	30 August 2022 / 30 August 2022 to 31 December 2024	Approval serial no.: KKLIU 2412/2022 Reference no.: 8/2022/P/44 This Certificate of Approval allows the article "Klinik Dr Chong" to be used and advertised on all media (except radio) and the language used is English.	(a) The applicant is not allowed to make any amendments on the approved advertisements without the prior approval from the MAB; (b) Following Regulation 7 of MAB Regulations 1976, it is required to show clearly the approval serial number and date of expiry of the Certificate of Approval on every advertisement; and	Complied

APPENDIX I – MAJOR APPROVALS, LICENSES AND PERMITS (Cont'd)

No.	Licencee	Issuing authority	Date of issue / Validity period	Licenses No. / Nature of approval	Equity and/or major conditions imposed	Compliance status
51.	DCL Puchong	MAB, MOH	30 August 2022 / 30 August 2022 to 31 December 2024	Approval serial no.: KKLIU 2529/2022 Reference no.: 8/2022/P/120 This Certificate of Approval allows the article "Klinik Dr Chong" to be used and advertised on all media (except radio) and the language used is English.	(c) The approval of this advertisement format by MAB does not exempt the applicant from any other written law regulating this advertisement. (a) The applicant is not allowed to make any amendments on the approved advertisements without the prior approval from the MAB; (b) Following Regulation 7 of MAB Regulations 1976, it is required to show clearly the approval serial number and date of expiry of the Certificate of Approval on every advertisement; and (c) The approval of this advertisement format by MAB does not exempt the applicant from any other written law regulating this advertisement.	Complied

APPENDIX I – MAJOR APPROVALS, LICENSES AND PERMITS (Cont'd)

No.	Licencee	Issuing authority	Date of issue / Validity period	Licenses No. / Nature of approval	Equity and/or major conditions imposed	Compliance status
52.	DCL Puchong	MAB, MOH	30 August 2022 / 30 August 2022 to 31 December 2024	Approval serial no.: KKLIU 2567/2022 Reference no.: 8/2022/P/121 This Certificate of Approval allows the article "Klinik Dr Chong" to be used and advertised on all media (except radio) and the language used is Bahasa Malaysia, Chinese.	(a) The applicant is not allowed to make any amendments on the approved advertisements without the prior approval from the MAB; (b) Following Regulation 7 of MAB Regulations 1976, it is required to show clearly the approval serial number and date of expiry of the Certificate of Approval on every advertisement; and (c) The approval of this advertisement format by MAB does not exempt the applicant from any other written law regulating this advertisement.	Complied
53.	Klinik Chong	Dr MAB, MOH	4 November 2022 / 4 November 2022 to 31 December 2024	Approval serial no.: KKLIU 3151/2022 Reference no.: 10/2022/P/76 This Certificate of Approval allows the article "Klinik Dr Chong" to be used and advertised on video and the language used is English.	(a) The applicant is not allowed to make any amendments on the approved advertisements without the prior approval from the MAB; (b) Following Regulation 7 of MAB Regulations 1976, it is required to show clearly the approval serial number and date of expiry of the Certificate of Approval on every advertisement; and	Complied

APPENDIX I – MAJOR APPROVALS, LICENSES AND PERMITS (Cont'd)

No.	Licencee	Issuing authority	Date of issue / Validity period	Licenses No. / Nature of approval	Equity and/or major conditions imposed	Compliance status
54.	Klinik Chong	Dr MAB, MOH	4 November 2022 / 4 November 2022 to 31 December 2024	Approval serial no.: KKLIU 3184/2022 Reference no.: 11/2022/P/3 This Certificate of Approval allows the article "Klinik Dr Chong" to be used and advertised on video and the language used is English.	(c) The approval of this advertisement format by MAB does not exempt the applicant from any other written law regulating this advertisement. (a) The applicant is not allowed to make any amendments on the approved advertisements without the prior approval from the MAB; (b) Following Regulation 7 of MAB Regulations 1976, it is required to show clearly the approval serial number and date of expiry of the Certificate of Approval on every advertisement; and (c) The approval of this advertisement format by MAB does not exempt the applicant from any other written law regulating this advertisement.	Complied

APPENDIX I – MAJOR APPROVALS, LICENSES AND PERMITS (Cont'd)

No.	Licencee	Issuing authority	Date of issue / Validity period	Licenses No. / Nature of approval	Equity and/or major conditions imposed	Compliance status
55.	Klinik Dr Chong	MAB, MOH	4 November 2022 / 4 November 2022 to 31 December 2024	Approval serial no.: KKLIU 3185/2022 Reference no.: 11/2022/P/4 This Certificate of Approval allows the article "Klinik Dr Chong" to be used and advertised on all media (except radio) and the language used is English.	(a) The applicant is not allowed to make any amendments on the approved advertisements without the prior approval from the MAB; (b) Following Regulation 7 of MAB Regulations 1976, it is required to show clearly the approval serial number and date of expiry of the Certificate of Approval on every advertisement; and (c) The approval of this advertisement format by MAB does not exempt the applicant from any other written law regulating this advertisement.	Complied
56.	Klinik Dr Chong	MAB, MOH	4 November 2022 / 4 November 2022 to 31 December 2024	Approval serial no.: KKLIU 3186/2022 Reference no.: 11/2022/P/5 This Certificate of Approval allows the article "Klinik Dr Chong" to be used and advertised on all media (except radio) and the language used is English.	(a) The applicant is not allowed to make any amendments on the approved advertisements without the prior approval from the MAB; (b) Following Regulation 7 of MAB Regulations 1976, it is required to show clearly the approval serial number and date of expiry of the Certificate of Approval on every advertisement; and	Complied

APPENDIX I – MAJOR APPROVALS, LICENSES AND PERMITS (Cont'd)

No.	Licencee	Issuing authority	Date of issue / Validity period	Licenses No. / Nature of approval	Equity and/or major conditions imposed	Compliance status
57.	Klinik Chong	Dr MAB, MOH	4 November 2022 / 4 November 2022 to 31 December 2024	Approval serial no.: KKLIU 3187/2022 Reference no.: 11/2022/P/7 This Certificate of Approval allows the article "Klinik Dr Chong" to be used and advertised on all media (except radio) and the language used is English, Bahasa Malaysia, Chinese.	(c) The approval of this advertisement format by MAB does not exempt the applicant from any other written law regulating this advertisement. (a) The applicant is not allowed to make any amendments on the approved advertisements without the prior approval from the MAB; (b) Following Regulation 7 of MAB Regulations 1976, it is required to show clearly the approval serial number and date of expiry of the Certificate of Approval on every advertisement; and (c) The approval of this advertisement format by MAB does not exempt the applicant from any other written law regulating this advertisement.	Complied

APPENDIX I – MAJOR APPROVALS, LICENSES AND PERMITS (Cont'd)

No.	Licencee	Issuing authority	Date of issue / Validity period	Licenses No. / Nature of approval	Equity and/or major conditions imposed	Compliance status
58.	Klinik Dr Chong	MAB, MOH	4 November 2022 / 4 November 2022 to 31 December 2024	Approval serial no.: KKLIU 3188/2022 Reference no.: 11/2022/P/8 This Certificate of Approval allows the article "Klinik Dr Chong" to be used and advertised on video and the language used is English.	(a) The applicant is not allowed to make any amendments on the approved advertisements without the prior approval from the MAB; (b) Following Regulation 7 of MAB Regulations 1976, it is required to show clearly the approval serial number and date of expiry of the Certificate of Approval on every advertisement; and (c) The approval of this advertisement format by MAB does not exempt the applicant from any other written law regulating this advertisement.	Complied
59.	Klinik Dr Chong	MAB, MOH	4 November 2022 / 4 November 2022 to 31 December 2024	Approval serial no.: KKLIU 3189/2022 Reference no.: 11/2022/P/9 This Certificate of Approval allows the article "Klinik Dr Chong" to be used and advertised on vehicle and the language used is English.	(a) The applicant is not allowed to make any amendments on the approved advertisements without the prior approval from the MAB; (b) Following Regulation 7 of MAB Regulations 1976, it is required to show clearly the approval serial number and date of expiry of the Certificate of Approval on every advertisement; and	Complied

APPENDIX I – MAJOR APPROVALS, LICENSES AND PERMITS (Cont'd)

No.	Licencee	Issuing authority	Date of issue / Validity period	Licenses No. / Nature of approval	Equity and/or major conditions imposed	Compliance status
60.	Klinik Chong	Dr MAB, MOH	4 November 2022 / 4 November 2022 to 31 December 2024	Approval serial no.: KKLIU 3190/2022 Reference no.: 11/2022/P/10 This Certificate of Approval allows the article "Klinik Dr Chong" to be used and advertised on video and the language used is English.	<p>(c) The approval of this advertisement format by MAB does not exempt the applicant from any other written law regulating this advertisement.</p> <p>(a) The applicant is not allowed to make any amendments on the approved advertisements without the prior approval from the MAB;</p> <p>(b) Following Regulation 7 of MAB Regulations 1976, it is required to show clearly the approval serial number and date of expiry of the Certificate of Approval on every advertisement; and</p> <p>(c) The approval of this advertisement format by MAB does not exempt the applicant from any other written law regulating this advertisement.</p>	Complied

APPENDIX I – MAJOR APPROVALS, LICENSES AND PERMITS (Cont'd)

No.	Licencee	Issuing authority	Date of issue / Validity period	Licenses No. / Nature of approval	Equity and/or major conditions imposed	Compliance status
61.	Klinik Dr Chong	MAB, MOH	4 November 2022 / 4 November 2022 to 31 December 2024	Approval serial no.: KKLIU 3191/2022 Reference no.: 11/2022/P/11 This Certificate of Approval allows the article "Klinik Dr Chong" to be used and advertised on video and the language used is English, Bahasa Malaysia, Chinese.	(a) The applicant is not allowed to make any amendments on the approved advertisements without the prior approval from the MAB; (b) Following Regulation 7 of MAB Regulations 1976, it is required to show clearly the approval serial number and date of expiry of the Certificate of Approval on every advertisement; and (c) The approval of this advertisement format by MAB does not exempt the applicant from any other written law regulating this advertisement.	Complied
62.	Klinik Dr Chong	MAB, MOH	4 November 2022 / 4 November 2022 to 31 December 2024	Approval serial no.: KKLIU 3192/2022 Reference no.: 11/2022/P/12 This Certificate of Approval allows the article "Klinik Dr Chong" to be used and advertised on video and the language used is English.	(a) The applicant is not allowed to make any amendments on the approved advertisements without the prior approval from the MAB; (b) Following Regulation 7 of MAB Regulations 1976, it is required to show clearly the approval serial number and date of expiry of the Certificate of Approval on every advertisement; and	Complied

APPENDIX I – MAJOR APPROVALS, LICENSES AND PERMITS (Cont'd)

No.	Licencee	Issuing authority	Date of issue / Validity period	Licenses No. / Nature of approval	Equity and/or major conditions imposed	Compliance status
63.	Klinik Chong	Dr MAB, MOH	11 November 2022 / 11 November 2022 to 31 December 2024	Approval serial no.: KKLIU 3237/2022 Reference no.: 10/2022/P/77 This Certificate of Approval allows the article "Klinik Dr Chong" to be used and advertised on video and the language used is English.	<p>(c) The approval of this advertisement format by MAB does not exempt the applicant from any other written law regulating this advertisement.</p> <p>(a) The applicant is not allowed to make any amendments on the approved advertisements without the prior approval from the MAB;</p> <p>(b) Following Regulation 7 of MAB Regulations 1976, it is required to show clearly the approval serial number and date of expiry of the Certificate of Approval on every advertisement; and</p> <p>(c) The approval of this advertisement format by MAB does not exempt the applicant from any other written law regulating this advertisement.</p>	Complied

APPENDIX I – MAJOR APPROVALS, LICENSES AND PERMITS (Cont'd)

No.	Licencee	Issuing authority	Date of issue / Validity period	Licenses No. / Nature of approval	Equity and/or major conditions imposed	Compliance status
64.	Klinik Dr Chong	MAB, MOH	5 January 2023 / 5 January 2023 to 31 December 2025	Approval serial no.: KKLIU 0055/2023 Reference no.: 12/2022/P/110 This Certificate of Approval allows the article "Klinik Dr Chong" to be used and advertised on video and the language used is English.	(a) The applicant is not allowed to make any amendments on the approved advertisements without the prior approval from the MAB; (b) Following Regulation 7 of MAB Regulations 1976, it is required to show clearly the approval serial number and date of expiry of the Certificate of Approval on every advertisement; and (c) The approval of this advertisement format by MAB does not exempt the applicant from any other written law regulating this advertisement.	Complied
65.	Klinik Dr Chong	MAB, MOH	5 January 2023 / 5 January 2023 to 31 December 2025	Approval serial no.: KKLIU 0056/2023 Reference no.: 12/2022/P/111 This Certificate of Approval allows the article "Klinik Dr Chong" to be used and advertised on video and the language used is English.	(a) The applicant is not allowed to make any amendments on the approved advertisements without the prior approval from the MAB; (b) Following Regulation 7 of MAB Regulations 1976, it is required to show clearly the approval serial number and date of expiry of the Certificate of Approval on every advertisement; and	Complied

APPENDIX I – MAJOR APPROVALS, LICENSES AND PERMITS (Cont'd)

No.	Licencee	Issuing authority	Date of issue / Validity period	Licenses No. / Nature of approval	Equity and/or major conditions imposed	Compliance status
66.	Klinik Chong	Dr MAB, MOH	21 November 2022 / 21 November 2022 to 31 December 2024	Approval serial no.: KKLIU 3311/2022 Reference no.: 11/2022/P/6 This Certificate of Approval allows the article "Klinik Dr Chong" to be used and advertised on all media (except radio) and the language used is English.	<p>(c) The approval of this advertisement format by MAB does not exempt the applicant from any other written law regulating this advertisement.</p> <p>(a) The applicant is not allowed to make any amendments on the approved advertisements without the prior approval from the MAB;</p> <p>(b) Following Regulation 7 of MAB Regulations 1976, it is required to show clearly the approval serial number and date of expiry of the Certificate of Approval on every advertisement; and</p> <p>(c) The approval of this advertisement format by MAB does not exempt the applicant from any other written law regulating this advertisement.</p>	Complied

APPENDIX I – MAJOR APPROVALS, LICENSES AND PERMITS (Cont'd)

No.	Licencee	Issuing authority	Date of issue / Validity period	Licenses No. / Nature of approval	Equity and/or major conditions imposed	Compliance status
67.	Klinik Dr Chong	MAB, MOH	29 November 2022 / 29 November 2022 to 31 December 2024	Approval serial no.: KKLIU 3417/2022 Reference no.: 11/2022/P/55 This Certificate of Approval allows the article "Klinik Dr Chong" to be used and advertised on website and the language used is English.	(a) The applicant is not allowed to make any amendments on the approved advertisements without the prior approval from the MAB; (b) Following Regulation 7 of MAB Regulations 1976, it is required to show clearly the approval serial number and date of expiry of the Certificate of Approval on every advertisement; and (c) The approval of this advertisement format by MAB does not exempt the applicant from any other written law regulating this advertisement.	Complied
68.	Klinik Dr Chong	MAB, MOH	24 November 2022 / 24 November 2022 to 31 December 2024	Approval serial no.: KKLIU 3418/2022 Reference no.: 11/2022/P/56 This Certificate of Approval allows the article "Klinik Dr Chong" to be used and advertised on all media (except radio) and the language used is English.	(a) The applicant is not allowed to make any amendments on the approved advertisements without the prior approval from the MAB; (b) Following Regulation 7 of MAB Regulations 1976, it is required to show clearly the approval serial number and date of expiry of the Certificate of Approval on every advertisement; and	Complied

APPENDIX I – MAJOR APPROVALS, LICENSES AND PERMITS (Cont'd)

No.	Licencee	Issuing authority	Date of issue / Validity period	Licenses No. / Nature of approval	Equity and/or major conditions imposed	Compliance status
69.	Klinik Chong	Dr MAB, MOH	24 November 2022 / 24 November 2022 to 31 December 2024	Approval serial no.: KKLIU 3419/2022 Reference no.: 11/2022/P/57 This Certificate of Approval allows the article "Klinik Dr Chong" to be used and advertised on all media (except radio) and the language used is English.	(c) The approval of this advertisement format by MAB does not exempt the applicant from any other written law regulating this advertisement. (a) The applicant is not allowed to make any amendments on the approved advertisements without the prior approval from the MAB; (b) Following Regulation 7 of MAB Regulations 1976, it is required to show clearly the approval serial number and date of expiry of the Certificate of Approval on every advertisement; and (c) The approval of this advertisement format by MAB does not exempt the applicant from any other written law regulating this advertisement.	Complied

APPENDIX I – MAJOR APPROVALS, LICENSES AND PERMITS (Cont'd)

No.	Licencee	Issuing authority	Date of issue / Validity period	Licenses No. / Nature of approval	Equity and/or major conditions imposed	Compliance status
70.	Klinik Dr Chong	MAB, MOH	25 November 2022 / 25 November 2022 to 31 December 2024	Approval serial no.: KKLIU 3420/2022 Reference no.: 11/2022/P/58 This Certificate of Approval allows the article "Klinik Dr Chong" to be used and advertised on internet and the language used is English.	(a) The applicant is not allowed to make any amendments on the approved advertisements without the prior approval from the MAB; (b) Following Regulation 7 of MAB Regulations 1976, it is required to show clearly the approval serial number and date of expiry of the Certificate of Approval on every advertisement; and (c) The approval of this advertisement format by MAB does not exempt the applicant from any other written law regulating this advertisement.	Complied
71.	Klinik Dr Chong	MAB, MOH	16 December 2022 / 16 December 2022 to 31 December 2024	Approval serial no.: KKLIU 3540/2022 Reference no.: 11/2022/P/54 This Certificate of Approval allows the article "Klinik Dr Chong" to be used and advertised on website and the language used is English.	(a) The applicant is not allowed to make any amendments on the approved advertisements without the prior approval from the MAB; (b) Following Regulation 7 of MAB Regulations 1976, it is required to show clearly the approval serial number and date of expiry of the Certificate of Approval on every advertisement; and	Complied

APPENDIX I – MAJOR APPROVALS, LICENSES AND PERMITS (Cont'd)

No.	Licencee	Issuing authority	Date of issue / Validity period	Licenses No. / Nature of approval	Equity and/or major conditions imposed	Compliance status
72.	Klinik Chong	Dr MAB, MOH	21 December 2022 / 21 December 2022 to 31 December 2024	Approval serial no.: KKLIU 3694/2022 Reference no.: 12/2022/P/65 This Certificate of Approval allows the article "Klinik Dr Chong" to be used and advertised on video and the language used is Chinese and English.	(c) The approval of this advertisement format by MAB does not exempt the applicant from any other written law regulating this advertisement. (a) The applicant is not allowed to make any amendments on the approved advertisements without the prior approval from the MAB; (b) Following Regulation 7 of MAB Regulations 1976, it is required to show clearly the approval serial number and date of expiry of the Certificate of Approval on every advertisement; and (c) The approval of this advertisement format by MAB does not exempt the applicant from any other written law regulating this advertisement.	Complied

APPENDIX I – MAJOR APPROVALS, LICENSES AND PERMITS (Cont'd)

No.	Licencee	Issuing authority	Date of issue / Validity period	Licenses No. / Nature of approval	Equity and/or major conditions imposed	Compliance status
73.	Klinik Dr Chong	MAB, MOH	23 December 2022 / 23 December 2022 to 31 December 2024	Approval serial no.: KKLIU 3730/2022 Reference no.: 12/2022/P/78 This Certificate of Approval allows the article "Klinik Dr Chong" to be used and advertised on all media (except radio) and the language used is English.	(a) The applicant is not allowed to make any amendments on the approved advertisements without the prior approval from the MAB; (b) Following Regulation 7 of MAB Regulations 1976, it is required to show clearly the approval serial number and date of expiry of the Certificate of Approval on every advertisement; and (c) The approval of this advertisement format by MAB does not exempt the applicant from any other written law regulating this advertisement.	Complied
74.	Klinik Dr Chong	MAB, MOH	23 December 2022 / 23 December 2022 to 31 December 2024	Approval serial no.: KKLIU 3736/2022 Reference no.: 12/2022/P/79 This Certificate of Approval allows the article "Klinik Dr Chong" to be used and advertised on all media (except radio) and the language used is English.	(a) The applicant is not allowed to make any amendments on the approved advertisements without the prior approval from the MAB; (b) Following Regulation 7 of MAB Regulations 1976, it is required to show clearly the approval serial number and date of expiry of the Certificate of Approval on every advertisement; and	Complied

APPENDIX I – MAJOR APPROVALS, LICENSES AND PERMITS (Cont'd)

No.	Licencee	Issuing authority	Date of issue / Validity period	Licenses No. / Nature of approval	Equity and/or major conditions imposed	Compliance status
75.	Klinik Chong	Dr MAB, MOH	23 December 2022 / 23 December 2022 to 31 December 2024	Approval serial no.: KKLIU 3748/2022 Reference no.: 12/2022/P/31 This Certificate of Approval allows the article "Klinik Dr Chong" to be used and advertised on all media (except radio) and the language used is English and Bahasa Malaysia.	(c) The approval of this advertisement format by MAB does not exempt the applicant from any other written law regulating this advertisement. (a) The applicant is not allowed to make any amendments on the approved advertisements without the prior approval from the MAB; (b) Following Regulation 7 of MAB Regulations 1976, it is required to show clearly the approval serial number and date of expiry of the Certificate of Approval on every advertisement; and (c) The approval of this advertisement format by MAB does not exempt the applicant from any other written law regulating this advertisement.	Complied

APPENDIX I – MAJOR APPROVALS, LICENSES AND PERMITS (Cont'd)

No.	Licencee	Issuing authority	Date of issue / Validity period	Licenses No. / Nature of approval	Equity and/or major conditions imposed	Compliance status
76.	Klinik Dr Chong	MAB, MOH	1 March 2023 / 1 March 2023 to 31 December 2025	Approval serial no.: KKLIU 0636 / EXP 31.12.2025 Reference no.: 2/2023/P/84 This Certificate of Approval allows the article "Klinik Dr Chong" to be used and advertised on video and the language used is English.	(a) The applicant is not allowed to make any amendments on the approved advertisements without the prior approval from the MAB; (b) Following Regulation 7 of MAB Regulations 1976, it is required to show clearly the approval serial number and date of expiry of the Certificate of Approval on every advertisement; and (c) The approval of this advertisement format by MAB does not exempt the applicant from any other written law regulating this advertisement.	Complied
77.	Klinik Dr Chong	MAB, MOH	8 February 2023 / 8 February 2023 to 31 December 2025	Approval serial no.: KKLIU 0384 / EXP 31.12.2025 Reference no.: 1/2023/P/40 This Certificate of Approval allows the article "Klinik Dr Chong" to be used and advertised on website and the language used is English.	(a) The applicant is not allowed to make any amendments on the approved advertisements without the prior approval from the MAB; (b) Following Regulation 7 of MAB Regulations 1976, it is required to show clearly the approval serial number and date of expiry of the Certificate of Approval on every advertisement; and	Complied

APPENDIX I – MAJOR APPROVALS, LICENSES AND PERMITS (Cont'd)

No.	Licencee	Issuing authority	Date of issue / Validity period	Licenses No. / Nature of approval	Equity and/or major conditions imposed	Compliance status
78.	Klinik Chong	Dr MAB, MOH	1 March 2023 / 1 March 2023 to 31 December 2025	Approval serial no.: KKLIU 0637 / EXP 31.12.2025 Reference no.: 2/2023/P/82 This Certificate of Approval allows the article "Klinik Dr Chong" to be used and advertised on video and the language used is English.	(c) The approval of this advertisement format by MAB does not exempt the applicant from any other written law regulating this advertisement. (a) The applicant is not allowed to make any amendments on the approved advertisements without the prior approval from the MAB; (b) Following Regulation 7 of MAB Regulations 1976, it is required to show clearly the approval serial number and date of expiry of the Certificate of Approval on every advertisement; and (c) The approval of this advertisement format by MAB does not exempt the applicant from any other written law regulating this advertisement.	Complied

APPENDIX I – MAJOR APPROVALS, LICENSES AND PERMITS (Cont'd)

No.	Licencee	Issuing authority	Date of issue / Validity period	Licenses No. / Nature of approval	Equity and/or major conditions imposed	Compliance status
79.	Klinik Dr Chong	MAB, MOH	1 March 2023 / 1 March 2023 to 31 December 2025	Approval serial no.: KKLIU 0638 / EXP 31.12.2025 Reference no.: 2/2023/P/83 This Certificate of Approval allows the article "Klinik Dr Chong" to be used and advertised on video and the language used is English.	(a) The applicant is not allowed to make any amendments on the approved advertisements without the prior approval from the MAB; (b) Following Regulation 7 of MAB Regulations 1976, it is required to show clearly the approval serial number and date of expiry of the Certificate of Approval on every advertisement; and (c) The approval of this advertisement format by MAB does not exempt the applicant from any other written law regulating this advertisement.	Complied
80.	Klinik Dr Chong	MAB, MOH	9 March 2023 / 9 March 2023 to 31 December 2025	Approval serial no.: KKLIU 0656 / EXP 31.12.2025 Reference no.: 2/2023/P/80 This Certificate of Approval allows the article "Klinik Dr Chong" to be used and advertised on video and the language used is English.	(a) The applicant is not allowed to make any amendments on the approved advertisements without the prior approval from the MAB; (b) Following Regulation 7 of MAB Regulations 1976, it is required to show clearly the approval serial number and date of expiry of the Certificate of Approval on every advertisement; and	Complied

APPENDIX I – MAJOR APPROVALS, LICENSES AND PERMITS (Cont'd)

No.	Licencee	Issuing authority	Date of issue / Validity period	Licenses No. / Nature of approval	Equity and/or major conditions imposed	Compliance status
81.	Klinik Chong	Dr MAB, MOH	9 March 2023 / 9 March 2023 to 31 December 2025	Approval serial no.: KKLIU 0657 / EXP 31.12.2025 Reference no.: 2/2023/P/86 This Certificate of Approval allows the article "Klinik Dr Chong" to be used and advertised on video and the language used is English.	(c) The approval of this advertisement format by MAB does not exempt the applicant from any other written law regulating this advertisement. (a) The applicant is not allowed to make any amendments on the approved advertisements without the prior approval from the MAB; (b) Following Regulation 7 of MAB Regulations 1976, it is required to show clearly the approval serial number and date of expiry of the Certificate of Approval on every advertisement; and (c) The approval of this advertisement format by MAB does not exempt the applicant from any other written law regulating this advertisement.	Complied

APPENDIX I – MAJOR APPROVALS, LICENSES AND PERMITS (Cont'd)

No.	Licencee	Issuing authority	Date of issue / Validity period	Licenses No. / Nature of approval	Equity and/or major conditions imposed	Compliance status
82.	Klinik Dr Chong	MAB, MOH	13 March 2023 / 13 March 2023 to 31 December 2025	Approval serial no.: KKLIU 0745 / EXP 31.12.2025 Reference no.: 3/2023/P/10 This Certificate of Approval allows the article "Klinik Dr Chong" to be used and advertised on all media (except radio) and the language used is English and Bahasa Malaysia.	(a) The applicant is not allowed to make any amendments on the approved advertisements without the prior approval from the MAB; (b) Following Regulation 7 of MAB Regulations 1976, it is required to show clearly the approval serial number and date of expiry of the Certificate of Approval on every advertisement; and (c) The approval of this advertisement format by MAB does not exempt the applicant from any other written law regulating this advertisement.	Complied
83.	Klinik Dr Chong	MAB, MOH	9 March 2023 / 9 March 2023 to 31 December 2025	Approval serial no.: KKLIU 0746 / EXP 31.12.2025 Reference no.: 3/2023/P/9 This Certificate of Approval allows the article "Klinik Dr Chong" to be used and advertised on vehicle and the language used is English.	(a) The applicant is not allowed to make any amendments on the approved advertisements without the prior approval from the MAB; (b) Following Regulation 7 of MAB Regulations 1976, it is required to show clearly the approval serial number and date of expiry of the Certificate of Approval on every advertisement; and	Complied

APPENDIX I – MAJOR APPROVALS, LICENSES AND PERMITS (Cont'd)

No.	Licencee	Issuing authority	Date of issue / Validity period	Licenses No. / Nature of approval	Equity and/or major conditions imposed	Compliance status
84.	Klinik Chong	Dr MAB, MOH	13 January 2023 / 13 January 2023 to 31 December 2025	Approval serial no.: KKLIU 0191/2023 Reference no.: 1/2023/P/41 This Certificate of Approval allows the article "Klinik Dr Chong" to be used and advertised on all media (except radio) and the language used is English.	(c) The approval of this advertisement format by MAB does not exempt the applicant from any other written law regulating this advertisement. (a) The applicant is not allowed to make any amendments on the approved advertisements without the prior approval from the MAB; (b) Following Regulation 7 of MAB Regulations 1976, it is required to show clearly the approval serial number and date of expiry of the Certificate of Approval on every advertisement; and (c) The approval of this advertisement format by MAB does not exempt the applicant from any other written law regulating this advertisement.	Complied

APPENDIX I – MAJOR APPROVALS, LICENSES AND PERMITS (Cont'd)

No.	Licencee	Issuing authority	Date of issue / Validity period	Licenses No. / Nature of approval	Equity and/or major conditions imposed	Compliance status
85.	Klinik Dr Chong	MAB, MOH	10 January 2023 / 10 January 2023 to 31 December 2025	Approval serial no.: KKLIU 0102/2023 Reference no.: 12/2022/P/69 This Certificate of Approval allows the article "Klinik Dr Chong" to be used and advertised on website and the language used is English.	(a) The applicant is not allowed to make any amendments on the approved advertisements without the prior approval from the MAB; (b) Following Regulation 7 of MAB Regulations 1976, it is required to show clearly the approval serial number and date of expiry of the Certificate of Approval on every advertisement; and (c) The approval of this advertisement format by MAB does not exempt the applicant from any other written law regulating this advertisement.	Complied
86.	Klinik Dr Chong	MAB, MOH	9 January 2023 / 9 January 2023 to 31 December 2025	Approval serial no.: KKLIU 0094/2023 Reference no.: 12/2022/P/68 This Certificate of Approval allows the article "Klinik Dr Chong" to be used and advertised on website and the language used is English.	(a) The applicant is not allowed to make any amendments on the approved advertisements without the prior approval from the MAB; (b) Following Regulation 7 of MAB Regulations 1976, it is required to show clearly the approval serial number and date of expiry of the Certificate of Approval on every advertisement; and	Complied

APPENDIX I – MAJOR APPROVALS, LICENSES AND PERMITS (Cont'd)

No.	Licencee	Issuing authority	Date of issue / Validity period	Licenses No. / Nature of approval	Equity and/or major conditions imposed	Compliance status
87.	Klinik Chong	Dr MAB, MOH	9 January 2023 / 9 January 2023 to 31 December 2025	Approval serial no.: KKLIU 0095/2023 Reference no.: 12/2022/P/70 This Certificate of Approval allows the article "Klinik Dr Chong" to be used and advertised on website and the language used is English.	<p>(c) The approval of this advertisement format by MAB does not exempt the applicant from any other written law regulating this advertisement.</p> <p>(a) The applicant is not allowed to make any amendments on the approved advertisements without the prior approval from the MAB;</p> <p>(b) Following Regulation 7 of MAB Regulations 1976, it is required to show clearly the approval serial number and date of expiry of the Certificate of Approval on every advertisement; and</p> <p>(c) The approval of this advertisement format by MAB does not exempt the applicant from any other written law regulating this advertisement.</p>	Complied

APPENDIX I – MAJOR APPROVALS, LICENSES AND PERMITS (Cont'd)

No.	Licencee	Issuing authority	Date of issue / Validity period	Licenses No. / Nature of approval	Equity and/or major conditions imposed	Compliance status
88.	Klinik Dr Chong	MAB, MOH	8 February 2023 / 8 February 2023 to 31 December 2025	Approval serial no.: KKLIU 0336 / EXP 31.12.2025 Reference no.: 1/2023/P/77 This Certificate of Approval allows the article "Klinik Dr Chong" to be used and advertised on all media (except radio) and the language used is English.	(a) The applicant is not allowed to make any amendments on the approved advertisements without the prior approval from the MAB; (b) Following Regulation 7 of MAB Regulations 1976, it is required to show clearly the approval serial number and date of expiry of the Certificate of Approval on every advertisement; and (c) The approval of this advertisement format by MAB does not exempt the applicant from any other written law regulating this advertisement.	Complied
89.	Klinik Dr Chong	MAB, MOH	8 February 2023 / 8 February 2023 to 31 December 2025	Approval serial no.: KKLIU 0337 / EXP 31.12.2025 Reference no.: 1/2023/P/78 This Certificate of Approval allows the article "Klinik Dr Chong" to be used and advertised on video and the language used is English.	(a) The applicant is not allowed to make any amendments on the approved advertisements without the prior approval from the MAB; (b) Following Regulation 7 of MAB Regulations 1976, it is required to show clearly the approval serial number and date of expiry of the Certificate of Approval on every advertisement; and	Complied

APPENDIX I – MAJOR APPROVALS, LICENSES AND PERMITS (Cont'd)

No.	Licencee	Issuing authority	Date of issue / Validity period	Licenses No. / Nature of approval	Equity and/or major conditions imposed	Compliance status
90.	Klinik Chong	Dr MAB, MOH	22 March 2023 / 22 March 2023 to 31 December 2025	Approval serial no.: KKLIU 0866 / EXP 31.12.2025 Reference no.: 3/2023/P/53 This Certificate of Approval allows the article "Klinik Dr Chong" to be used and advertised on all media (except radio) and the language used is English and Bahasa Malaysia.	(c) The approval of this advertisement format by MAB does not exempt the applicant from any other written law regulating this advertisement. (a) The applicant is not allowed to make any amendments on the approved advertisements without the prior approval from the MAB; (b) Following Regulation 7 of MAB Regulations 1976, it is required to show clearly the approval serial number and date of expiry of the Certificate of Approval on every advertisement; and (c) The approval of this advertisement format by MAB does not exempt the applicant from any other written law regulating this advertisement.	Complied

APPENDIX I – MAJOR APPROVALS, LICENSES AND PERMITS (Cont'd)

No.	Licencee	Issuing authority	Date of issue / Validity period	Licenses No. / Nature of approval	Equity and/or major conditions imposed	Compliance status
91.	Klinik Dr Chong	MAB, MOH	10 May 2023 / 10 May 2023 to 31 December 2025	Approval serial no.: KKLIU 1400 / EXP 31.12.2025 Reference no.: 5/2023/P/4 This Certificate of Approval allows the article "Klinik Dr Chong" to be used and advertised on all media (except radio) and the language used is English.	(a) The applicant is not allowed to make any amendments on the approved advertisements without the prior approval from the MAB; (b) Following Regulation 7 of MAB Regulations 1976, it is required to show clearly the approval serial number and date of expiry of the Certificate of Approval on every advertisement; and (c) The approval of this advertisement format by MAB does not exempt the applicant from any other written law regulating this advertisement.	Complied
92.	Klinik Dr Chong	MAB, MOH	14 April 2023 / 14 April 2023 to 31 December 2025	Approval serial no.: KKLIU 1188 / EXP 31.12.2025 Reference no.: 4/2023/P/25 This Certificate of Approval allows the article "Klinik Dr Chong" to be used and advertised on internet and the language used is English and Chinese.	(a) The applicant is not allowed to make any amendments on the approved advertisements without the prior approval from the MAB; (b) Following Regulation 7 of MAB Regulations 1976, it is required to show clearly the approval serial number and date of expiry of the Certificate of Approval on every advertisement; and	Complied

APPENDIX I – MAJOR APPROVALS, LICENSES AND PERMITS (Cont'd)

No.	Licencee	Issuing authority	Date of issue / Validity period	Licenses No. / Nature of approval	Equity and/or major conditions imposed	Compliance status
93.	Klinik Chong	Dr MAB, MOH	19 April 2023 / 19 April 2023 to 31 December 2025	Approval serial no.: KKLIU 1256 / EXP 31.12.2025 Reference no.: 4/2023/P/56 This Certificate of Approval allows the article "Klinik Dr Chong" to be used and advertised on video and the language used is English.	(c) The approval of this advertisement format by MAB does not exempt the applicant from any other written law regulating this advertisement. (a) The applicant is not allowed to make any amendments on the approved advertisements without the prior approval from the MAB; (b) Following Regulation 7 of MAB Regulations 1976, it is required to show clearly the approval serial number and date of expiry of the Certificate of Approval on every advertisement; and (c) The approval of this advertisement format by MAB does not exempt the applicant from any other written law regulating this advertisement.	Complied

APPENDIX I – MAJOR APPROVALS, LICENSES AND PERMITS (Cont'd)

No.	Licencee	Issuing authority	Date of issue / Validity period	Licenses No. / Nature of approval	Equity and/or major conditions imposed	Compliance status
94.	Klinik Chong	Dr Director of Pharmaceutical Services, MOH	2 November 2022 / 2 November 2024	Notification No. NOT201100378K This Notification Note is to inform that the cosmetic, Le Perfetto Luminosa Stem Cell Cleanser has been notified by Klinik Dr Chong and Klinik Dr Chong will be responsible to place the cosmetic in the local market. Manufacturer of the cosmetic: CL Cosmetic Industries Sdn Bhd	Any person responsible for placing the notified cosmetic in the market must ensure the notified cosmetic meets all the requirements as stipulated in the provisions under the Control of Drugs and Cosmetics Regulations 1984.	Complied
95.	Klinik Chong	Dr Director of Pharmaceutical Services, MOH	30 October 2022 / 30 October 2024	Notification No. NOT201008179K This Notification Note is to inform that the cosmetic, Le Perfetto Luminosa Stem Cell Day & Night Cream has been notified by Klinik Dr Chong and Klinik Dr Chong will be responsible to place the cosmetic in the local market. Manufacturer of the cosmetic: CL Cosmetic Industries Sdn Bhd	Any person responsible for placing the notified cosmetic in the market must ensure the notified cosmetic meets all the requirements as stipulated in the provisions under the Control of Drugs and Cosmetics Regulations 1984.	Complied
96.	Klinik Chong	Dr Director of Pharmaceutical Services, MOH	30 October 2022 / 30 October 2024	Notification No. NOT201008178K This Notification Note is to inform that the cosmetic, Le Perfetto Luminosa Stem Cell Moisturizer has been notified by Klinik Dr Chong and Klinik Dr Chong will be responsible to place the cosmetic in the local market.	Any person responsible for placing the notified cosmetic in the market must ensure the notified cosmetic meets all the requirements as stipulated in the provisions under the Control of Drugs and Cosmetics Regulations 1984.	Complied

APPENDIX I – MAJOR APPROVALS, LICENSES AND PERMITS (Cont'd)

No.	Licencee	Issuing authority	Date of issue / Validity period	Licenses No. / Nature of approval	Equity and/or major conditions imposed	Compliance status
				Manufacturer of the cosmetic: CL Cosmetic Industries Sdn Bhd		
97.	Klinik Chong	Dr Director of Pharmaceutical Services, MOH	30 October 2022 / 30 October 2024	Notification No. NOT201008177K This Notification Note is to inform that the cosmetic, Le Perfetto Luminosa Stem Cell Sunscreen SPF50 has been notified by Klinik Dr Chong and Klinik Dr Chong will be responsible to place the cosmetic in the local market.	Any person responsible for placing the notified cosmetic in the market must ensure the notified cosmetic meets all the requirements as stipulated in the provisions under the Control of Drugs and Cosmetics Regulations 1984.	Complied
				Manufacturer of the cosmetic: CL Cosmetic Industries Sdn Bhd		
98.	Klinik Chong	Dr Director of Pharmaceutical Services, MOH	30 October 2022 / 30 October 2024	Notification No. NOT201008176K This Notification Note is to inform that the cosmetic, Le Perfetto Luminosa Stem Cell Toner has been notified by Klinik Dr Chong and Klinik Dr Chong will be responsible to place the cosmetic in the local market.	Any person responsible for placing the notified cosmetic in the market must ensure the notified cosmetic meets all the requirements as stipulated in the provisions under the Control of Drugs and Cosmetics Regulations 1984.	Complied
				Manufacturer of the cosmetic: CL Cosmetic Industries Sdn Bhd		

APPENDIX I – MAJOR APPROVALS, LICENSES AND PERMITS (Cont'd)

No.	Licencee	Issuing authority	Date of issue / Validity period	Licenses No. / Nature of approval	Equity and/or major conditions imposed	Compliance status
99.	Klinik Chong	Dr Director of Pharmaceutical Services, MOH	1 November 2021 / 1 November 2021 to 1 November 2023	Notification No. NOT211100006K This Notification Note is to inform that the cosmetic, Le Perfetto Luminosa Stem Cell Sunscreen SPF80 has been notified by Klinik Dr Chong and Klinik Dr Chong will be responsible to place the cosmetic in the local market. Manufacturer of the cosmetic: Giovan Resources Sdn Bhd	Any person responsible for placing the notified cosmetic in the market must ensure the notified cosmetic meets all the requirements as stipulated in the provisions under the Control of Drugs and Cosmetics Regulations 1984.	Complied
100.	Klinik Chong	Dr Director of Pharmaceutical Services, MOH	1 October 2021 / 1 October 2021 to 1 October 2023	Notification No. NOT211000065K This Notification Note is to inform that the cosmetic, Le Perfetto Premium Eye Cream has been notified by Klinik Dr Chong and Klinik Dr Chong will be responsible to place the cosmetic in the local market. Manufacturer of the cosmetic: CL Cosmetic Industries Sdn Bhd	Any person responsible for placing the notified cosmetic in the market must ensure the notified cosmetic meets all the requirements as stipulated in the provisions under the Control of Drugs and Cosmetics Regulations 1984.	Complied
101.	Klinik Chong	Dr Director of Pharmaceutical Services, MOH	2 November 2022 / 2 November 2022 to 2 November 2024	Notification No. NOT201100379K This Notification Note is to inform that the cosmetic, Le Perfetto Puro Acne Cream has been notified by Klinik Dr Chong and Klinik Dr Chong will be responsible to place the cosmetic in the local market.	Any person responsible for placing the notified cosmetic in the market must ensure the notified cosmetic meets all the requirements as stipulated in the provisions under the Control of Drugs and Cosmetics Regulations 1984.	Complied

APPENDIX I – MAJOR APPROVALS, LICENSES AND PERMITS (Cont'd)

No.	Licencee	Issuing authority	Date of issue / Validity period	Licenses No. / Nature of approval	Equity and/or major conditions imposed	Compliance status
				Manufacturer of the cosmetic: CL Cosmetic Industries Sdn Bhd		
102.	Klinik Chong	Dr Director of Pharmaceutical Services, MOH	2 November 2022 / 2 November 2024	Notification No. NOT201100380K This Notification Note is to inform that the cosmetic, Le Perfetto Puro Purifying Cleanser has been notified by Klinik Dr Chong and Klinik Dr Chong will be responsible to place the cosmetic in the local market.	Any person responsible for placing the notified cosmetic in the market must ensure the notified cosmetic meets all the requirements as stipulated in the provisions under the Control of Drugs and Cosmetics Regulations 1984.	Complied
				Manufacturer of the cosmetic: CL Cosmetic Industries Sdn Bhd		
103.	Klinik Chong	Dr Director of Pharmaceutical Services, MOH	30 October 2022 / 30 October 2024	Notification No. NOT201008175K This Notification Note is to inform that the cosmetic, Le Perfetto Puro Purifying Moisturizer has been notified by Klinik Dr Chong and Klinik Dr Chong will be responsible to place the cosmetic in the local market.	Any person responsible for placing the notified cosmetic in the market must ensure the notified cosmetic meets all the requirements as stipulated in the provisions under the Control of Drugs and Cosmetics Regulations 1984.	Complied
				Manufacturer of the cosmetic: CL Cosmetic Industries Sdn Bhd		

APPENDIX I – MAJOR APPROVALS, LICENSES AND PERMITS (Cont'd)

No.	Licencee	Issuing authority	Date of issue / Validity period	Licenses No. / Nature of approval	Equity and/or major conditions imposed	Compliance status
104.	Klinik Chong	Dr Director of Pharmaceutical Services, MOH	30 October 2022 / 30 October 2024	Notification No. NOT201008174K This Notification Note is to inform that the cosmetic, Le Perfetto Puro Purifying Sunscreen has been notified by Klinik Dr Chong and Klinik Dr Chong will be responsible to place the cosmetic in the local market. Manufacturer of the cosmetic: CL Cosmetic Industries Sdn Bhd	Any person responsible for placing the notified cosmetic in the market must ensure the notified cosmetic meets all the requirements as stipulated in the provisions under the Control of Drugs and Cosmetics Regulations 1984.	Complied
105.	Klinik Chong	Dr Director of Pharmaceutical Services, MOH	30 October 2022 / 30 October 2024	Notification No. NOT201008173K This Notification Note is to inform that the cosmetic, Le Perfetto Puro Purifying Toner has been notified by Klinik Dr Chong and Klinik Dr Chong will be responsible to place the cosmetic in the local market. Manufacturer of the cosmetic: CL Cosmetic Industries Sdn Bhd	Any person responsible for placing the notified cosmetic in the market must ensure the notified cosmetic meets all the requirements as stipulated in the provisions under the Control of Drugs and Cosmetics Regulations 1984.	Complied

APPENDIX I – MAJOR APPROVALS, LICENSES AND PERMITS (Cont'd)

No.	Licencee	Issuing authority	Date of issue / Validity period	Licenses No. / Nature of approval	Equity and/or major conditions imposed	Compliance status
106.	Ten Doctors	Director of Pharmaceutical Services, MOH	6 December 2021 / 6 December 2023	Notification No. NOT211200845K This Notification Note is to inform that the cosmetic, 10 Drs Probiotic Acne Cream has been notified by Ten Doctors and Ten Doctors will be responsible to place the cosmetic in the local market. Manufacturer of the cosmetic: CL Cosmetic Industries Sdn Bhd	Any person responsible for placing the notified cosmetic in the market must ensure the notified cosmetic meets all the requirements as stipulated in the provisions under the Control of Drugs and Cosmetics Regulations 1984.	Complied
107.	Ten Doctors	Director of Pharmaceutical Services, MOH	8 December 2021 / 8 December 2023	Notification No. NOT211201538K This Notification Note is to inform that the cosmetic, 10 Drs Probiotic Gel Cleanser has been notified by Ten Doctors and Ten Doctors will be responsible to place the cosmetic in the local market. Manufacturer of the cosmetic: CL Cosmetic Industries Sdn Bhd	Any person responsible for placing the notified cosmetic in the market must ensure the notified cosmetic meets all the requirements as stipulated in the provisions under the Control of Drugs and Cosmetics Regulations 1984.	Complied
108.	Ten Doctors	Director of Pharmaceutical Services, MOH	6 December 2021 / 6 December 2023	Notification No. NOT211200846K This Notification Note is to inform that the cosmetic, 10 Drs Probiotic Gel Hydrator has been notified by Ten Doctors and Ten Doctors will be responsible to place the cosmetic in the local market.	Any person responsible for placing the notified cosmetic in the market must ensure the notified cosmetic meets all the requirements as stipulated in the provisions under the Control of Drugs and Cosmetics Regulations 1984.	Complied

APPENDIX I – MAJOR APPROVALS, LICENSES AND PERMITS (Cont'd)

No.	Licencee	Issuing authority	Date of issue / Validity period	Licenses No. / Nature of approval	Equity and/or major conditions imposed	Compliance status
109.	Ten Doctors	Director of Pharmaceutical Services, MOH	6 December 2021 / 6 December 2023	<p>Manufacturer of the cosmetic: CL Cosmetic Industries Sdn Bhd</p> <p>Notification No. NOT211200844K</p> <p>This Notification Note is to inform that the cosmetic, 10Drs Probiotic Renewing Toner has been notified by Ten Doctors and Ten Doctors will be responsible to place the cosmetic in the local market.</p>	Any person responsible for placing the notified cosmetic in the market must ensure the notified cosmetic meets all the requirements as stipulated in the provisions under the Control of Drugs and Cosmetics Regulations 1984.	Complied
110.	Ten Doctors	Director of Pharmaceutical Services, MOH	6 December 2021 / 6 December 2023	<p>Manufacturer of the cosmetic: CL Cosmetic Industries Sdn Bhd</p> <p>Notification No. NOT211200847K</p> <p>This Notification Note is to inform that the cosmetic, 10Drs Probiotic Sun Protector has been notified by Ten Doctors and Ten Doctors will be responsible to place the cosmetic in the local market.</p>	Any person responsible for placing the notified cosmetic in the market must ensure the notified cosmetic meets all the requirements as stipulated in the provisions under the Control of Drugs and Cosmetics Regulations 1984.	Complied
111.	Ten Doctors	Director of Pharmaceutical Services, MOH	23 October 2021 / 23 October 2023	<p>Manufacturer of the cosmetic: CL Cosmetic Industries Sdn Bhd</p> <p>Notification No. NOT211003974K</p> <p>This Notification Note is to inform that the cosmetic, 10Drs Therapeutic Bath Oil has been notified by Ten Doctors and</p>	Any person responsible for placing the notified cosmetic in the market must ensure the notified cosmetic meets all the requirements as stipulated in the provisions under the Control of Drugs and Cosmetics Regulations 1984.	Complied

APPENDIX I – MAJOR APPROVALS, LICENSES AND PERMITS (Cont'd)

No.	Licencee	Issuing authority	Date of issue / Validity period	Licenses No. / Nature of approval	Equity and/or major conditions imposed	Compliance status
				Ten Doctors will be responsible to place the cosmetic in the local market.		
				Manufacturer of the cosmetic: Giovan Resources Sdn Bhd		
112.	Ten Doctors	Director of Pharmaceutical Services, MOH	1 November 2021 / 1 November 2023	Notification No. NOT211100005K This Notification Note is to inform that the cosmetic, 10Drs Therapeutic Shower Oil has been notified by Ten Doctors and Ten Doctors will be responsible to place the cosmetic in the local market.	Any person responsible for placing the notified cosmetic in the market must ensure the notified cosmetic meets all the requirements as stipulated in the provisions under the Control of Drugs and Cosmetics Regulations 1984.	Complied
				Manufacturer of the cosmetic: Giovan Resources Sdn Bhd		
113.	Ten Doctors	Director of Pharmaceutical Services, MOH	23 October 2021 / 23 October 2023	Notification No.: NOT211003975K This Notification Note is to inform that the cosmetic, 10Drs Repairing Body Lotion has been notified by Ten Doctors and Ten Doctors will be responsible to place the cosmetic in the local market.	Any person responsible for placing the notified cosmetic in the market must ensure the notified cosmetic meets all the requirements as stipulated in the provisions under the Control of Drugs and Cosmetics Regulations 1984.	Complied
				Manufacturer of the cosmetic: Giovan Resources Sdn Bhd		

APPENDIX I – MAJOR APPROVALS, LICENSES AND PERMITS (Cont'd)

No.	Licencee	Issuing authority	Date of issue / Validity period	Licenses No. / Nature of approval	Equity and/or major conditions imposed	Compliance status
114.	Ten Doctors	Food Safety and Quality Division, MOH	14 February 2022 / 14 February 2022 to no expiry	<p>Application No.: FLA1221025-1</p> <p>The authority has no objection towards the product labelling for Botanical Beverage Mix Multiberries with Milk Thistle Extract and Grapeseed Extract (Brand Name: 10 Drs) and only the attached label is allowed to use for the purpose of marketing the product in Malaysia.</p>	<p>The applicant is responsible to ensure the product complies with the following:</p> <ul style="list-style-type: none"> - Regulation 356, Food Regulation 1985; - Other related provision under the Food Regulation 1985; <p>Statements that are prohibited in any marketing activity including advertising is not allowed to be made and the approved label shall always comply with all provisions under the Food Act 1983 and all provisions under including the Food Regulation 1985.</p> <p>The letter and the reference numbers are prohibited to be used as endorsements or for product advertising purposes. This letter will be cancelled and revoked if there are any modifications made to the formulation and label as well as discrepancies in the information and documentation submitted during the application compared to the product label on the market.</p>	Complied

APPENDIX I – MAJOR APPROVALS, LICENSES AND PERMITS (Cont'd)

No.	Licencee	Issuing authority	Date of issue / Validity period	Licenses No. / Nature of approval	Equity and/or major conditions imposed	Compliance status
115.	Ten Doctors	Food Safety and Quality Division, MOH	29 December 2021 / 29 December 2021 to no expiry	<p>Application No.: FLS1221103-0</p> <p>The authority has no objection towards the product labelling for Chewable Tablet White Tomato Powder with L-Cystine and Amla Extract (Brand Name: Golden Tomato) and only the attached label is allowed to use for the purpose of marketing the product in Malaysia.</p>	<p>The applicant is responsible to ensure the product complies with the following:</p> <ul style="list-style-type: none"> - Regulation 395, Food Regulation 1985; - Other related provision under the Food Regulation 1985; <p>Statements that are prohibited in any marketing activity including advertising is not allowed to be made and the approved label shall always comply with all provisions under the Food Act 1983 and all provisions under including the Food Regulation 1985.</p> <p>The letter and the reference numbers are prohibited to be used as endorsements or for product advertising purposes. This letter will be cancelled and revoked if there are any modifications made to the formulation and label as well as discrepancies in the information and documentation submitted during the application compared to the product label on the market.</p>	Complied

APPENDIX I – MAJOR APPROVALS, LICENSES AND PERMITS (Cont'd)

No.	Licencee	Issuing authority	Date of issue / Validity period	Licenses No. / Nature of approval	Equity and/or major conditions imposed	Compliance status
116.	Ten Doctors	Director of Pharmaceutical Services, MOH	30 August 2022 / 30 August 2022 to 30 August 2024	Notification No.: NOT220806716K This Notification Note is to inform that the cosmetic, DR CHONG Dreamskin Ultra-Calming Bio-Cellulose Mask has been notified by Ten Doctors and Ten Doctors will be responsible to place the cosmetic in the local market. Manufacturer of the cosmetic: HNB Bio Co. Ltd	Any person responsible for placing the notified cosmetic in the market must ensure the notified cosmetic meets all the requirements as stipulated in the provisions under the Control of Drugs and Cosmetics Regulations 1984.	Complied
117.	Dr. Chong Tze Sheng	MOH	31 March 2023 / 1 June 2023 to 30 June 2026	LCP-AMP-001/2017(29) The holder of this LCP, Dr. Chong Tze Sheng is credentialed and privileged to perform the procedure(s) at the premise(s) registered in the current APC in accordance with the Guidelines on Aesthetic Medical Practice, MOH 2013. Premises registered in the current APC of Dr. Chong Tze Sheng: (a) Kepong Branch; (b) Bangsar Branch; (c) TTDI Branch; (d) Shah Alam Branch; (e) Sunway Velocity Branch; (f) Seremban Branch; (g) Puchong Branch; (h) Mid Valley Branch;	Scope of practice allowed: (a) Chemical peel (superficial) (b) Microdermabrasion (c) Chemical peel (medium depth) (d) Botulinum toxic injection (e) Filler injection – excluding silicone and fat (f) Lasers for treating skin pigmentation (g) Lasers for skin rejuvenation (including fractional ablative) (h) Lasers for hair removal (e.g. long pulsed Nd:YAG, Diode) (i) Skin tightening procedures – radio frequency, ultrasound, infrared up to upper dermis Registration to establish, maintain, operate or provide a private medical clinic under MOH for our clinic	Complied

APPENDIX I – MAJOR APPROVALS, LICENSES AND PERMITS (Cont'd)

No.	Licencee	Issuing authority	Date of issue / Validity period	Licenses No. / Nature of approval	Equity and/or major conditions imposed	Compliance status
				(i) Sri Petaling Branch; (j) Bukit Tinggi Branch; and (k) Johor Bahru Branch.	branches under Dr. Chong Tze Sheng as the Responsible Person: (a) Bangsar Branch; and (b) Kepong Branch.	
118.	Dr. Jeffrey Lim Chung Yeow	MOH	30 October 2020 / 1 November 2020 to 31 December 2023	LCP-AMP-001/2017(7) The holder of this LCP, Dr. Jeffrey Lim Chung Yeow is credentialed and privileged to perform the procedure(s) at the premise(s) registered in the current APC in accordance with the Guidelines on Aesthetic Medical Practice, MOH 2013. Premises registered in the current APC of Dr. Jeffrey Lim Chung Yeow: (a) Melawati Branch; (b) Bukit Tinggi Branch; (c) Sri Petaling Branch; (d) Puchong Branch; (e) Mid Valley Branch; (f) Sunway Velocity Branch; (g) Bangsar Branch; (h) Shah Alam Branch; and (i) Kepong Branch.	Scope of practice allowed: (a) Chemical peel (superficial) (b) Microdermabrasion (c) Botulinum toxic injection (d) Filler injection – excluding silicone and fat (e) Lasers for treating skin pigmentation (f) Lasers for skin rejuvenation (including fractional ablative) (g) Lasers for hair removal (e.g. long pulsed Nd:YAG, Diode) (h) Skin tightening procedures – radio frequency, ultrasound, infrared up to upper dermis	Complied

APPENDIX I – MAJOR APPROVALS, LICENSES AND PERMITS (Cont'd)

No.	Licencee	Issuing authority	Date of issue / Validity period	Licenses No. / Nature of approval	Equity and/or major conditions imposed	Compliance status
119.	Dr. Leong Chee Yong	MOH	28 February 2023 / 1 March 2023 to 30 June 2026	<p>LCP-AMP-001/2017(10)</p> <p>The holder of this LCP, Dr. Leong Chee Yong is credentialed and privileged to perform the procedure(s) at the premise(s) registered in the current APC in accordance with the Guidelines on Aesthetic Medical Practice, MOH Malaysia 2013.</p> <p>Premises registered in the current APC of Dr. Leong Chee Yong:</p> <p>(a) TTDI Branch; (b) Sunway Velocity Branch; (c) Puchong Branch; (d) Kepong Branch; (e) Shah Alam Branch; (f) Johor Bahru Branch; (g) Bangsar Branch; (h) Seremban Branch; (i) Mid Valley Branch; (j) Sri Petaling Branch; and (k) Bukit Tinggi Branch.</p>	<p>Scope of practice allowed:</p> <p>(a) Chemical peel (superficial) (b) Botulinum toxic injection (c) Filler injection – excluding silicone and fat (d) Lasers for treating skin pigmentation (e) Lasers for skin rejuvenation (including fractional ablative) (f) Lasers for hair removal (e.g. long pulsed Nd:YAG, Diode) (g) Skin tightening procedures – radio frequency, ultrasound, infrared up to upper dermis</p> <p>Registration to establish, maintain, operate or provide a private medical clinic under MOH for our clinic branches under Dr. Leong Chee Yong as the Responsible Person:</p> <p>(a) TTDI Branch; (b) Sunway Velocity Branch; and (c) Puchong Branch.</p>	Complied

APPENDIX I – MAJOR APPROVALS, LICENSES AND PERMITS (Cont'd)

No.	Licencee	Issuing authority	Date of issue / Validity period	Licenses No. / Nature of approval	Equity and/or major conditions imposed	Compliance status
120.	Dr. Nur Atiqah Binti Md Nor	MOH	30 December 2020 / 1 January 2021 to 31 December 2023	<p>LCP-AMP-001/2013(5)</p> <p>The holder of this LCP, Dr. Nur Atiqah Binti Md Nor is credentialed and privileged to perform the procedure(s) at the premise(s) registered in the current APC in accordance with the Guidelines on Aesthetic Medical Practice, MOH 2013.</p> <p>Premises registered in the current APC of Dr. Nur Atiqah Binti Md Nor:</p> <p>(a) Shah Alam Branch; (b) Sri Petaling Branch; (c) Sunway Velocity Branch; (d) Kepong Branch; (e) Shah Alam Branch; (f) Bangsar Branch; (g) TTDI Branch; (h) Sunway Velocity Branch; (i) Seremban Branch; (j) Mid Valley Branch; and (k) Bukit Tinggi Branch.</p>	<p>Scope of practice allowed:</p> <p>(a) Chemical peel (superficial) (b) Microdermabrasion (c) Chemical peel (medium depth) (d) Botulinum toxic injection (e) Filler injection – excluding silicone and fat (f) Lasers for treating skin pigmentation (g) Lasers for skin rejuvenation (including fractional ablative) (h) Skin tightening procedures – radio frequency, ultrasound, infrared up to upper dermis</p> <p>Registration to establish, maintain, operate or provide a private medical clinic under MOH for our clinic branches under Dr. Nur Atiqah Binti Md Nor as the Responsible Person:</p> <p>(a) Sri Petaling Branch; and (b) Shah Alam Branch.</p>	Complied

APPENDIX I – MAJOR APPROVALS, LICENSES AND PERMITS (Cont'd)

No.	Licencee	Issuing authority	Date of issue / Validity period	Licenses No. / Nature of approval	Equity and/or major conditions imposed	Compliance status
121.	Dr. Yong Chi Khoon	MOH	29 December 2021 / 1 January 2022 to 31 December 2024	<p>LCP-AMP-001/2018(61)</p> <p>The holder of this LCP, Dr. Yong Chi Khoon is credentialed and privileged to perform the procedure(s) at the premise(s) registered in the current APC in accordance with the Guidelines on Aesthetic Medical Practice, MOH Malaysia 2013.</p> <p>Premises registered in the current APC of Dr. Yong Chi Khoon:</p> <p>(a) Bukit Tinggi Branch; (b) Seremban Branch; (c) Mid Valley Branch; (d) Kepong Branch; (e) Shah Alam Branch; (f) Bangsar Branch; (g) TTDI Branch; (h) Sunway Velocity Branch; (i) Puchong Branch; and (j) Sri Petaling Branch.</p>	<p>Scope of practice allowed:</p> <p>(a) Chemical peel (superficial) (b) Microdermabrasion (c) Intense Pulse Light ("IPL") (d) Botulinum toxin injection (e) Lasers for treating skin pigmentation (f) Lasers for skin rejuvenation (including fractional ablative) (g) Lasers for hair removal (e.g. long pulsed Nd:YAG, Diode) (h) Skin tightening procedures- radio frequency, ultrasound, infrared up to upper dermis</p> <p>Registration to establish, maintain, operate or provide a private medical clinic under MOH for our clinic branches under Dr. Yong Chi Khoon as the Responsible Person:</p> <p>(a) Seremban Branch; (b) Mid Valley Branch; and (c) Bukit Tinggi Branch.</p>	Complied

APPENDIX I – MAJOR APPROVALS, LICENSES AND PERMITS (Cont'd)

No.	Licencee	Issuing authority	Date of issue / Validity period	Licenses No. / Nature of approval	Equity and/or major conditions imposed	Compliance status
122.	Dr. Sareswathi A/P R. Arunasalam	MOH	30 December 2020 / 1 January 2021 to 31 December 2023	LCP-AMP-001/2021(4) The holder of this LCP, Dr. Sareswathi A/P R. Arunasalam is credentialed and privileged to perform the procedure(s) (listed below) at the premise(s) registered in the current APC in accordance with the Guidelines on Aesthetic Medical Practice, MOH Malaysia 2013. Premises registered in the current APC of Dr. Sareswathi A/P R. Arunasalam: (a) Johor Bahru Branch	Scope of practice allowed: (a) Chemical peel (superficial) (b) Microdermabrasion (c) IPL (d) Chemical peel (medium depth) (e) Botulinum toxin injection (f) Filler injection – excluding silicone and fat (g) Lasers for treating skin pigmentation (h) Lasers for skin rejuvenation (including fractional ablative) (i) Lasers for hair removal (e.g. long pulsed Nd:YAG, Diode) (j) Skin tightening procedures – radio frequency, ultrasound, infrared up to upper dermis Registration to establish, maintain, operate or provide a private medical clinic under MOH for our clinic branches under Dr. Sareswathi A/P R. Arunasalam as the Responsible Person: (a) Johor Bahru Branch.	Complied

APPENDIX I – MAJOR APPROVALS, LICENSES AND PERMITS (Cont'd)

No.	Licencee	Issuing authority	Date of issue / Validity period	Licenses No. / Nature of approval	Equity and/or major conditions imposed	Compliance status
123.	Dr. Vincent Yap	MOH	14 October 2022 / 1 January 2023 to 31 December 2025	<p>LCP-AMP-001/2019(39)</p> <p>The holder of this LCP, Dr. Vincent Yap is credentialed and privileged to perform the procedure(s) at the premise(s) registered in the current APC in accordance with the Guidelines on Aesthetic Medical Practice, MOH 2013.</p> <p>Premises registered in the current APC of Dr. Vincent Yap:</p> <p>(a) Puchong Branch; (b) Kepong Branch; (c) Bangsar Branch; (d) Putrajaya Branch; (e) Bukit Tinggi Branch; (f) Sri Petaling Branch; (g) Mid Valley Branch; (h) Sunway Velocity Branch; (i) TTDI Branch; (j) Shah Alam Branch; and (k) Seremban Branch.</p>	<p>Scope of practice allowed:</p> <p>(a) Chemical peel (superficial) (b) Microdermabrasion (c) IPL (d) Botulinum toxin injection (e) Filler injection – excluding silicone and fat (f) Lasers for treating skin pigmentation (g) Lasers for skin rejuvenation (including fractional ablative) (h) Lasers for hair removal (e.g. long pulsed Nd:YAG, Diode) (i) Skin tightening procedures- radiofrequency, ultrasound, infrared up to upper dermis</p>	Complied
124.	Dr. Yap Chiou Han	MOH	30 December 2021 / 1 January 2022 to 31 December 2024	<p>LCP-AMP-001/2022(32)</p> <p>The holder of this LCP, Dr. Yap Chiou Han is credentialed and privileged to perform the procedure(s) at the premise(s) registered in the current APC in accordance with the Guidelines on Aesthetic Medical Practice, MOH Malaysia 2013.</p>	<p>Scope of practice allowed:</p> <p>(a) Botulinum toxin injection (b) Filler injection – excluding silicone and fat (c) Lasers for treating skin pigmentation (d) Lasers for skin rejuvenation (including fractional ablative)</p>	Complied

APPENDIX I – MAJOR APPROVALS, LICENSES AND PERMITS (Cont'd)

No.	Licencee	Issuing authority	Date of issue / Validity period	Licenses No. / Nature of approval	Equity and/or major conditions imposed	Compliance status
				<p>Premises registered in the current APC of Dr. Yap Chiou Han:</p> <ul style="list-style-type: none"> (a) Mid Valley Branch; (b) Kepong Branch; (c) Shah Alam Branch; (d) Bangsar Branch; (e) TTDI Branch; (f) Sunway Velocity Branch; (g) Seremban Branch; (h) Puchong Branch; (i) Sri Petaling Branch; and (j) Bukit Tinggi Branch. 	(e) Skin tightening procedures – radio frequency ultrasound, infrared up to upper dermis	
125.	Dr. Muhammad Faiz Bin Nasir	MOH	29 July 2022 / 1 August 2022 to 30 June 2025	<p>LCP-AMP-001/2022(52)</p> <p>The holder of this LCP, Dr. Muhhamad Faiz Bin Nasir is credentialed and privileged to perform the procedure(s) at the premise(s) registered in the current APC in accordance with the Guidelines on Aesthetic Medical Practice, MOH Malaysia 2013.</p> <p>Premises registered in the current APC of Dr. Muhammad Faiz Bin Nasir:</p> <ul style="list-style-type: none"> (a) Putrajaya Branch; (b) Puchong Branch; (c) Sunway Velocity Branch; (d) TTDI Branch; (e) Bangsar Branch; (f) Shah Alam Branch; (g) Kepong Branch; 	<p>Scope of practice allowed:</p> <ul style="list-style-type: none"> (a) Chemical peel (superficial); (b) Microdermabrasion; (c) Intense Pulse Light (IPL); (d) Chemical peel (medium depth); (e) Botulinum toxin injection; (f) Filler injection – excluding silicone and fat (g) Lasers for treating skin pigmentation (h) Lasers for skin rejuvenation (including fractional ablative) (i) Lasers for hair removal (e.g. long pulsed Nd:YAG, Diode); and (j) Skin tightening procedures – radiofrequency, ultrasound, infrared up to upper dermis 	Complied

APPENDIX I – MAJOR APPROVALS, LICENSES AND PERMITS (Cont'd)

No.	Licencee	Issuing authority	Date of issue / Validity period	Licenses No. / Nature of approval	Equity and/or major conditions imposed	Compliance status
126.	Dr. Michelle Ko Mee Chie	MOH	30 December 2022 / 1 January 2023 to 31 December 2025	<p>(h) Mid Valley Branch; and (i) Seremban Branch.</p> <p>LCP-AMP-001/2023(34)</p> <p>The holder of this LCP, Dr. Michelle Ko Mee Chie is credentialed and privileged to perform the procedure(s) at the premise(s) registered in the current APC in accordance with the Guidelines on Aesthetic Medical Practice, MOH Malaysia 2013.</p> <p>Premises registered in the current APC of Dr. Michelle Ko Mee Chie: (a) Dr Chong Clinic at Taman Molek; and (b) Johor Bahru Branch.</p>	<p>Scope of practice allowed:</p> <p>(a) Chemical peel (superficial); (b) Microdermabrasion; (c) Intense Pulse Light (IPL); (d) Chemical peel (medium depth); (e) Botulinum toxin injection; (f) Filler injection – excluding silicone and fat (g) Lasers for treating skin pigmentation (h) Lasers for skin rejuvenation (including fractional ablative) (i) Lasers for hair removal (e.g. long pulsed Nd:YAG, Diode); and (j) Skin tightening procedures – radiofrequency, ultrasound, infrared up to upper dermis</p>	Complied
127.	Ten Doctors	Director of Pharmaceutical Services, MOH	28 March 2022 / 28 March 2022 to 28 March 2024	<p>Notification No.: NOT220313515K</p> <p>This Notification Note is to inform that the cosmetic, 10 Drs Restoring Shower Oil has been notified by Ten Doctors and Ten Doctors will be responsible to place the cosmetic in the local market.</p> <p>Manufacturer of the cosmetic: Giovan Resources Sdn Bhd</p>	Any person responsible for placing the notified cosmetic in the market must ensure the notified cosmetic meets all the requirements as stipulated in the provisions under the Control of Drugs and Cosmetics Regulations 1984.	Complied

APPENDIX I – MAJOR APPROVALS, LICENSES AND PERMITS (Cont'd)

No.	Licencee	Issuing authority	Date of issue / Validity period	Licenses No. / Nature of approval	Equity and/or major conditions imposed	Compliance status
128.	Ten Doctors	Director of Pharmaceutical Services, MOH	7 April 2023 / 7 April 2023 to 7 April 2025	Notification No.: NOT230401846K This Notification Note is to inform that the cosmetic, DR CHONG Dreamskin Ultra-Nourishing Shower Oil has been notified by Ten Doctors and Ten Doctors will be responsible to place the cosmetic in the local market. Manufacturer of the cosmetic: JM Naturals Sdn Bhd	Any person responsible for placing the notified cosmetic in the market must ensure the notified cosmetic meets all the requirements as stipulated in the provisions under the Control of Drugs and Cosmetics Regulations 1984.	Complied
129.	Ten Doctors	Director of Pharmaceutical Services, MOH	7 April 2023 / 7 April 2023 to 7 April 2025	Notification No.: NOT230401881K This Notification Note is to inform that the cosmetic, DR CHONG Dreamskin Botanical Repair Body Lotion has been notified by Ten Doctors and Ten Doctors will be responsible to place the cosmetic in the local market. Manufacturer of the cosmetic: JM Naturals Sdn Bhd	Any person responsible for placing the notified cosmetic in the market must ensure the notified cosmetic meets all the requirements as stipulated in the provisions under the Control of Drugs and Cosmetics Regulations 1984.	Complied

The above major approvals, licenses and permits issued to our Group or LCP Certified Aesthetic Physicians are required by the respective governmental authorities and/or regulatory bodies for the operation and business of our Group.