



DC HEALTHCARE HOLDINGS BERHAD

Registration No. 202201014036 (1459733-P)

(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT
FOR THE FOURTH QUARTER ENDED
31 DECEMBER 2023**

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023⁽¹⁾

	Note	3-MONTH ENDED		YEAR TO DATE	
		31.12.2023 RM'000	31.12.2022 RM'000	31.12.2023 RM'000	31.12.2022 RM'000
Revenue	A9	17,573	N/A	67,789	N/A
Cost of sales		(9,641)	N/A	(31,632)	N/A
Gross profit		7,932	N/A	36,157	N/A
Other income		171	N/A	623	N/A
Staff costs		(1,820)	N/A	(8,210)	N/A
Administrative expenses ⁽³⁾		(6,315)	N/A	(22,217)	N/A
(Loss)/Profit from Operations		(32)	N/A	6,353	N/A
Interest expense		(237)	N/A	(1,299)	N/A
(Loss)/Profit before tax	B12	(269)	N/A	5,054	N/A
Taxation	B6	(804)	N/A	(2,494)	N/A
(Loss)/Profit after tax		(1,073)	N/A	2,560	N/A
Other comprehensive (loss)/ income, net of tax					
Foreign currency translation differences for foreign operations		-	N/A	-	N/A
Total comprehensive (loss)/ income for the financial period / year		(1,073)	N/A	2,560	N/A
(Loss)/Profit for the financial period/year attributable to:					
Owners of the Company		(1,073)	N/A	2,560	N/A
		(1,073)	N/A	2,560	N/A
Total comprehensive (loss)/income for the financial period /year attributable to:					
Owners of the Company		(1,073)	N/A	2,560	N/A
		(1,073)	N/A	2,560	N/A
(Loss)/Earning per share attributable to Owners of the Company:					
Basic/Diluted (sen)	B11	(0.11)	-	0.26	-

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023⁽¹⁾ (CONT'D)

Notes:

- (1) The basis of preparation of the Unaudited Consolidated Statement of Profit or Loss and Other Comprehensive Income are disclosed in Note A1 and should be read in conjunction with the Accountants' Report as disclosed in the prospectus of DC Healthcare Holdings Berhad ("**DC Healthcare**" or "**Company**") dated 27 June 2023 ("**Prospectus**") and the accompanying explanatory notes attached to this interim financial report.
- (2) This is the fourth interim financial report announced in compliance with the ACE Market Listing Requirements ("**Listing Requirements**") of Bursa Malaysia Securities Berhad ("**Bursa Securities**"). There are no comparative figures for the preceding quarter and period-to-date available as no interim financial report was prepared for the comparative financial period concerned.
- (3) Administrative expenses included one-off non-recurring listing expenses and other consultancy fees in relation to the IPO exercise of RM3.85 million in the current financial year. For illustration purposes, the Company's normalised financial performance after excluding one-off non-recurring listing expenses and other consultancy fees in relation to the IPO exercise are as follows:

	YEAR TO DATE	
	31.12.2023	31.12.2022
	RM'000	RM'000
Profit before tax	5,054	N/A
Add : Listing expenses	2,047	N/A
Add: other consultancy fees	1,801	N/A
Adjusted profit before tax	8,902	N/A

- (4) Basic /Diluted earnings per share ("**EPS**") or loss per share ("**LPS**") is calculated based on enlarge share capital of 996,300,000 shares after the Company was listed on ACE market of Bursa Securities on 17 July 2023. The diluted EPS/LPS is equivalent to the basic EPS/LPS as the Company does not have any convertible options as at the end of the current quarter and financial period under review.

N/A – Not applicable

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UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2023⁽¹⁾

	UNAUDITED	AUDITED
	AS AT	AS AT
	31.12.2023	31.12.2022
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	29,406	11,041
Right-of-use assets	22,890	21,920
Deferred tax assets	433	278
Total non-current assets	52,729	33,239
Current assets		
Inventories	3,761	1,852
Trade receivables	696	410
Other receivables	11,371	5,022
Tax recoverable	285	120
Cash and cash equivalents	30,343	7,674
Total current assets	46,456	15,078
TOTAL ASSETS	99,185	48,317
EQUITY AND LIABILITIES		
Equity		
Share capital	57,428	801
Capital contribution from holding company of the combining entities	-	1,030
Retained earnings	15,776	13,216
Merger reserves	(8,764)	-
TOTAL EQUITY	64,440	15,047
Liabilities		
Non-current liabilities		
Lease liabilities	17,947	16,247
Borrowings	-	2,082
Deferred tax liabilities	460	64
Total non-current liabilities	18,407	18,393
Current liabilities		
Trade payables	990	1,951
Other payables	5,744	2,250
Contract liabilities	3,709	2,948
Amount due to holding company of the combining entities	-	160
Lease liabilities	5,312	5,050
Borrowings	-	626
Tax Payable	583	1,892
Total current liabilities	16,338	14,877
TOTAL LIABILITIES	34,745	33,270
TOTAL EQUITY AND LIABILITIES	99,185	48,317

UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2023⁽¹⁾ (CONT'D)

	<u>UNAUDITED</u>	<u>AUDITED</u>
	AS AT	AS AT
	31.12.2023	31.12.2022
	RM'000	RM'000
Weighted Average number of ordinary shares ('000)	996,300	996,300
NET ASSETS PER SHARE (RM) ⁽²⁾	<u>0.06</u>	<u>0.02</u>

Notes:

- (1) The basis of preparation of the Unaudited Consolidated Statement of Financial Position are disclosed in Note A1 and should be read in conjunction with the Accountants' Report as disclosed in the Prospectus dated 27 June 2023 and the accompanying explanatory notes attached to this interim financial report.
- (2) Net assets per share is calculated based on the Company's enlarge share capital of 996,300,000 shares after the Company was listed on ACE market of Bursa Securities on 17 July 2023.

N/A – Not applicable

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UNAUDITED CONSOLIDATED STATEMENT OF CHANGE IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023⁽¹⁾⁽²⁾

Note	Share Capital RM'000	Capital Contribution from Holding Company of the Combining Entities RM'000	Merger Reserves RM'000	Retained Earnings RM'000	Total Equity RM'000
As at 1 January 2023	801	1,030	-	13,216	15,047
Total comprehensive income for the financial year	-	-	-	2,560	2,560
Transaction with owners:					
Acquisition of subsidiaries	8,764	(1,030)	(8,764)	-	(1,030)
Issuance of ordinary shares pursuant to the initial public offer	49,815	-	-	-	49,815
Share issuance expenses	(1,952)	-	-	-	(1,952)
	56,627	(1,030)	(8,764)	-	46,833
As at 31 December 2023	57,428	-	(8,764)	15,776	64,440

Notes:

- (1) The basis of preparation of the Unaudited Consolidated Statement of Changes in Equity are disclosed in Note A1 and should be read in conjunction with the Accountants' Report as disclosed in the Prospectus and the accompanying explanatory notes attached to this interim financial report.
- (2) This is the fourth interim financial report announced in compliance with the Listing Requirements of Bursa Securities. There are no comparative figures for the preceding quarter available as no interim financial report was prepared for the comparative financial period concerned.

UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023⁽¹⁾

	Note	YEAR TO DATE	
		31.12.2023 RM'000	31.12.2022 RM'000
Cash Flows From Operating Activities			
Profit before tax		5,054	N/A
Adjustments for:			
Depreciation of property, plant and equipment		2,031	N/A
Depreciation of right-of-use assets		5,330	N/A
Loss on Disposal of property, plant and equipment		6	
Gain on lease modification		(80)	N/A
Property, plant and equipment write-off		34	N/A
Waiver of lease payments		(184)	N/A
Interest expense		1,299	N/A
Interest income		(395)	N/A
Operating Profit before working capital changes		13,095	N/A
Changes In working capital:			
Inventories		(1,908)	N/A
Contract liabilities		761	N/A
Receivables, deposits and prepayment		(6,635)	N/A
Payables and accruals		2,533	N/A
Cash generated from operations		7,846	N/A
Interest paid		(1,299)	N/A
Interest received		395	N/A
Tax paid		(3,727)	N/A
Net cash from operating activities		3,215	N/A
Cash Flows From Investing Activities			
Purchase of property, plant and equipment		(15,653)	N/A
Proceeds from disposal of property, plant and equipment		112	N/A
Net cash used in investing activities		(15,541)	N/A
Cash Flows From Financing Activities			
Proceeds from issuance of IPO shares		49,815	N/A
Share issuance expenses		(1,952)	N/A
Repayment to related company		(1,192)	N/A
Repayment of lease liabilities		(8,968)	N/A
Repayment of term loans		(2,708)	N/A
Net cash from financing activities		34,995	N/A
Net increase in cash and cash equivalents		22,669	N/A
Cash and cash equivalents at the beginning of the financial year		7,674	N/A
Cash and cash equivalents at the end of the financial year		30,343	N/A

UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023⁽¹⁾ (CONT'D)

Notes:

- (1) The basis of preparation of the Unaudited Consolidated Statement of Cash Flows are disclosed in Note A1 and should be read in conjunction with the Accountants' Report as disclosed in the Prospectus and the accompanying explanatory notes attached to this interim financial report.
- (2) This is the fourth interim financial report announced in compliance with the Listing Requirements of Bursa Securities. There are no comparative figures for the preceding period-to-date available as no interim financial report was prepared for the comparative financial period concerned.

N/A – Not applicable

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A. NOTES TO THE INTERIM FINANCIAL REPORT**A1. Basis of preparation**

The interim financial report of DC Healthcare and its subsidiaries (“**Group**”) are unaudited and have been prepared in accordance with the requirements of Malaysian Financial Reporting Standards (“**MFRS**”) No. 134: Interim Financial Reporting and Rule 9.22 and Appendix 9B of the Listing Requirements of Bursa Securities.

This is the fourth interim financial statements on the Company’s unaudited consolidated financial results for the fourth (4th) quarter ended 31 December 2023 announced by the Company in compliance with the Listing Requirements of Bursa Securities and as such, there are no comparative figures for the preceding year’s corresponding period.

This interim financial report should be read in conjunction with the Accountants’ Report as disclosed in the Prospectus and the accompanying notes attached to this interim financial report.

A2. Summary of Significant Accounting Policies

The significant accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted as disclosed in the Accountants’ Report in the Prospectus, except for the adoption of the following MFRSs, Amendments to MFRSs and new Interpretations effective for the financial periods beginning on or after 1 January 2023.

	Effective dates for financial periods beginning on or after
● MFRS 17 <i>Insurance Contracts</i>	1 January 2023
● Amendments to MFRS 17 <i>Insurance Contracts</i>	1 January 2023
● Amendments to MFRS 17 <i>Initial Application of MFRS 17 and MFRS 9 - Comparative Information</i>	1 January 2023
● Amendments to MFRS 101 and MFRS Practice Statement 2 <i>Disclosure of Accounting Policies</i>	1 January 2023
● Amendments to MFRS 108 <i>Definition of Accounting Estimates</i>	1 January 2023
● Amendments to MFRS 112 <i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>	1 January 2023
● Amendments to MFRS 112 <i>International Tax Reform – Pillar Two Model Rules</i>	1 January 2023
● Amendments to MFRS 16 <i>Lease Liability in a Sale and Leaseback</i>	1 January 2024
● Amendments to MFRS 101 <i>Classification of Liabilities as Current or Non-Current</i>	1 January 2024
● Amendments to MFRS 101 <i>Non-Current Liabilities with Covenants</i>	1 January 2024
● Amendments to MFRS 107 and MFRS 7 <i>Supplier Finance Arrangements</i>	1 January 2024

A. NOTES TO THE INTERIM FINANCIAL REPORT (CONT'D)

A2. Summary of Significant Accounting Policies (Cont'd)

Standards issued but not yet effective

**Effective dates for
financial periods
beginning on or after**

Amendments to References to the Conceptual Framework in MFRS Standards

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

To be announced

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.

A3. Auditors' report on preceding annual financial statements

There was no qualification on the audited consolidated financial statements of the Group for the financial year ended 31 December 2022.

A4. Seasonal or cyclical factors

The business operations of the Group were not materially affected by any seasonal and cyclical effects during the current financial quarter and financial year-to-date.

A5. Unusual items affecting assets, liabilities, equity, net income or cash flows

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group during the current financial quarter and financial year-to-date.

A6. Material changes in estimates

There were no material changes in the estimates that have a material effect to the Group in the current financial quarter and financial year-to-date.

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A. NOTES TO THE INTERIM FINANCIAL REPORT (CONT'D)

A7. Debt and equity securities

Save as disclosed below, there were no issuances, cancellations, repurchases, resale and repayment of debts and equity during the current financial period/ year under review.

(a) Acquisition of companies

The Company had entered into the following conditional share sale agreements on 11 November 2022:

- (i) To acquire the entire equity interest in Klinik Dr Chong Sdn Bhd (“Klinik Dr Chong”) from the vendors for a purchase consideration of RM7,737,000 which was wholly satisfied via the issuance of 644,750,000 new shares of the Company at an issue price of RM0.012 each. The acquisition was completed on 29 May 2023.
- (ii) To acquire the entire equity interest in Ten Drs Sdn Bhd from the vendors for a purchase consideration of RM572,568 which was satisfied via the issuance of 47,714,000 new shares of the Company at an issue price of RM0.012 each. The acquisition was completed on 29 May 2023.
- (iii) To acquire the entire equity interest in DC Lasers Sdn Bhd from the vendor for a purchase consideration of RM1,254,900 which was satisfied via the issuance of 104,575,000 new shares of the Company at an issue price of RM0.012 each. The acquisition was completed on 29 May 2023.

On 31 May 2023, Klinik Dr Chong has completed the transfer of 100.00% equity interest in DCL Mid Valley Sdn Bhd and DCL Puchong Sdn Bhd to the Company.

b) Initial Public Offering (IPO)

In conjunction with the Company’s listing on the ACE Market of Bursa Securities, the company had on 27 June 2023 issued its Prospectus for IPO entailing the following:

- (i) Public issue of 199,260,000 new ordinary shares in the Company comprising: -
 - 49,815,000 new shares available for application by the Malaysian Public;
 - 29,889,000 new shares available for application by the eligible directors and employees;
 - 119,556,000 new shares by way of private placement to selected investors;and
- (ii) Offer for sale of 99,630,000 existing shares by way of private placement to selected investors at the IPO Price,

at an issue/offer price of RM0.25 per share (“IPO Price”)

A. NOTES TO THE INTERIM FINANCIAL REPORT (CONT'D)**A7. Debt and equity securities (cont'd)**

Save as disclosed below, there were no issuances, cancellations, repurchases, resale and repayment of debts and equity during the current financial period / year under review. (cont'd)

b) Initial Public Offering (IPO) (cont'd)

The Company was successfully admitted to the Official List of Bursa Securities and the entire enlarged issued and paid-up capital of 996,300,000 shares was listed and quoted on the ACE Market of Bursa Securities on 17 July 2023.

A8. Dividends paid

There was no dividend paid during the current financial quarter under review.

A9. Segmental information

The segmental analysis of the Group's revenue is set out as follows:

	3-MONTH ENDED		YEAR TO DATE	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
	RM'000	RM'000	RM'000	RM'000
Aesthetic services	14,603	N/A	58,530	N/A
General medical services	2,345	N/A	6,960	N/A
Sale of skincare products	625	N/A	2,299	N/A
Total	17,573	N/A	67,789	N/A
Segment profit	7,932	N/A	36,157	N/A
Other income	171	N/A	623	N/A
Unallocated expenses	(8,135)	N/A	(30,427)	N/A
Finance costs	(237)	N/A	(1,299)	N/A
Taxation	(804)	N/A	(2,494)	N/A
(Loss)/Profit for the financial period/ year	(1,073)	N/A	2,560	N/A

Notes:

- (1) This is the fourth interim financial report announced in compliance with the Listing Requirements of Bursa Securities. There are no comparative figures for the preceding quarter and period-to-date available as no interim financial report was prepared for the comparative financial period / year concerned.

N/A – Not applicable

A. NOTES TO THE INTERIM FINANCIAL REPORT (CONT'D)

A10. Valuation of property, plant and equipment

There was no valuation of the property, plant and equipment in the current financial quarter under review.

A11. Material events subsequent to the end of the current financial quarter

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

A12. Changes in the composition of the Group

There were no material changes in the composition of the Group for the current financial quarter under review.

A13. Contingent assets and contingent liabilities

There were no contingent assets and contingent liabilities as at the date of this interim report.

A14. Material capital commitments

There is no material commitment for capital expenditure, which upon becoming enforceable, may have a material effect on the Group's financial position as at the date of this interim financial report.

A15. Significant related party transactions

There were no significant related party transactions during the current financial quarter under review.

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B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**B1. Review of Performance****(a) Results for current quarter**

	3-MONTH ENDED			
	31.12.2023 RM'000	31.12.2022 RM'000	Changes N/A %	
Revenue	17,573	N/A	N/A	N/A
Loss before tax	(269)	N/A	N/A	N/A

The Group recorded revenue of RM17.57 million for the current financial quarter ended 31 December 2023. The Group's revenue was principally derived from aesthetic services, accounting for approximately 83.10% of the total revenue for the current financial quarter ended 31 December 2023.

The Group recorded a loss before tax of RM0.27 million in the current financial quarter under review after deducting expenses which are mainly attributed to administrative expenses of approximately RM6.31 million. The administrative expenses mainly consist of marketing fee amounting to RM1.97 million and depreciation of property, plant and equipment and right-of-use assets amounting to RM 1.65 million.

(b) Results for financial year-to-date

	YEAR TO DATE			
	31.12.2023 RM'000	31.12.2022 RM'000	Changes N/A %	
Revenue	67,789	N/A	N/A	N/A
Profit before tax	5,054	N/A	N/A	N/A

The Group recorded revenue of RM67.79 million for financial year ended 31 December 2023. The Group's revenue was principally derived from aesthetic services, accounting for approximately 86.34% of the total revenue for the financial year ended 31 December 2023.

The Group recorded a profit before tax of RM5.05 million in the financial year under review after deducting the expenses which are mainly attributed to administrative expenses of approximately RM22.22 million. The administrative expenses included one-off non-recurring listing expenses and other consultancy fees in relation to the IPO exercise amounting to RM3.85 million for financial year ended 31 December 2023. The administrative expenses mainly consist of marketing fee amounting to RM 5.40 million and depreciation of property, plant and equipment and right-of-use assets amounting to RM 6.07 million.

After excluding the listing expenses and other consultancy fees in relation to the IPO exercise of RM3.85 million, the Company recorded an adjusted profit before tax of RM8.90 million for the financial quarter under review.

B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (Cont'd)**B2. Comparison with immediate preceding quarter's results**

	3-MONTH ENDED			
	Current Quarter 31.12.2023 RM'000	Preceding Quarter 30.09.2023 RM'000	Changes	
			RM'000	%
Revenue	17,573	15,513	2,060	13%
(Loss)/ Profit before tax	(269)	(3,133)	2,864	91%

On a quarter-on-quarter basis, the Group recorded a higher revenue of RM17.57 million in current financial quarter as compared to RM15.51 million in the preceding quarter, mainly due to higher sales in aesthetic services.

The Group recorded a loss before tax of RM0.27 million in current financial quarter compared to a loss before tax of RM3.13 million in the preceding quarter. The loss before tax in the current financial period was lower compared to the preceding quarter, primarily due to the listing expenses and other consultancy fees related to the IPO exercise of RM3.85 million incurred in the preceding quarter, along with improvements in sales in the aesthetic segment in the financial quarter under review.

Nevertheless, the Group will continue to implement rigorous cost control measures to safeguard the profit margin and remain competitive at all the same time. The Group will focus on outlet expansion this year to strengthen the Group position in medical aesthetic industry.

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B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (Cont'd)

B3. Prospects

The Group's strategies are to continue to focus on its core business in light of the growth in the aesthetic medicine market by implementing the following business strategies: -

- (i) To continue expanding our existing clinics by establishing new aesthetic medical clinics in the Southern & Northern regions.
- (ii) In order to support the expansion, we intend to strengthen our medical doctors, clinic consultants and other support staff by attracting and recruiting highly skilled and experienced personnel.
- (iii) Our group is to continuously upgrading the technology of our medical equipment to the latest in order to enhance our services offering and also in support of our expansion plans.
- (iv) Diversify the customers base to include a more diverse range of consumers, including various races, ultimately strengthening our market presence.

The Group believes that its prospects in the aesthetic medical service industry are favourable in view of our competitive strengths as set out in Section 6.5.7 of the Prospectus, the Group's business strategies as set out above as well as the industry outlook as set out in the IMR Report in Section 8 of the Prospectus.

B4. Profit Forecast or Profit Guarantee

The Group did not issue any profit forecast or profit guarantee during the current financial quarter under review.

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B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (Cont'd)

B5. Status of corporate proposals

Save as disclosed below, there were no corporate proposals announced but not completed as at the date of this interim report.

On 21 November 2023, the Company announced the following proposals:

- i. Proposed bonus issue of 249,075,000 free warrants (“Warrant(s)”) on the basis of 1 Warrant for every 4 existing Shares held by the entitled shareholders of DC Healthcare Holdings Berhad (“Entitled Shareholders”) on an entitlement date to be determined and announced later (“Entitlement Date”) (“Proposed Bonus Issue of Warrants”);
- ii. Proposed acquisition by DC Healthcare of 200,000 ordinary shares in I Bella Sdn Bhd (“IBella”) (“Sale Shares”) from Then Yen Tsing (“TYT”) and Arrow Peak Sdn Bhd (“Arrow Peak”) (collectively referred to as the “Vendors”), representing 100% equity interest in I Bella for a total purchase consideration of up to RM70,000,000 (“Purchase Consideration”) to be satisfied via a combination of cash payment of up to RM.35,000,000.00 (“Cash Consideration”) and the balance of RM35,000,000.00 by issuance of 60,344,828 new ordinary shares in DC Healthcare (“DC Healthcare Share(s)” or “Share(s)”) (“Consideration Shares”) at an issue price of RM0.58 per Share (“Issue Price”) (“Proposed Acquisition”);
- iii. Proposed variation to the utilisation of proceeds raised from the initial public offering (“IPO”) of DC Healthcare on 17 July 2023 (“IPO Proceeds”) (“Proposed Variation”); and
- iv. Proposed establishment of an employees’ share option scheme (“ESOS”) of up to 15% of the total number of issued shares of DC Healthcare (excluding treasury shares, if any) at any point of time during the duration of the ESOS for the eligible employees and Directors of DC Healthcare and its subsidiaries (excluding dormant subsidiaries, if any) (“Proposed ESOS”);

(collectively, referred to as the “Proposals”)

The additional listing application for the Proposals and the draft circular to shareholders have been submitted to Bursa Securities on 22 December 2023.

The above Proposals are subject to Bursa Securities and shareholders' approvals.

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B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (Cont'd)**B6. Taxation**

	3-MONTH ENDED		YEAR TO DATE	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
	RM'000	RM'000	RM'000	RM'000
Taxation	(804)	N/A	(2,494)	N/A
Total Taxation	(804)	N/A	(2,494)	N/A

Note:

- (1) This is the fourth interim financial report announced in compliance with the Listing Requirements of Bursa Securities. There are no comparative figures for the preceding quarter available as no interim financial report was prepared for the comparative financial period concerned.

Note:

N/A – Not applicable

B7. Utilisation of Proceeds from the IPO

On 21 November 2023, the Company announced its intention to vary the utilisation of proceeds raised from the IPO exercise in conjunction with the listing of and the quotation of its entire share capital on the ACE Market of Bursa Malaysia Securities Berhad on 17 July 2023. The Company has raised gross proceeds of approximately RM49.82 million from its IPO (“IPO Proceeds”).

Description of utilisation	Proposed	Reallocation	Actual	Balance	Estimated timeframe for Utilisation upon Listing
	Utilisation	(1) Utilisation	(1) Utilisation	Utilisation	
	RM'000	RM'000	RM'000	RM'000	
Establishing new aesthetic medical clinics	9,440	(3,540)	3,306	2,594	Within 18 months
Purchase of new medical machines and equipment	13,124	(4,254)	2,516	6,354	Within 18 months
Repayment of borrowings	6,238	-	5,946	292	Within 6 months
Working capital	17,013	(7,206)	2,604	7,203	Within 36 months
Listing expenses	4,000	-	4,000	-	Within 1 month
Cash consideration for proposed acquisition	-	15,000	-	15,000	
Total	49,815	-	18,372	31,443	

Note:

- (1) The amount of RM15 million has been allocated to cash consideration for proposed acquisition as part of the Company’s future business plans as disclosed in the announcement dated 21 November 2023, which subject to Bursa Securities and shareholders' approvals.

B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONT'D)**B8. Bank borrowings**

The Group's bank borrowings were as follows:

	<u>UNAUDITED</u> <u>31.12.2023</u> RM'000	<u>AUDITED</u> <u>31.12.2022</u> RM'000
Current		
Hire purchase	408	1,500
Term loans	-	626
Total	<u>408</u>	<u>2,126</u>
Non Current		
Hire purchase	1,595	4,322
Term loans	-	2,082
Total	<u>1,595</u>	<u>6,404</u>
	<u>2,003</u>	<u>8,530</u>

All the Group's bank borrowings are denominated in Ringgit Malaysia.

B9. Material litigation

There was no material litigation involving the Group as at 31 December 2023.

B10. Dividend

No dividend has been declared or proposed for the current financial quarter under review.

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B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONT'D)**B11. (Loss)/Earning per share**

The basic LPS/EPS are calculated by dividing the loss/profit for the period attributable to owners of the Company by weighted average number of ordinary shares of the Company during the financial period and financial year-to-date as follows:

	3-MONTH ENDED		YEAR TO DATE	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
	RM'000	RM'000	RM'000	RM'000
(Loss)/Profit attributable to ordinary owners of the Company (RM'000)	(1,073)	N/A	2,560	N/A
Number of ordinary shares ('000)	996,300	N/A	996,300	N/A
Basic/Diluted (LPS)/EPS (sen) ⁽²⁾	(0.11)	N/A	0.26	N/A

Notes:

- (1) This is the fourth interim financial report announced in compliance with the Listing Requirements of Bursa Securities. There are no comparative figures for the preceding quarter available as no interim financial report was prepared for the comparative financial period concerned.
- (2) Basic/Diluted loss per shares ("LPS") or earning per share ("EPS") is calculated based on 996,300,000 ordinary shares after the Company was listed on ACE market of Bursa Securities on 17 July 2023. The diluted LPS/EPS is equivalent to the basic EPS as the Company does not have any convertible options as at the end of the current quarter and financial period under review.

N/A – Not applicable

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B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONT'D)**B12. Disclosure on selected expense/income items as required by the Listing Requirements**

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

	3-MONTH ENDED		YEAR TO DATE	
	31.12.2023 RM'000	31.12.2022 RM'000	31.12.2023 RM'000	31.12.2022 RM'000
Depreciation of property, plant and equipment	714	N/A	2,031	N/A
Depreciation of right-of-use assets	1,296	N/A	5,330	N/A
Interest income	(179)	N/A	(395)	N/A
Interest expense	237	N/A	1,299	N/A
Gain on lease modification	(24)	N/A	(80)	N/A
	2,044	N/A	8,185	N/A

Note:

- (1) This is the fourth interim financial report announced in compliance with the Listing Requirements of Bursa Securities. There are no comparative figures for the preceding quarter and period-to-date available as no interim financial report was prepared for the comparative financial period concerned.

N/A – Not applicable

Other disclosure items pursuant to Appendix 9B, Note 16 of the Listing Requirements of Bursa Securities are not applicable.

B13. Approval of Interim Financial Report

The interim financial report as set out above was approved by the Board of Directors in accordance with a resolution dated 27 February 2024.