

**13. ACCOUNTANTS' REPORT**

**1 DOC INTERNATIONAL BERHAD**

Registration No.: 202301046813 (1540727-V)  
(Incorporated in Malaysia)

**ACCOUNTANTS' REPORT ON  
COMBINED FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEARS ENDED**

**31 DECEMBER 2022, 31 DECEMBER 2023, 31 DECEMBER 2024  
AND FINANCIAL PERIOD ENDED 30 JUNE 2025**

**13. ACCOUNTANTS' REPORT (CONT'D)**

Moore Stephens Associates PLT  
[201304000972 (LLP0000963-LCA)]

Chartered Accountants [AF002096]  
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**THE BOARD OF DIRECTORS  
1 DOC INTERNATIONAL BERHAD**

A-1-31, IOI Boulevard,  
Jalan Kenari 7,  
Bandar Puchong Jaya,  
47170 Puchong,  
Selangor Darul Ehsan

Dear Sir

**REPORTING ACCOUNTANTS' OPINION ON THE COMBINED FINANCIAL STATEMENTS  
CONTAINED IN THE ACCOUNTANTS' REPORT OF 1 DOC INTERNATIONAL BERHAD**

**Opinion**

We have audited the combined financial statements of 1 Doc International Berhad ("the Company") and its combining entities ("the Group") which comprise the combined statements of financial position as at 31 December 2022, 31 December 2023, 31 December 2024 and 30 June 2025, and the combined statements of comprehensive income, combined statements of changes in equity and combined statements of cash flows for corresponding financial years ended ("FYE") 31 December 2022, 31 December 2023, 31 December 2024 and 6-month financial period ended ("FPE") 30 June 2025, and notes to the combined financial statements, including material accounting policies information as set out on pages 4 to 79.

The historical combined financial statements have been prepared for inclusion in the prospectus of 1 Doc International Berhad in connection with the listing of and quotation for the entire enlarged issued share capital of 1 Doc International Berhad on the Main Market of Bursa Malaysia Securities Berhad ("Prospectus"). This report is required by the Prospectus Guidelines issued by the Securities Commission Malaysia ("the Guidelines") and is given for the purpose of complying with the Guidelines and for no other purposes.

In our opinion, the combined financial statements give a true and fair view of the combined financial position as at 31 December 2022, 31 December 2023, 31 December 2024 and 30 June 2025, and of its combined financial performance and its combined cash flows for the financial years/period 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 *Reporting Accountants' Responsibilities for the Audit of the Combined 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 in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

**13. ACCOUNTANTS' REPORT (CONT'D)****Responsibilities of the Directors for the Combined Financial Statements**

The Board of Directors of the Company ("the Directors") 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 the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's 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 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 represent the underlying transactions and events in a manner that achieves fair presentation.

**13. ACCOUNTANTS' REPORT (CONT'D)**
**Reporting Accountants' Responsibilities for the Audit of the Combined Financial Statements**  
 (cont'd)

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

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

**Other Matter**

The comparative information in respect of the combined statements of financial position as of 30 June 2024, the combined statements of comprehensive income, combined statements of changes in equity and combined statements cash flows and notes to combined financial statements of the Group for the 6-month FPE 30 June 2024 have not been audited.

**Restriction on Distribution and Use**

This report is made solely for inclusion in the prospectus of the Company in connection with the listing of and quotation of the entire enlarged issued shares of the Company on the Main Market of Bursa Malaysia Securities Berhad. As such, this report should not be used for any other purpose without our prior written consent. We do not assume responsibility to any other person for the content of this report.

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

Petaling Jaya, Selangor  
 Date: 17 DEC 2025

LO KUAN CHE  
 03016/11/2026 J  
 Chartered Accountant



**13. ACCOUNTANTS' REPORT (CONT'D)**

**1 DOC INTERNATIONAL BERHAD**  
(Incorporated in Malaysia)

**COMBINED STATEMENTS OF COMPREHENSIVE INCOME**

		<----- Audited ----->			Unaudited	Audited
		FYE	FYE	FYE	6 months	6 months
		2022	2023	2024	FPE	FPE
	Note	RM	RM	RM	June 2024	June 2025
					RM	RM
Revenue	3	191,829,823	302,409,234	346,961,360	160,936,764	204,857,129
Cost of sales		(35,871,556)	(49,942,585)	(62,999,382)	(26,394,897)	(34,140,111)
<b>Gross profit</b>		<b>155,958,267</b>	<b>252,466,649</b>	<b>283,961,978</b>	<b>134,541,867</b>	<b>170,717,018</b>
Other income		315,543	1,836,130	5,868,334	2,638,529	7,056,877
Selling and distribution expenses		(53,376,885)	(82,066,314)	(90,907,004)	(43,223,708)	(48,414,298)
Administrative expenses		(34,902,046)	(49,554,616)	(63,556,909)	(27,383,872)	(35,868,960)
Other expenses		(1,016,445)	(1,300,961)	(635,446)	(64,384)	(551,920)
<b>Profit from operations</b>	4	<b>66,978,434</b>	<b>121,380,888</b>	<b>134,730,953</b>	<b>66,508,432</b>	<b>92,938,717</b>
Finance costs	5	(691,341)	(1,605,296)	(2,232,294)	(1,085,812)	(1,096,470)
<b>Profit before tax</b>		<b>66,287,093</b>	<b>119,775,592</b>	<b>132,498,659</b>	<b>65,422,620</b>	<b>91,842,247</b>
Tax expense	6	(16,036,379)	(30,107,375)	(35,447,107)	(15,979,062)	(24,172,072)
<b>Profit for the financial year/period</b>		<b>50,250,714</b>	<b>89,668,217</b>	<b>97,051,552</b>	<b>49,443,558</b>	<b>67,670,175</b>
<b>Other comprehensive income, net of tax</b>						
<i>Items that may be reclassified subsequently to profit or loss</i>						
Foreign currency translation differences for foreign operation		-	(107)	58,685	615	(25,494)
<b>Total comprehensive income for the financial year/period</b>		<b>50,250,714</b>	<b>89,668,110</b>	<b>97,110,237</b>	<b>49,444,173</b>	<b>67,644,681</b>
<b>Earnings per share attributable to the Owners of the Company</b>						
Basic/diluted earnings per share (sen)	32	2.21	3.94	4.26	2.17	2.97

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

**13. ACCOUNTANTS' REPORT (CONT'D)****1 DOC INTERNATIONAL BERHAD**  
(Incorporated in Malaysia)**COMBINED STATEMENTS OF FINANCIAL POSITION**

	Note	<----- Audited ----->			Unaudited	Audited
		<----- As at 31 December ----->			<----- As at 30 June ----->	
		2022	2023	2024	2024	2025
		RM	RM	RM	RM	RM
<b>ASSETS</b>						
<b>Non-current assets</b>						
Property, plant and equipment	7	25,330,646	33,742,899	33,582,626	30,151,541	32,350,716
Right-of-use assets	8	11,023,428	11,095,913	11,423,194	11,405,746	10,780,185
Investment properties	9	-	19,810,461	14,301,880	21,879,817	14,153,954
Intangible assets	10	3,783	91,102	226,190	216,151	216,634
Other investments	11	-	8,120,000	8,120,000	8,120,000	8,120,000
Deferred tax assets	12	30,635,297	43,888,468	59,037,106	51,675,439	63,178,937
		<u>66,993,154</u>	<u>116,748,843</u>	<u>126,690,996</u>	<u>123,448,694</u>	<u>128,800,426</u>
<b>Current assets</b>						
Inventories	13	8,630,437	8,801,299	8,579,175	8,465,618	6,739,673
Other receivables	14	29,587,667	46,451,039	57,825,542	51,910,881	61,036,989
Tax recoverable		2,900,287	4,240,442	1,409,430	1,417,834	966,324
Fixed deposits with licensed banks	15	52,490,000	13,490,000	8,490,000	8,490,000	7,490,000
Short-term funds	16	-	12,000,000	30,317,350	30,044,097	15,546,654
Cash and bank balances		<u>56,434,282</u>	<u>127,619,824</u>	<u>184,055,944</u>	<u>157,789,418</u>	<u>283,577,145</u>
		<u>150,042,673</u>	<u>212,602,604</u>	<u>290,677,441</u>	<u>258,117,848</u>	<u>375,356,785</u>
<b>TOTAL ASSETS</b>		<u>217,035,827</u>	<u>329,351,447</u>	<u>417,368,437</u>	<u>381,566,542</u>	<u>504,157,211</u>

**13. ACCOUNTANTS' REPORT (CONT'D)**

**1 DOC INTERNATIONAL BERHAD**  
(Incorporated in Malaysia)

**COMBINED STATEMENTS OF FINANCIAL POSITION (cont'd)**

		<----- Audited ----->			Unaudited	Audited
		<----- As at 31 December ----->			<----- As at 30 June ----->	
		2022	2023	2024	2024	2025
Note		RM	RM	RM	RM	RM
EQUITY AND LIABILITIES						
Equity						
Share capital	17	-	1,000	1,000	1,000	1,000
Invested equity	17	22,000	255,168	286,781	286,781	286,841
Retained earnings		26,847,627	52,015,844	69,067,396	71,459,402	136,737,511
Reserves	18	-	(107)	(11,941,422)	(11,999,492)	(11,966,916)
TOTAL EQUITY		26,869,627	52,271,905	57,413,755	59,747,691	125,058,436
Non-current liabilities						
Lease liabilities	19	6,436,237	6,014,931	5,511,341	5,651,316	5,082,142
Borrowings	20	1,325,109	1,122,336	901,196	1,011,411	799,335
Deferred tax liabilities	12	569,294	459,417	1,307	303,675	-
Redeemable convertible preference shares ("RCPS")	21	-	6,080,027	-	5,060,125	-
Other payables	22	-	25,899	82,601	25,899	30,489
		8,330,640	13,702,610	6,496,445	12,052,426	5,911,966

**13. ACCOUNTANTS' REPORT (CONT'D)****1 DOC INTERNATIONAL BERHAD**  
(Incorporated in Malaysia)**COMBINED STATEMENTS OF FINANCIAL POSITION (cont'd)**

	Note	<----- Audited ----->			Unaudited	Audited
		<----- As at 31 December ----->			<----- As at 30 June ----->	
		2022 RM	2023 RM	2024 RM	2024 RM	2025 RM
<b>Current liabilities</b>						
Trade payables	23	504,713	29,687	188,635	766,578	701,709
Other payables	22	10,433,507	19,018,318	25,095,100	20,785,073	22,083,803
Contract liabilities	24	146,985,561	210,933,529	282,623,780	248,070,161	305,060,089
Amounts due to Directors and shareholders	25	48,046	456,598	2,223,355	2,648,780	2,801,678
Lease liabilities	19	4,235,567	5,509,453	6,315,518	6,240,044	6,078,675
Borrowings	20	2,387,930	19,474,293	18,951,072	19,242,538	18,636,055
RCPS	21	-	620,598	5,613,540	1,502,500	-
Tax payables		17,240,236	7,334,456	12,447,237	10,510,751	17,824,800
		<u>181,835,560</u>	<u>263,376,932</u>	<u>353,458,237</u>	<u>309,766,425</u>	<u>373,186,809</u>
<b>TOTAL LIABILITIES</b>		<u>190,166,200</u>	<u>277,079,542</u>	<u>359,954,682</u>	<u>321,818,851</u>	<u>379,098,775</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>217,035,827</u>	<u>329,351,447</u>	<u>417,368,437</u>	<u>381,566,542</u>	<u>504,157,211</u>

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

**13. ACCOUNTANTS' REPORT (CONT'D)**

**1 DOC INTERNATIONAL BERHAD**  
(Incorporated in Malaysia)

**COMBINED STATEMENTS OF CHANGES IN EQUITY**

	<----- Non-distributable ----->			<- Distributable ->		
	Share capital RM	Invested equity RM	Merger reserve RM	Foreign currency translation reserve RM	Retained earnings RM	Total equity RM
<b>At 1 January 2022</b>	-	22,000	-	-	1,596,913	1,618,913
Profit for the financial year, representing total comprehensive income for the financial year	-	-	-	-	50,250,714	50,250,714
<b>Transaction with Owners of the Company</b>						
Dividends (Note 26)	-	-	-	-	(25,000,000)	(25,000,000)
<b>At 31 December 2022/At 1 January 2023</b>	-	22,000	-	-	26,847,627	26,869,627
Profit for the financial year	-	-	-	-	89,668,217	89,668,217
<b>Other comprehensive income:</b>						
Foreign currency translation differences for foreign operation	-	-	-	(107)	-	(107)
<b>Total comprehensive income</b>	-	-	-	(107)	89,668,217	89,668,110
<b>Transactions with Owners of the Company</b>						
Issuance of ordinary shares (Note 17)	1,000	233,168	-	-	-	234,168
Dividends (Note 26)	-	-	-	-	(64,500,000)	(64,500,000)
<b>At 31 December 2023</b>	1,000	255,168	-	(107)	52,015,844	52,271,905

**13. ACCOUNTANTS' REPORT (CONT'D)**

**1 DOC INTERNATIONAL BERHAD**  
(Incorporated in Malaysia)

**COMBINED STATEMENTS OF CHANGES IN EQUITY (cont'd)**

	<----- Non-distributable ----->			<- Distributable ->		
	Share capital RM	Invested equity RM	Merger reserve RM	Foreign currency translation reserve RM	Retained earnings RM	Total equity RM
<b>At 1 January 2024</b>	1,000	255,168	-	(107)	52,015,844	52,271,905
Profit for the financial year	-	-	-	-	97,051,552	97,051,552
<b>Other comprehensive income:</b>						
Foreign currency translation differences for foreign operation	-	-	-	58,685	-	58,685
<b>Total comprehensive income</b>	-	-	-	58,685	97,051,552	97,110,237
<b>Transactions with Owners of the Company</b>						
Issuance of ordinary shares (Note 17)	-	31,613	-	-	-	31,613
Acquisition of an entity under common control	-	-	(12,000,000)	-	-	(12,000,000)
Dividends (Note 26)	-	-	-	-	(80,000,000)	(80,000,000)
<b>At 31 December 2024</b>	<u>1,000</u>	<u>286,781</u>	<u>(12,000,000)</u>	<u>58,578</u>	<u>69,067,396</u>	<u>57,413,755</u>

**13. ACCOUNTANTS' REPORT (CONT'D)**

**1 DOC INTERNATIONAL BERHAD**  
(Incorporated in Malaysia)

**COMBINED STATEMENTS OF CHANGES IN EQUITY (cont'd)**

	<----- Non-distributable ----->			<- Distributable ->		
	Share capital RM	Invested equity RM	Merger reserve RM	Foreign currency translation reserve RM	Retained earnings RM	Total equity RM
At 1 January 2024	1,000	255,168	-	(107)	52,015,844	52,271,905
Profit for the financial period	-	-	-	-	49,443,558	49,443,558
Other comprehensive income:						
Foreign currency translation differences for foreign operation	-	-	-	615	-	615
Total comprehensive income	-	-	-	615	49,443,558	49,444,173
Transactions with Owners of the Company						
Issuance of ordinary shares (Note 17)	-	31,613	-	-	-	31,613
Acquisition of an entity under common control	-	-	(12,000,000)	-	-	(12,000,000)
Dividends (Note 26)	-	-	-	-	(30,000,000)	(30,000,000)
At 30 June 2024	1,000	286,781	(12,000,000)	508	71,459,402	59,747,691



**13. ACCOUNTANTS' REPORT (CONT'D)**

**1 DOC INTERNATIONAL BERHAD**  
(Incorporated in Malaysia)

**COMBINED STATEMENTS OF CHANGES IN EQUITY (cont'd)**

	<----- Non-distributable ----->				<- Distributable ->	
	Share capital RM	Invested equity RM	Merger reserve RM	Foreign currency translation reserve RM	Retained earnings RM	Total equity RM
<b>At 1 January 2025</b>	1,000	286,781	(12,000,000)	58,578	69,067,396	57,413,755
Profit for the financial period	-	-	-	-	67,670,175	67,670,175
<b>Other comprehensive income:</b>						
Foreign currency translation differences for foreign operation	-	-	-	(25,494)	-	(25,494)
<b>Total comprehensive income</b>	-	-	-	(25,494)	67,670,175	67,644,681
<b>Transactions with Owners of the Company</b>						
Redemption of RCPS pursuant to Section 72(5) of Companies Act 2016 (Note 17)	-	60	-	-	(60)	-
<b>At 30 June 2025</b>	<u>1,000</u>	<u>286,841</u>	<u>(12,000,000)</u>	<u>33,084</u>	<u>136,737,511</u>	<u>125,058,436</u>

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

**13. ACCOUNTANTS' REPORT (CONT'D)****1 DOC INTERNATIONAL BERHAD**  
(Incorporated in Malaysia)**COMBINED STATEMENTS OF CASH FLOWS**

	<b>&lt;----- Audited -----&gt;</b>			<b>Unaudited</b>	<b>Audited</b>
	<b>FYE</b>	<b>FYE</b>	<b>FYE</b>	<b>6 months</b>	<b>6 months</b>
<b>Note</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>FPE</b>	<b>FPE</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>June 2024</b>	<b>June 2025</b>
				<b>RM</b>	<b>RM</b>
<b>Cash Flows from Operating Activities</b>					
Profit before tax	66,287,093	119,775,592	132,498,659	65,422,620	91,842,247
Adjustments for:					
Depreciation of property, plant and equipment	6,924,163	11,358,285	19,285,377	6,401,020	6,930,809
Depreciation of right-of-use assets	4,488,968	5,981,298	6,926,301	3,177,320	3,762,891
Depreciation of investment properties	-	153,195	295,853	224,525	147,926
Amortisation of intangible assets	557	17,945	28,472	7,760	9,556
Waiver of debts from amounts due to former Directors and shareholders	-	-	-	-	(3,324,050)
Waiver of debts from amounts due to shareholders	-	-	-	-	(174,950)
Loss/(Gain) on disposal of property, plant and equipment	173,167	94,412	(313,756)	(76,491)	(84,278)
Written-off					
- other receivable	5,865	7,972	55,500	31,500	121,050
- property, plant and equipment	666,243	1,004,840	519,299	46,121	111,192
Unrealised loss/(gain) on foreign exchange	-	37,813	20,966	(20,112)	309,958
(Gain)/Loss on lease termination	-	-	(3,868)	-	28,683
Interest expense	691,341	1,605,296	2,232,294	1,085,812	1,096,470
Interest income	(193,228)	(1,518,288)	(4,612,905)	(1,957,668)	(3,030,850)
Operating profit before changes in working capital	79,044,169	138,518,360	156,932,192	74,342,407	97,746,654

**13. ACCOUNTANTS' REPORT (CONT'D)****1 DOC INTERNATIONAL BERHAD**  
(Incorporated in Malaysia)**COMBINED STATEMENTS OF CASH FLOWS (cont'd)**

	<----- Audited ----->			Unaudited	Audited
	FYE	FYE	FYE	6 months	6 months
	2022	2023	2024	FPE	FPE
Note	RM	RM	RM	June 2024	June 2025
				RM	RM
<b>Cash Flows from Operating Activities (cont'd)</b>					
Changes in working capital:					
Inventories	(5,245,200)	(280,862)	220,224	335,420	1,839,741
Receivables	(19,949,579)	(7,594,910)	(10,866,062)	(5,500,441)	(4,501,910)
Payables	3,702,434	4,690,148	5,143,287	1,091,142	42,940
Contract liabilities	98,994,831	63,947,968	71,743,091	37,136,632	22,429,709
Cash generated from operations	156,546,655	199,280,704	223,172,732	107,405,160	117,557,134
Interest paid	(695,250)	(1,229,810)	(1,696,929)	(823,812)	(874,738)
Interest received	193,228	1,518,288	4,612,905	1,957,668	3,030,850
Tax paid	(24,825,806)	(55,848,911)	(43,509,046)	(17,933,512)	(22,798,935)
Tax refunded	-	1,132,553	390,720	10,417	347,437
<b>Net cash from operating activities</b>	<b>131,218,827</b>	<b>144,852,824</b>	<b>182,970,382</b>	<b>90,615,921</b>	<b>97,261,748</b>
<b>Cash Flows from Investing Activities</b>					
Acquisition of property, plant and equipment	7(a) (18,713,036)	(21,633,131)	(14,473,537)	(5,153,706)	(5,849,750)
Additions of right-of-use assets	8(a) (2,084,341)	(41,203)	(32,445)	(32,445)	-
Additions of intangible assets	10(a) -	(25,595)	(163,560)	(132,809)	-
Acquisition of investment properties	9(a) -	(2,863,852)	-	-	-
Additions of other investments	-	(8,120,000)	-	-	-
Acquisition of an entity under common control	-	-	(12,000,000)	(12,000,000)	-
Proceeds from disposal of property, plant and equipment	501,833	914,548	509,223	79,288	213,482
<b>Net cash used in investing activities</b>	<b>(20,295,544)</b>	<b>(31,769,233)</b>	<b>(26,160,319)</b>	<b>(17,239,672)</b>	<b>(5,636,268)</b>

**13. ACCOUNTANTS' REPORT (CONT'D)****1 DOC INTERNATIONAL BERHAD**  
(Incorporated in Malaysia)**COMBINED STATEMENTS OF CASH FLOWS (cont'd)**

	<----- Audited ----->			Unaudited	Audited
	FYE	FYE	FYE	6 months	6 months
	2022	2023	2024	FPE	FPE
	2022	2023	2024	June 2024	June 2025
Note	RM	RM	RM	RM	RM
<b>Cash Flows from Financing Activities</b>					
(Repayment to)/advances from Directors and shareholders	(618,452)	408,134	1,849,634	2,212,324	742,124
(Repayment to)/advances from former Directors and shareholders	(367,500)	3,429,567	1,108,619	1,224,607	-
Dividend paid to ordinary shareholders	(25,000,000)	(64,500,000)	(80,000,000)	(30,000,000)	-
Dividend paid to RCPS holders	-	(3,025,105)	(2,222,815)	(200,000)	-
Proceeds from issuance of ordinary shares by					
- the Company	-	1,000	-	-	-
- the combining entities	-	233,398	30,787	31,592	-
Repayments of lease liabilities	(ii)&(iii)	(3,550,179)	(5,180,165)	(3,087,465)	(3,898,897)
Net repayment of borrowings	(iii)	(130,240)	(227,206)	(342,680)	(416,878)
Redemption of RCPS	-	-	-	-	(4,000,000)
Proceeds from issuance of RCPS	-	60	-	-	-
<b>Net cash used in financing activities</b>	<b>(29,666,371)</b>	<b>(68,860,317)</b>	<b>(86,970,555)</b>	<b>(30,161,622)</b>	<b>(7,573,651)</b>
<b>Net increase in cash and cash equivalents</b>	<b>81,256,912</b>	<b>44,223,274</b>	<b>69,839,508</b>	<b>43,214,627</b>	<b>84,051,829</b>
Effect of exchange rate changes	-	(37,732)	(86,038)	(936)	(301,324)
Cash and cash equivalents at beginning of the financial year/period	27,667,370	108,924,282	153,109,824	153,109,824	222,863,294
<b>Cash and cash equivalents at end of the financial year/period</b>	<b>(i)</b>	<b>108,924,282</b>	<b>153,109,824</b>	<b>196,323,515</b>	<b>306,613,799</b>

**13. ACCOUNTANTS' REPORT (CONT'D)****1 DOC INTERNATIONAL BERHAD**  
(Incorporated in Malaysia)**COMBINED STATEMENTS OF CASH FLOWS (cont'd)**

Notes:

(i) Cash and cash equivalents comprise:

	<----- Audited ----->			Unaudited	Audited
	<----- As at 31 December ----->			<----- As at 30 June ----->	
	2022	2023	2024	2024	2025
	RM	RM	RM	RM	RM
Fixed deposits placed with licensed banks	52,490,000	13,490,000	8,490,000	8,490,000	7,490,000
Short-term funds	-	12,000,000	30,317,350	30,044,097	15,546,654
Cash and bank balances	56,434,282	127,619,824	184,055,944	157,789,418	283,577,145
	<u>108,924,282</u>	<u>153,109,824</u>	<u>222,863,294</u>	<u>196,323,515</u>	<u>306,613,799</u>

Cash and cash equivalents consist of fixed deposits placed with licensed banks, short-term funds and cash at banks and on hand that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.

**13. ACCOUNTANTS' REPORT (CONT'D)****1 DOC INTERNATIONAL BERHAD**  
(Incorporated in Malaysia)**COMBINED STATEMENTS OF CASH FLOWS (cont'd)**

Notes: (cont'd)

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

	<b>&lt;----- Audited -----&gt;</b>			<b>Unaudited</b>	<b>Audited</b>
	<b>FYE</b>	<b>FYE</b>	<b>FYE</b>	<b>6 months</b>	<b>6 months</b>
	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>FPE</b>	<b>FPE</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>June 2024</b>	<b>June 2025</b>
				<b>RM</b>	<b>RM</b>
<b>Included in net cash from operating activities:</b>					
- Interest paid in relation to lease liabilities	(562,801)	(836,157)	(842,078)	(381,954)	(439,471)
- Payment relating to					
- short-term leases	(67,646)	(74,045)	(67,124)	(47,500)	(13,100)
- lease of low value assets	(28,040)	(48,972)	(53,764)	(33,010)	(64,166)
<b>Included in net cash used in financing activities:</b>					
- Payment for the principal portion of lease liabilities	(3,550,179)	(5,180,165)	(6,992,419)	(3,087,465)	(3,898,897)
<b>Total cash outflows for leases</b>	<b>(4,208,666)</b>	<b>(6,139,339)</b>	<b>(7,955,385)</b>	<b>(3,549,929)</b>	<b>(4,415,634)</b>

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

	<b>Borrowings</b>	<b>Lease</b>
	<b>RM</b>	<b>liabilities</b>
		<b>RM</b>
<b>FYE 2022</b>		
At 1 January	3,843,279	5,276,866
Repayment of principal, representing net changes from financing cash flows	(130,240)	(3,550,179)
Addition of new leases	-	8,945,117
At 31 December	<u>3,713,039</u>	<u>10,671,804</u>

**13. ACCOUNTANTS' REPORT (CONT'D)****1 DOC INTERNATIONAL BERHAD**

(Incorporated in Malaysia)

**COMBINED STATEMENTS OF CASH FLOWS (cont'd)**

Notes: (cont'd)

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

	<b>Borrowings RM</b>	<b>Lease liabilities RM</b>
<b>FYE 2023</b>		
At 1 January	3,713,039	10,671,804
Drawdown	167,496	-
Repayment of principal	(394,702)	(5,180,165)
Net changes from financing cash flows	(227,206)	(5,180,165)
Acquisition of investment properties during the year	17,099,804	-
Accrued interest	10,992	-
Addition of new leases	-	5,952,245
Financing of plant and equipment acquired in prior year	-	80,500
At 31 December	<u>20,596,629</u>	<u>11,524,384</u>
<b>FYE 2024</b>		
At 1 January	20,596,629	11,524,384
Repayment of principal, representing net changes from financing cash flows	(744,361)	(6,992,419)
Lease modification	-	1,544,425
Addition of new leases	-	5,804,474
Foreign currency translation	-	(54,005)
At 31 December	<u>19,852,268</u>	<u>11,826,859</u>



**13. ACCOUNTANTS' REPORT (CONT'D)**

**1 DOC INTERNATIONAL BERHAD**  
(Incorporated in Malaysia)

**COMBINED STATEMENTS OF CASH FLOWS (cont'd)**

Notes: (cont'd)

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

	<b>Borrowings RM</b>	<b>Lease liabilities RM</b>
<b>FPE June 2024</b>		
At 1 January	20,596,629	11,524,384
Repayment of principal, representing net changes from financing cash flows	(342,680)	(3,087,465)
Addition of new leases	-	3,470,147
Foreign currency translation	-	(15,706)
At 30 June	<u>20,253,949</u>	<u>11,891,360</u>
<b>FPE June 2025</b>		
At 1 January	19,852,268	11,826,859
Repayment of principal, representing net changes from financing cash flows	(416,878)	(3,898,897)
Lease modification	-	1,057,260
Addition of new leases	-	2,168,212
Foreign currency translation	-	7,383
At 30 June	<u>19,435,390</u>	<u>11,160,817</u>

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

**13. ACCOUNTANTS' REPORT (CONT'D)****1 DOC INTERNATIONAL BERHAD**  
(Incorporated in Malaysia)**NOTES TO THE COMBINED FINANCIAL STATEMENTS****1. GENERAL INFORMATION**

The Company was incorporated in Malaysia under the Companies Act 2016 on 24 November 2023 as a public limited company with an issued and fully paid-up share capital of RM1,000 consisting of 1,000 ordinary shares.

The registered office of the Company is located at Unit 30-01, Level 30, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur.

The principal place of business of the Company is located at A-1-31, IOI Boulevard, Jalan Kenari 7, Bandar Puchong Jaya, 47170 Puchong, Selangor Darul Ehsan.

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

Combining entities	Date of incorporation	Principal place of business/ Country of Incorporation	Effective equity interest %	Principal activities
1 Doc Holding Sdn Bhd ("1 Doc Holding")	28 November 2019	Malaysia	100	Investment holding company
Slim Doc Sdn Bhd ("Slim Doc")	30 March 2021	Malaysia	100	Provision of body care services
Slim Doc SG Pte Ltd ("Slim Doc SG")	15 July 2022	Singapore	100	Provision of body care, facial care and hair care services
<u>Subsidiary of Slim Doc</u>				
Perfect Facelift Sdn Bhd ("Perfect Facelift")	09 August 2021	Malaysia	100	Provision of body care and facial care services
<u>Subsidiaries of 1 Doc Holding</u>				
1 Doc Resources Sdn Bhd ("1 Doc Resources")	03 December 2019	Malaysia	100	Investment holding company and human resource management
<u>Subsidiaries of 1 Doc Resources</u>				
1 Doc Trading Sdn Bhd ("1 Doc Trading")	29 February 2016	Malaysia	100	Investment holding company and trading of beauty care products
1 Doc Marketing Sdn Bhd ("1 Doc Marketing")	28 September 2017	Malaysia	100	Marketing of beauty care products and services

**13. ACCOUNTANTS' REPORT (CONT'D)****1. GENERAL INFORMATION (cont'd)**

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

Combining entities	Date of incorporation	Principal place of business/ Country of Incorporation	Effective equity interest %	Principal activities
<u>Subsidiaries of 1 Doc Trading</u>				
Fend Promotions Sdn Bhd ("Fend Promotions")*	18 June 2015	Malaysia	100	Dormant
1 Doc Puchong Sdn Bhd ("1 Doc Puchong")	11 April 2016	Malaysia	100	Provision of facial care and hair care services
1 Doc KL Sdn Bhd ("1 Doc KL")	03 August 2016	Malaysia	100	Provision of facial care and hair care services
1 Doc Austin Sdn Bhd ("1 Doc Austin")	14 September 2017	Malaysia	100	Provision of facial care and hair care services
1 Doc KD Sdn Bhd ("1 Doc KD")	17 May 2017	Malaysia	100	Provision of facial care and hair care services
1 Doc Subang Sdn Bhd ("1 Doc Subang")	31 July 2017	Malaysia	100	Provision of facial care and hair care services
1 Doc Cheras Sdn Bhd ("1 Doc Cheras")	05 March 2018	Malaysia	100	Provision of facial care and hair care services
1 Doc Ipoh Sdn Bhd ("1 Doc Ipoh")	07 October 2019	Malaysia	100	Provision of facial care and hair care services
1 Doc Seremban Sdn Bhd ("1 Doc Seremban")	06 January 2020	Malaysia	100	Provision of facial care and hair care services
1 Doc Sutera Sdn Bhd ("1 Doc Sutera")	23 January 2020	Malaysia	100	Provision of facial care and hair care services
Nano Pigmentation Sdn Bhd ("Nano Pigmentation")	28 June 2018	Malaysia	100	Provision of facial care and hair care services
1 Doc (Melaka) Sdn Bhd ("1 Doc (Melaka)")	01 March 2017	Malaysia	100	Provision of facial care and hair care services
Hair Doc Group Sdn Bhd ("Hair Doc")	03 September 2020	Malaysia	100	Provision of facial care and hair care services

\* Fend Promotions was struck off on 10 March 2025.

**13. ACCOUNTANTS' REPORT (CONT'D)****1. GENERAL INFORMATION (cont'd)**

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

As an integral part of listing the Company on the Main Market of Bursa Malaysia Securities Berhad:

- (i) On 1 August 2025, Slim Doc entered into a share sale agreement with Ong Hong Keat, Joel Yap Jiang Feng, Chin Boon Keat and Teoh Hui Sim for the acquisition of the entire equity interest in Slim Doc SG for a cash consideration of RM40.
- (ii) On 8 October 2025, the Company entered into share sale agreements with Ong Hong Keat, Joel Yap Jiang Feng, Chin Boon Keat and Teoh Hui Sim to acquire the entire equity interests in 1 Doc Holding and Slim Doc, respectively, for a purchase consideration of RM125,120,360, which was satisfied via the allotment and issuance of 125,130,360 new ordinary shares in 1 Doc International Berhad at an issue price of RM1.00 per share. Upon completion of the acquisitions, 1 Doc Holding and Slim Doc become subsidiaries of the Company.

**13. ACCOUNTANTS' REPORT (CONT'D)****2. BASIS OF PREPARATION**

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

As the acquisitions of Slim Doc SG, 1 Doc Holding, and Slim Doc were only completed on 1 August 2025 and 8 October 2025 respectively, there are no consolidated financial statements of the Group for the financial years ended 31 December 2022, 31 December 2023, 31 December 2024 and the financial periods ended 30 June 2024 and 30 June 2025.

This Accountants' Report comprises the historical combined financial statements of 1 Doc International Berhad and the combining entities, which include the combined statements of financial position of the Group as at 31 December 2022, 31 December 2023, 31 December 2024, 30 June 2024 and 30 June 2025, 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 2022, 31 December 2023, 31 December 2024, and for the financial periods ended 30 June 2024 and 30 June 2025, and notes to the financial statements, including material accounting policies information and other explanatory notes, as set out on pages 4 to 79.

The combined financial statements are prepared using the audited/unaudited financial statements of the respective combining entities for the relevant financial years/periods are as follows:

	FYE 31 December			FPE 30 June	
	2022	2023	2024	2024	2025
<b>Entities under common control:</b>					
1 Doc International Berhad	*	*	✓	^	^^
1 Doc Austin	✓	✓	✓	^	^^
1 Doc Cheras	✓	✓	✓	^	^^
1 Doc Holding	✓	✓	✓	^	^^
1 Doc Ipoh	✓	✓	✓	^	^^
1 Doc KD	✓	✓	✓	^	^^
1 Doc KL	✓	✓	✓	^	^^
1 Doc Marketing	✓	✓	✓	^	^^
1 Doc (Melaka)	✓	✓	✓	^	^^
1 Doc Puchong	✓	✓	✓	^	^^
1 Doc Resources	✓	✓	✓	^	^^
1 Doc Seremban	✓	✓	✓	^	^^
1 Doc Subang	✓	✓	✓	^	^^
1 Doc Sutera	✓	✓	✓	^	^^
1 Doc Trading	✓	✓	✓	^	^^
Fend Promotions	✓	✓	@	@	@
Hair Doc	✓	✓	✓	^	^^
Nano Pigmentation	✓	✓	✓	^	^^
Perfect Facelift	✓	✓	✓	^	^^
Slim Doc	✓	✓	✓	^	^^
Slim Doc SG	#	✓	✓	^	^^

✓ The combined financial statements include the audited financial statements of these combining entities for the respective financial years.

\* No financial statements are available for the Company as it was incorporated on 24 November 2023.

# No financial statements are available for Slim Doc SG as it was incorporated on 15 July 2022.

@ No financial statements are available for Fend Promotions as it was in the process of applying for strike-off in FYE and FPE 2024, and was subsequently struck off on 10 March 2025.

^ Unaudited

^^ The combined financial statements FPE 30 June 2025 are audited on a group basis.

**13. ACCOUNTANTS' REPORT (CONT'D)****2. BASIS OF PREPARATION (cont'd)**

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. 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 entities under common control so as to obtain benefits from their activities, and that ultimate collective power is not transitory. The financial statements of entities under common control are included in the combined financial statements from the day that control commences until the date that control ceases.

The combined financial statements of the Group 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, i.e., 1 January 2022, covered by the relevant periods or the dates of incorporation of the entities, whichever is 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/periods. 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/periods.

During the financial year/period ended 31 December 2024 and 30 June 2024, the Group applied the "pooling of interest" method of accounting on a retrospective basis arising from the acquisition of Perfect Facelift by the Group through Slim Doc in business combinations under common control.

The accounting policy for business combinations under common control is set out below:

**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/periods. 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 1 Doc International Berhad.

In a business combination under common control, any differences between the cost of the merger and share capital of the "acquired entity" are reflected within equity as merger reserve.

The combined statements of comprehensive income reflects the results of the combining entities for the full financial period and the comparatives are presented as if the entities had always been combined since the date for which the entities had come under common control.

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.

**13. ACCOUNTANTS' REPORT (CONT'D)****2. BASIS OF PREPARATION (cont'd)****(a) Statement of compliance**

The combined financial statements of the Group for the FYEs 31 December 2022, 31 December 2023, 31 December 2024 and FPEs 30 June 2024 and 30 June 2025 have been prepared in accordance with the Malaysian Financial Reporting Standards ("MFRSs") issued by the Malaysian Accounting Standards Board ("MASB"), International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board 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/periods, a number of new accounting pronouncements that became effective mandatorily during the current financial period.

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

**(i) Accounting pronouncements that are effective and adopted during the financial period ended 30 June 2025**

Amendments to MFRS 121	Lack of Exchangeability
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The adoption of the above accounting pronouncements did not have any significant effect on the combined financial statements.

**(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 as at the date of authorisation of these combined financial statements but are not yet effective for the Group for the financial years under review:-

***Effective for financial periods beginning on or after 1 January 2026***

Amendments to MFRS 9 and MFRS 7	Classification and Measurement of Financial Instrument
Amendments to MFRS 1, MFRS 7, MFRS 9, MFRS 10, MFRS 107,	Annual Improvement to MFRS Accounting Standards – Volume 11
Amendments to MFRS 9 and MFRS 7	Contracts Referencing Nature-dependent Electricity

***Effective for financial periods beginning on or after 1 January 2027***

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

***Effective date to be announced***

Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
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**13. ACCOUNTANTS' REPORT (CONT'D)****2. BASIS OF PREPARATION (cont'd)****(a) Statement of compliance (cont'd)****(ii) Accounting pronouncements that are issued but not yet effective and have not been early adopted (cont'd)**

The Group will adopt the above accounting pronouncements when they become effective in the respective financial periods. These accounting pronouncements are not expected to have any material effect to the combined financial statements of the Group upon their initial applications, except as described below:

**MFRS 18, *Presentation and Disclosure in Financial Statements***

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

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

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

The Group is currently assessing the impact of adopting MFRS 18.

**(b) Basis of measurement**

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

**(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, unless otherwise stated.

**13. ACCOUNTANTS' REPORT (CONT'D)****2. BASIS OF PREPARATION (cont'd)****(d) Significant accounting estimates and judgements**

The material accounting policies as described in the combined financial statements are essential to understand the Group's results 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 combined 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 on-going 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) 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.

**(ii) Estimation of the incremental borrowing rate ("IBR")**

For the purpose of calculating the right-of-use ("ROU") 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 ROU assets 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 an entity's credit rating). The carrying amounts of the Group's ROU assets and lease liabilities are disclosed in Notes 8 and 19, respectively.

**13. ACCOUNTANTS' REPORT (CONT'D)****2. BASIS OF PREPARATION (cont'd)****(d) Significant accounting estimates and judgements (cont'd)****(iii) Revenue from contracts with customers**

In line with the Group's business model, customers typically enter into contracts for service packages, for which the Group charges an upfront package price with contract duration of up to 12 months. Typically, any unutilised packages will be recognised as revenue upon the expiry of the validity period. The Group may, at its discretion, allow customers to redeem unutilised package value beyond the validity period.

The non-refundable upfront payments received in advance, prior to the fulfilment of performance obligations, is recognised as contract liabilities. To derive the contract liabilities, the Group reviews the utilisation pattern based on the services rendered to customers over a period of time and estimates the value of contract liabilities based on the said utilisation trends.

For the recognition of revenue and contract liabilities, the Group primarily adopts a portfolio approach by grouping contracts with similar characteristics, in accordance with MFRS 15 *Revenue from Contracts with Customers*. The contract liabilities are recognised as revenue within the subsequent 3 financial years after the expiry of the 12-month validity period based on the historical utilisation trends. The utilisation pattern will be reassessed against the historical trends and updated, if required. Accordingly, the value of contract liabilities and recognition of revenue are reassessed periodically based on the change in the utilisation pattern.

In relation to the contract liabilities, the Group has also recognised contract costs as other receivables, representing the incremental sales commissions incurred to obtain the sales contracts. These costs are amortised as selling and distribution expenses over the same period during which the related revenue arising from the contract liabilities is recognised, consistent with the progressive satisfaction of performance obligations.

**3. REVENUE**

Revenue from beauty care services as well as from the sales of related goods is recognised at point-in-time when the services are rendered and the risk and rewards of ownership of the goods have been transferred to the customer. Billed amounts for services and goods which have not been rendered and delivered to customers as at the end of the reporting period are recognised as deferred revenue, which is non-refundable and included in contract liabilities as disclosed in Note 24.

**Material accounting policy**

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

A PO is a promise to transfer a distinct good 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.

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.

**13. ACCOUNTANTS' REPORT (CONT'D)****4. PROFIT FROM OPERATIONS**

Profit from operations is arrived at after charging/(crediting):

	Note	<----- Audited ----->			Unaudited	Audited
		FYE 2022 RM	FYE 2023 RM	FYE 2024 RM	FPE June 2024 RM	FPE June 2025 RM
Auditors' remuneration						
- statutory audit		211,500	490,500	579,814	224,500	190,014
- others		-	-	110,000	-	-
Depreciation of						
- property, plant and equipment		6,924,163	11,358,285	19,285,377	6,401,020	6,930,809
- ROU assets		4,488,968	5,981,298	6,926,301	3,177,320	3,762,891
- investment properties		-	153,195	295,853	224,525	147,926
Amortisation of intangible assets		557	17,945	28,472	7,760	9,556
Written-off						
- other receivable		5,865	7,972	55,500	31,500	121,050
- property, plant and equipment		666,243	1,004,840	519,299	46,121	111,192
Loss/(Gain) on disposal of property, plant and equipment		173,167	94,412	(313,756)	(76,491)	(84,278)
Realised loss/(gain) on foreign exchange		171,170	158,496	39,681	(30,344)	30,554
Unrealised loss/(gain) on foreign exchange		-	37,813	20,966	(20,112)	309,958
Waiver of debts from amounts due to former Directors and shareholders		-	-	-	-	(3,324,050)
Waiver of debt from amount due to shareholder		-	-	-	-	(174,950)
(Gain)/Loss on lease termination		-	-	(3,868)	-	28,683
Short-term lease		67,646	74,045	67,124	47,500	13,100
Lease of low value assets		28,040	48,972	53,764	33,010	64,166
Rental income		-	(305,340)	(731,062)	(431,705)	(292,200)
Interest income						
- fixed deposits		(148,551)	(572,132)	(380,745)	(239,214)	(183,226)
- current accounts		(42,208)	(801,616)	(3,083,709)	(1,258,187)	(2,303,245)
- short-term funds		-	(131,452)	(683,787)	(227,931)	(312,935)
- other investments		-	-	(460,997)	(232,126)	(230,647)
- others		(2,469)	(13,088)	(3,667)	(210)	(797)

**13. ACCOUNTANTS' REPORT (CONT'D)****4. PROFIT FROM OPERATIONS (cont'd)**

Profit from operations is arrived at after charging/(crediting): (cont'd)

		<----- Audited ----->			Unaudited	Audited
		FYE	FYE	FYE	FPE	FPE
		2022	2023	2024	June 2024	June 2025
	Note	RM	RM	RM	RM	RM
Employee benefit expenses	(a)	63,515,920	92,225,623	111,751,081	50,439,944	62,056,359

**(a) Employee benefit expenses**

		<----- Audited ----->			Unaudited	Audited
		FYE	FYE	FYE	FPE	FPE
		2022	2023	2024	June 2024	June 2025
		RM	RM	RM	RM	RM
<b>Staff costs</b>						
Salaries, overtime, allowances, incentives and bonus		23,432,140	34,648,674	43,973,238	20,733,820	27,164,284
Contributions to defined contribution plan		6,153,998	9,314,941	11,478,286	4,190,618	4,786,845
Social security contributions		280,406	472,579	616,438	284,705	390,442
Commissions		27,070,118	43,255,195	50,108,081	23,224,754	28,385,642
Other benefits		653,473	1,045,202	1,266,188	677,816	943,710
		<u>57,590,135</u>	<u>88,736,591</u>	<u>107,442,231</u>	<u>49,111,713</u>	<u>61,670,923</u>
<b>Directors' remuneration</b>						
Fees		18,000	-	1,533,108	680,000	41,323
Salaries and bonus		4,962,000	2,933,000	2,332,098	436,500	288,000
Contributions to defined contribution plan		942,780	551,495	439,954	209,510	54,720
Social security contributions		2,697	4,072	3,311	1,993	1,250
Other benefits		308	465	379	228	143
		<u>5,925,785</u>	<u>3,489,032</u>	<u>4,308,850</u>	<u>1,328,231</u>	<u>385,436</u>
		<u>63,515,920</u>	<u>92,225,623</u>	<u>111,751,081</u>	<u>50,439,944</u>	<u>62,056,359</u>

**13. ACCOUNTANTS' REPORT (CONT'D)****4. PROFIT FROM OPERATIONS (cont'd)****(a) Employee benefit expenses (cont'd)***Material accounting policy**Short term employee benefits*

Wages, salaries, social security contributions and bonuses are recognised as an expense in the financial year/period 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.

*Defined contribution plan*

As required by law, companies in Malaysia make contributions to the state pension scheme, the Employees Provident Fund. Similarly, the combining entity in Singapore contributes to the Central Provident Fund in accordance with the requirements of the Singapore Central Provident Fund Act. Such contributions are recognised as an expense as incurred. Once the contributions have been paid, the Group has no further payment obligations.

**5. FINANCE COSTS**

	Note	<----- Audited ----->			Unaudited	Audited
		FYE 2022 RM	FYE 2023 RM	FYE 2024 RM	FPE June 2024 RM	FPE June 2025 RM
Interest expense on:						
- Lease liabilities		562,801	836,157	842,078	381,954	439,471
- Borrowings		128,540	397,934	854,851	441,858	435,267
- RCPS (a)		-	369,567	523,999	262,000	221,732
Unwinding of discount on provision for restoration costs		-	1,638	11,366	-	-
		<u>691,341</u>	<u>1,605,296</u>	<u>2,232,294</u>	<u>1,085,812</u>	<u>1,096,470</u>

- (a) Interest expense arising from the unwinding of the discount on RCPS issued in partial settlement of consultancy services, which is recognised over the tenure of the related services. Please refer to Note 21 for further information on the RCPS.

**13. ACCOUNTANTS' REPORT (CONT'D)****6. TAX EXPENSE**

	<----- Audited ----->			Unaudited	Audited
	FYE	FYE	FYE	FPE	FPE
	2022	2023	2024	June 2024	June 2025
	RM	RM	RM	RM	RM
<b>Income tax:</b>					
- Current year	36,648,175	43,562,755	49,941,491	23,921,998	28,332,807
(Over)/Underprovision in prior year/period	(397,272)	(92,332)	1,120,628	-	-
	<u>36,250,903</u>	<u>43,470,423</u>	<u>51,062,119</u>	<u>23,921,998</u>	<u>28,332,807</u>
<b>Deferred tax</b>					
(Note 12):					
- Relating to origination of temporary differences	(20,416,113)	(13,134,613)	(15,127,970)	(7,455,894)	(4,168,944)
Over/(Under)provision in prior year/period	201,589	(228,435)	(487,042)	(487,042)	8,209
	<u>(20,214,524)</u>	<u>(13,363,048)</u>	<u>(15,615,012)</u>	<u>(7,942,936)</u>	<u>(4,160,735)</u>
Tax expense for the financial year/period	<u>16,036,379</u>	<u>30,107,375</u>	<u>35,447,107</u>	<u>15,979,062</u>	<u>24,172,072</u>

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% of the estimated assessable profit for the financial year/period. The taxation of other jurisdiction is calculated at the rate prevailing in the respective jurisdiction.



**13. 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 ----->			Unaudited	Audited
	FYE	FYE	FYE	FPE	FPE
	2022	2023	2024	June 2024	June 2025
	RM	RM	RM	RM	RM
Profit before tax	66,287,093	119,775,592	132,498,659	65,422,620	91,842,247
Tax at the Malaysian statutory income tax rate of 24%	15,908,902	28,746,142	31,799,678	15,701,429	22,042,139
Effect of different tax rate in other country	-	-	122,741	11,830	28,603
Effect of income subject to 15% preferential tax rate	-	(189,215)	(216,000)	(189,325)	(202,500)
Effect of income subject to 17% preferential tax rate	(588,000)	(441,000)	(504,000)	(433,291)	(464,942)
Income not subject to tax	(246,831)	-	(6,734)	-	(26,530)
Non-deductible expenses	1,157,991	2,312,215	3,617,836	1,375,461	2,787,093
(Over)/Underprovision of income tax in prior year	(397,272)	(92,332)	1,120,628	-	-
Over/(Under)provision of deferred tax assets in prior year	201,589	(228,435)	(487,042)	(487,042)	8,209
Tax expense for the financial year/period	16,036,379	30,107,375	35,447,107	15,979,062	24,172,072

The Group has the following estimated unabsorbed capital allowances and unutilised tax losses to be carried forward to offset against future taxable profit:

	<----- Audited ----->			Unaudited	Audited
	FYE	FYE	FYE	FPE	FPE
	2022	2023	2024	June 2024	June 2025
	RM	RM	RM	RM	RM
Unutilised tax losses	-	400,842	-	-	-
Unabsorbed capital allowances	-	694,448	-	-	-
	-	1,095,290	-	-	-

**13. ACCOUNTANTS' REPORT (CONT'D)****6. TAX EXPENSE (cont'd)**

The availability of the unutilised tax losses will be subject to Inland Revenue Board discretion and approval to offset against future taxable profit. The unutilised tax losses will be allowed to be carried forward for 10 consecutive years of assessment ("YA") deemed to be effective from YA 2019.

*Material accounting policy*

Income tax expense includes both current and deferred taxes. Both current and deferred tax is recognised in profit or loss unless the item to which the tax relates was recognised outside profit or loss being other comprehensive income or equity. The tax associated with such an item is also recognised in other comprehensive income or equity respectively.

Current tax is the expected amount payable in respect of taxable income for the financial year/period, using tax rates that are applicable as at the reporting date, and any adjustments to the tax payables in respect of previous years.

Deferred tax balances are determined by calculating the temporary differences between the carrying amounts of assets and liabilities on the statement of financial position and their corresponding amounts for tax purposes. Deferred tax is measured at the tax rates that are expected to apply in the period in which the assets are realised or the liabilities are settled, based on tax rates and tax laws that have been enacted or substantively enacted by the reporting date.

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.

**13. ACCOUNTANTS' REPORT (CONT'D)****7. PROPERTY, PLANT AND EQUIPMENT**

	Freehold units RM	Computer and software RM	Furniture and fittings RM	Machineries RM	Motor vehicles RM	Office equipment and security and safety system RM	Renovation and signboard RM	Treatment equipment RM	Total RM
<b>Audited</b>									
<b>31 December 2022</b>									
<b>Cost</b>									
At 1 January 2022	3,499,785	203,095	1,249,458	16,106,692	-	1,815,123	3,786,653	20,570	26,681,376
Additions	3,902,622	198,543	1,658,124	6,734,263	110,343	1,767,914	4,154,323	269,254	18,795,386
Transferred from ROU assets	-	-	-	-	148,366	-	-	-	148,366
Disposals	-	-	-	(1,625,000)	(148,366)	-	-	-	(1,773,366)
Written off	-	(50,656)	(209,256)	(112,000)	-	(367,512)	(1,074,569)	-	(1,813,993)
At 31 December 2022	7,402,407	350,982	2,698,326	21,103,955	110,343	3,215,525	6,866,407	289,824	42,037,769
<b>Accumulated depreciation</b>									
At 1 January 2022	176,282	95,888	441,378	8,492,009	-	780,732	1,890,307	4,114	11,880,710
Charge for the financial year	148,048	69,529	531,517	3,968,688	22,069	724,413	1,321,158	138,741	6,924,163
Transferred from ROU assets	-	-	-	-	148,366	-	-	-	148,366
Disposals	-	-	-	(950,000)	(148,366)	-	-	-	(1,098,366)
Written off	-	(31,652)	(95,054)	(68,000)	-	(214,308)	(738,736)	-	(1,147,750)
At 31 December 2022	324,330	133,765	877,841	11,442,697	22,069	1,290,837	2,472,729	142,855	16,707,123
<b>Net carrying amount</b>									
At 31 December 2022	7,078,077	217,217	1,820,485	9,661,258	88,274	1,924,688	4,393,678	146,969	25,330,646

**13. ACCOUNTANTS' REPORT (CONT'D)****7. PROPERTY, PLANT AND EQUIPMENT (cont'd)**

	Freehold units RM	Computer and software RM	Furniture and fittings RM	Machineries RM	Motor vehicles RM	Office equipment and security system RM	Renovation and signboard RM	Treatment equipment RM	Total RM
<b>Audited</b>									
<b>31 December 2023</b>									
<b>Cost</b>									
At 1 January 2023	7,402,407	350,982	2,698,326	21,103,955	110,343	3,215,525	6,866,407	289,824	42,037,769
Additions	-	15,015	2,136,761	12,251,427	-	1,655,625	5,609,444	152,140	21,820,412
Transferred from ROU assets	-	-	-	-	295,182	-	-	-	295,182
Transferred to ROU assets#	-	-	-	-	(110,343)	-	-	-	(110,343)
Disposals	-	-	-	(2,565,000)	(295,182)	(31,532)	-	-	(2,891,714)
Written off	-	(30,145)	(399,739)	(175,208)	-	(634,600)	(1,343,760)	(4,649)	(2,588,101)
At 31 December 2023	7,402,407	335,852	4,435,348	30,615,174	-	4,205,018	11,132,091	437,315	58,563,205
<b>Accumulated depreciation</b>									
At 1 January 2023	324,330	133,765	877,841	11,442,697	22,069	1,290,837	2,472,729	142,855	16,707,123
Charge for the financial year	148,048	68,892	882,890	6,662,934	-	1,113,237	2,287,313	194,971	11,358,285
Transferred from ROU assets	-	-	-	-	242,982	-	-	-	242,982
Transferred to ROU assets#	-	-	-	-	(22,069)	-	-	-	(22,069)
Disposals	-	-	-	(1,621,000)	(242,982)	(18,772)	-	-	(1,882,754)
Written off	-	(27,667)	(209,857)	(168,248)	-	(340,160)	(835,005)	(2,324)	(1,583,261)
At 31 December 2023	472,378	174,990	1,550,874	16,316,383	-	2,045,142	3,925,037	335,502	24,820,306
<b>Net carrying amount</b>									
At 31 December 2023	6,930,029	160,862	2,884,474	14,298,791	-	2,159,876	7,207,054	101,813	33,742,899

**13. ACCOUNTANTS' REPORT (CONT'D)****7. PROPERTY, PLANT AND EQUIPMENT (cont'd)**

	Freehold units RM	Computer and software RM	Furniture and fittings RM	Machineries RM	Motor vehicles RM	Office equipment and security and safety system RM	Renovation and signboard RM	Treatment equipment RM	Total RM
<b>Audited</b>									
<b>31 December 2024</b>									
<b>Cost</b>									
At 1 January 2024	7,402,407	335,852	4,435,348	30,615,174	-	4,205,018	11,132,091	437,315	58,563,205
Additions	-	4,738	1,562,867	8,089,369	-	1,083,245	3,662,004	71,314	14,473,537
Transferred from ROU assets	-	-	-	-	1,620,274	-	-	-	1,620,274
Transferred from investment properties	7,659,804	-	-	-	-	-	-	-	7,659,804
Transferred to investment properties	(2,488,840)	-	-	-	-	-	-	-	(2,488,840)
Disposals	-	-	-	-	(1,620,274)	(7,456)	-	(5,532)	(1,633,262)
Written off	-	-	(195,354)	(251,693)	-	(162,043)	(884,139)	(45,709)	(1,538,938)
Foreign currency translation	-	(184)	(825)	(14,331)	-	-	(29,111)	-	(44,451)
At 31 December 2024	12,573,371	340,406	5,802,036	38,438,519	-	5,118,764	13,880,845	457,388	76,611,329
<b>Accumulated depreciation</b>									
At 1 January 2024	472,378	174,990	1,550,874	16,316,383	-	2,045,142	3,925,037	335,502	24,820,306
Charge for the financial year	251,467	67,004	1,141,902	11,628,646	-	1,241,724	4,866,752	87,882	19,285,377
Transferred from ROU assets	-	-	-	-	1,427,606	-	-	-	1,427,606
Transferred from investment properties	153,195	-	-	-	-	-	-	-	153,195
Transferred to investment properties	(194,959)	-	-	-	-	-	-	-	(194,959)
Disposals	-	-	-	-	(1,427,606)	(4,659)	-	(5,530)	(1,437,795)
Written off	-	-	(122,436)	(241,583)	-	(99,391)	(513,588)	(42,641)	(1,019,639)
Foreign currency translation	-	(31)	(90)	(2,033)	-	-	(3,234)	-	(5,388)
At 31 December 2024	682,081	241,963	2,570,250	27,701,413	-	3,182,816	8,274,967	375,213	43,028,703
<b>Net carrying amount</b>									
At 31 December 2024	11,891,290	98,443	3,231,786	10,737,106	-	1,935,948	5,605,878	82,175	33,582,626

**13. ACCOUNTANTS' REPORT (CONT'D)****7. PROPERTY, PLANT AND EQUIPMENT (cont'd)**

	Freehold units RM	Computer and software RM	Furniture and fittings RM	Machineries RM	Motor vehicles RM	Office equipment and security and safety system RM	Renovation and signboard RM	Treatment equipment RM	Total RM
<b>Unaudited</b>									
<b>30 June 2024</b>									
<b>Cost</b>									
At 1 January 2024	7,402,407	335,852	4,435,348	30,615,174	-	4,205,018	11,132,091	437,315	58,563,205
Additions	-	-	377,937	3,374,637	-	354,195	999,498	47,439	5,153,706
Transferred from ROU assets	-	-	-	-	159,114	-	-	-	159,114
Transferred to investment properties	(2,488,840)	-	-	-	-	-	-	-	(2,488,840)
Disposals	-	-	-	-	(159,114)	(7,456)	-	-	(166,570)
Written off	-	-	(74,192)	-	-	(37,383)	(114,200)	(6,217)	(231,992)
Foreign currency translation	-	-	(67)	(1,248)	-	-	-	-	(1,315)
At 30 June 2024	4,913,567	335,852	4,739,026	33,988,563	-	4,514,374	12,017,389	478,537	60,987,308
<b>Accumulated depreciation</b>									
At 1 January 2024	472,378	174,990	1,550,874	16,316,383	-	2,045,142	3,925,037	335,502	24,820,306
Charge for the financial period	49,136	33,119	463,340	3,409,689	-	516,625	1,892,442	36,669	6,401,020
Transferred from ROU assets	-	-	-	-	159,113	-	-	-	159,113
Transferred to investment properties	(194,959)	-	-	-	-	-	-	-	(194,959)
Disposals	-	-	-	-	(159,113)	(4,660)	-	-	(163,773)
Written off	-	-	(60,828)	-	-	(22,725)	(97,070)	(5,248)	(185,871)
Foreign currency translation	-	-	(3)	(66)	-	-	-	-	(69)
At 30 June 2024	326,555	208,109	1,953,383	19,726,006	-	2,534,382	5,720,409	366,923	30,835,767
<b>Net carrying amount</b>									
At 30 June 2024	4,587,012	127,743	2,785,643	14,262,557	-	1,979,992	6,296,980	111,614	30,151,541

**13. ACCOUNTANTS' REPORT (CONT'D)****7. PROPERTY, PLANT AND EQUIPMENT (cont'd)**

	Freehold units RM	Computer and software RM	Furniture and fittings RM	Machineries RM	Motor vehicles RM	Office equipment and security and safety system RM	Renovation and signboard RM	Treatment equipment RM	Total RM
<b>Audited</b>									
<b>30 June 2025</b>									
<b>Cost</b>									
At 1 January 2025	12,573,371	340,406	5,802,036	38,438,519	-	5,118,764	13,880,845	457,388	76,611,329
Additions	-	21,392	830,376	2,430,950	-	562,239	1,981,904	22,889	5,849,750
Transferred from ROU assets	-	-	-	-	240,561	-	-	-	240,561
Disposals	-	-	(6,682)	(360,321)	(240,561)	(8,339)	-	(9,215)	(625,118)
Written off	-	(3,250)	(141,078)	(360,325)	-	(65,626)	(291,305)	(1,041)	(862,625)
Foreign currency translation	-	18	112	1,959	-	-	3,940	-	6,029
At 30 June 2025	<u>12,573,371</u>	<u>358,566</u>	<u>6,484,764</u>	<u>40,150,782</u>	<u>-</u>	<u>5,607,038</u>	<u>15,575,384</u>	<u>470,021</u>	<u>81,219,926</u>
<b>Accumulated depreciation</b>									
At 1 January 2025	682,081	241,963	2,570,250	27,701,413	-	3,182,816	8,274,967	375,213	43,028,703
Charge for the financial period	125,734	30,181	596,337	3,544,815	-	481,441	2,133,900	18,401	6,930,809
Transferred from ROU assets	-	-	-	-	156,364	-	-	-	156,364
Disposals	-	-	(3,988)	(318,430)	(156,364)	(7,919)	-	(9,213)	(495,914)
Written off	-	(2,600)	(105,361)	(360,318)	-	(40,967)	(241,600)	(587)	(751,433)
Foreign currency translation	-	4	13	264	-	-	400	-	681
At 30 June 2025	<u>807,815</u>	<u>269,548</u>	<u>3,057,251</u>	<u>30,567,744</u>	<u>-</u>	<u>3,615,371</u>	<u>10,167,667</u>	<u>383,814</u>	<u>48,869,210</u>
<b>Net carrying amount</b>									
At 30 June 2025	<u>11,765,556</u>	<u>89,018</u>	<u>3,427,513</u>	<u>9,583,038</u>	<u>-</u>	<u>1,991,667</u>	<u>5,407,717</u>	<u>86,207</u>	<u>32,350,716</u>

# Financing via lease arrangement on motor vehicles purchased in prior year.

**13. ACCOUNTANTS' REPORT (CONT'D)****7. PROPERTY, PLANT AND EQUIPMENT (cont'd)****(a) Addition of property, plant and equipment**

	<b>&lt;----- Audited -----&gt;</b>			<b>Unaudited</b>	<b>Audited</b>
	<b>FYE</b>	<b>FYE</b>	<b>FYE</b>	<b>FPE</b>	<b>FPE</b>
	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>June 2024</b>	<b>June 2025</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
Cash	18,713,036	21,633,131	14,473,537	5,153,706	5,849,750
Transfer from inventories	-	110,000	-	-	-
Other payables	82,350	77,281	-	-	-
	<u>18,795,386</u>	<u>21,820,412</u>	<u>14,473,537</u>	<u>5,153,706</u>	<u>5,849,750</u>

- (b) The freehold units with total net carrying amount of RM8,136,115 (30 June 2024: RM879,522; 31 December 2024: RM8,222,826; 31 December 2023: RM3,183,512; 31 December 2022: RM3,253,507) are pledged to licensed banks for banking facilities granted to the Group as disclosed in Note 20.

**Material accounting policy*****Recognition and measurement***

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Property, 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 property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in the profit loss.

The cost of replacing part of an item of property, 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 property, plant and equipment are recognised in the profit or loss as incurred.

***Depreciation***

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

Freehold units	2%
Computer and software	20% - 50%
Furniture and fittings	20% - 33%
Machineries	20% - 50%
Motor vehicles	20%
Office equipment and security and safety system	20% - 50%
Renovation and signboard	20% or over the lease term, whichever is shorter
Treatment equipment	20% - 50%

The Group determines the estimated useful lives and related depreciation charges for the Group's property, plant and equipment with reference to the estimated periods that the intends to derive future economic benefits from the use of these assets.



**13. ACCOUNTANTS' REPORT (CONT'D)****7. PROPERTY, PLANT AND EQUIPMENT (cont'd)***Material accounting policy (cont'd)*

Management performs periodic review of the estimated useful lives of property, plant and equipment and will revise the depreciation charges where estimated useful lives are different than those previously estimated. The changes in the expected level of usage could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised. In respect of property, plant and equity, fully depreciated assets are retained in the financial statement until they are no longer in use.

**8. RIGHT-OF-USE ASSETS**

	<b>Motor vehicles RM</b>	<b>Lease of premises RM</b>	<b>Total RM</b>
<b>Audited</b>			
<b>31 December 2022</b>			
<b>Cost</b>			
At 1 January 2022	2,528,874	7,007,366	9,536,240
Additions	4,286,841	6,742,617	11,029,458
Transferred to property, plant and equipment^	(148,366)	-	(148,366)
Derecognition*	-	(3,037,479)	(3,037,479)
At 31 December 2022	6,667,349	10,712,504	17,379,853
<b>Accumulated depreciation</b>			
At 1 January 2022	1,603,220	3,450,082	5,053,302
Charge for the financial year	1,333,469	3,155,499	4,488,968
Transferred to property, plant and equipment^	(148,366)	-	(148,366)
Derecognition*	-	(3,037,479)	(3,037,479)
At 31 December 2022	2,788,323	3,568,102	6,356,425
<b>Net carrying amount</b>			
At 31 December 2022	3,879,026	7,144,402	11,023,428

**13. ACCOUNTANTS' REPORT (CONT'D)****8. RIGHT-OF-USE ASSETS (cont'd)**

	<b>Motor vehicles RM</b>	<b>Lease of premises RM</b>	<b>Total RM</b>
<b>Audited</b>			
<b>31 December 2023</b>			
<b>Cost</b>			
At 1 January 2023	6,667,349	10,712,504	17,379,853
Additions	390,203	5,603,245	5,993,448
Provision for restoration costs [Note 22(i)]	-	24,261	24,261
Transferred to property, plant and equipment^	(295,182)	-	(295,182)
Transferred from property, plant and equipment#	110,343	-	110,343
Derecognition*	-	(1,687,759)	(1,687,759)
At 31 December 2023	6,872,713	14,652,251	21,524,964
<b>Accumulated depreciation</b>			
At 1 January 2023	2,788,323	3,568,102	6,356,425
Charge for the financial year	1,342,718	4,638,580	5,981,298
Transferred to property, plant and equipment^	(242,982)	-	(242,982)
Transferred from property, plant and equipment#	22,069	-	22,069
Derecognition*	-	(1,687,759)	(1,687,759)
At 31 December 2023	3,910,128	6,518,923	10,429,051
<b>Net carrying amount</b>			
At 31 December 2023	2,962,585	8,133,328	11,095,913
<b>Audited</b>			
<b>31 December 2024</b>			
<b>Cost</b>			
At 1 January 2024	6,872,713	14,652,251	21,524,964
Additions	127,945	5,708,974	5,836,919
Provision for restoration costs [Note 22(i)]	-	114,281	114,281
Lease modification	-	1,462,326	1,462,326
Transferred to property, plant and equipment^	(1,620,274)	-	(1,620,274)
Derecognition*	-	(2,079,274)	(2,079,274)
Foreign currency translation	-	(66,094)	(66,094)
At 31 December 2024	5,380,384	19,792,464	25,172,848
<b>Accumulated depreciation</b>			
At 1 January 2024	3,910,128	6,518,923	10,429,051
Charge for the financial year	1,155,410	5,770,891	6,926,301
Transferred to property, plant and equipment^	(1,427,606)	-	(1,427,606)
Lease modification	-	(85,967)	(85,967)
Derecognition*	-	(2,079,274)	(2,079,274)
Foreign currency translation	-	(12,851)	(12,851)
At 31 December 2024	3,637,932	10,111,722	13,749,654
<b>Net carrying amount</b>			
At 31 December 2024	1,742,452	9,680,742	11,423,194

**13. ACCOUNTANTS' REPORT (CONT'D)****8. RIGHT-OF-USE ASSETS (cont'd)**

	<b>Motor vehicles RM</b>	<b>Lease of premises RM</b>	<b>Total RM</b>
<b>Unaudited</b>			
<b>30 June 2024</b>			
<b>Cost</b>			
At 1 January 2024	6,872,713	14,652,251	21,524,964
Additions	127,945	3,374,647	3,502,592
Transferred to property, plant and equipment <sup>^</sup>	(159,114)	-	(159,114)
Derecognition <sup>*</sup>	-	(1,273,428)	(1,273,428)
Foreign currency translation	-	(15,879)	(15,879)
At 30 June 2024	<u>6,841,544</u>	<u>16,737,591</u>	<u>23,579,135</u>
<b>Accumulated depreciation</b>			
At 1 January 2024	3,910,128	6,518,923	10,429,051
Charge for the financial period	596,900	2,580,420	3,177,320
Transferred to property, plant and equipment <sup>^</sup>	(159,113)	-	(159,113)
Derecognition <sup>*</sup>	-	(1,273,428)	(1,273,428)
Foreign currency translation	-	(441)	(441)
At 30 June 2024	<u>4,347,915</u>	<u>7,825,474</u>	<u>12,173,389</u>
<b>Net carrying amount</b>			
At 30 June 2024	<u>2,493,629</u>	<u>8,912,117</u>	<u>11,405,746</u>
<b>Audited</b>			
<b>30 June 2025</b>			
<b>Cost</b>			
At 1 January 2025	5,380,384	19,792,464	25,172,848
Additions	-	2,168,212	2,168,212
Lease modification	-	825,169	825,169
Transferred to property, plant and equipment <sup>^</sup>	(240,561)	-	(240,561)
Derecognition <sup>*</sup>	-	(727,733)	(727,733)
Foreign currency translation	-	8,945	8,945
At 30 June 2025	<u>5,139,823</u>	<u>22,067,057</u>	<u>27,206,880</u>
<b>Accumulated depreciation</b>			
At 1 January 2025	3,637,932	10,111,722	13,749,654
Charge for the financial period	494,585	3,268,306	3,762,891
Transferred to property, plant and equipment <sup>^</sup>	(156,364)	-	(156,364)
Lease modification	-	(203,408)	(203,408)
Derecognition <sup>*</sup>	-	(727,733)	(727,733)
Foreign currency translation	-	1,655	1,655
At 30 June 2025	<u>3,976,153</u>	<u>12,450,542</u>	<u>16,426,695</u>
<b>Net carrying amount</b>			
At 30 June 2025	<u>1,163,670</u>	<u>9,616,515</u>	<u>10,780,185</u>

<sup>^</sup> Transferred to property, plant and equipment upon full settlement of lease liabilities.

<sup>#</sup> Financing via lease arrangement on motor vehicles purchased in prior years.

<sup>\*</sup> Derecognition of ROU asset resulted from full settlement of lease liabilities.

**13. ACCOUNTANTS' REPORT (CONT'D)****8. RIGHT-OF-USE ASSETS (cont'd)****(a) Addition of ROU assets**

	<----- Audited ----->			Unaudited	Audited
	FYE	FYE	FYE	FPE	FPE
	2022	2023	2024	June 2024	June 2025
	RM	RM	RM	RM	RM
Financed through lease arrangements	8,945,117	5,952,245	5,804,474	3,470,147	2,168,212
Cash payments	2,084,341	41,203	32,445	32,445	-
	<u>11,029,458</u>	<u>5,993,448</u>	<u>5,836,919</u>	<u>3,502,592</u>	<u>2,168,212</u>

**(b) The expenses charged to profit or loss during the financial year/period are as follows:**

	<----- Audited ----->			Unaudited	Audited
	FYE	FYE	FYE	FPE	FPE
	2022	2023	2024	June 2024	June 2025
	RM	RM	RM	RM	RM
Expenses relating to short-term lease	67,646	74,045	67,124	47,500	13,100
Expenses relating to lease of low value assets	28,040	48,972	53,764	33,010	64,166
(Gain)/Loss on lease termination	-	-	(3,868)	-	28,683
Depreciation of ROU assets	4,488,968	5,981,298	6,926,301	3,177,320	3,762,891
Interest expense on lease liabilities	<u>562,801</u>	<u>836,157</u>	<u>842,078</u>	<u>381,954</u>	<u>439,471</u>

- (c) The Group has leases of beauty care centres, maintenance office and warehouse with terms ranging 2 to 6 years. Certain leases of beauty care centres contain extension options 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.

As of the reporting date, the Group has potential future lease payments amounting to approximately RM11,500,000 (30 June 2024: RM9,900,000; 31 December 2024: RM11,500,000; 31 December 2023: RM11,500,000; 31 December 2022: RM6,600,000) that are not included in the lease liabilities. These relate mainly to optional lease extensions that are not reasonably certain to be exercised.

**13. ACCOUNTANTS' REPORT (CONT'D)****8. RIGHT-OF-USE ASSETS (cont'd)**Material accounting policy

The Group recognises a ROU asset and a lease liability at the lease commencement date. The ROU asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of dismantling or restoration costs, less any lease incentives received.

The ROU asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the ROU asset or the end of the lease term, at the following annual rates:

Motor vehicles	20%
Lease of premises	2 to 6 years

In addition, the ROU assets are periodically reduced by impairment losses, if any, and adjusted for certain remeasurement of the lease liabilities. The Group applies *MFRS 136 Impairment of Assets* to determine whether a ROU asset is impaired and accounts for any identified impairment loss.

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

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

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

**13. ACCOUNTANTS' REPORT (CONT'D)****9. INVESTMENT PROPERTIES**

	<----- Audited ----->			Unaudited	Audited
	<----- As at 31 December ----->			<----- As at 30 June ----->	
	2022	2023	2024	2024	2025
	RM	RM	RM	RM	RM
<b>Freehold units</b>					
<b>Cost</b>					
At 1 January	-	-	19,963,656	19,963,656	14,792,692
Additions	-	19,963,656	-	-	-
Transferred from property, plant and equipment	-	-	2,488,840	2,488,840	-
Transferred to property, plant and equipment	-	-	(7,659,804)	-	-
At 31 December/ 30 June	-	19,963,656	14,792,692	22,452,496	14,792,692
<b>Accumulated depreciation</b>					
At 1 January	-	-	153,195	153,195	490,812
Charge for the financial year/period	-	153,195	295,853	224,525	147,926
Transferred from property, plant and equipment	-	-	194,959	194,959	-
Transferred to property, plant and equipment	-	-	(153,195)	-	-
At 31 December/ 30 June	-	153,195	490,812	572,679	638,738
<b>Net carrying amount</b>					
At 31 December/ 30 June	-	19,810,461	14,301,880	21,879,817	14,153,954

**13. ACCOUNTANTS' REPORT (CONT'D)****9. INVESTMENT PROPERTIES (cont'd)****(a) Acquisition of investment properties**

	<----- Audited ----->			Unaudited	Audited
	FYE	FYE	FYE	FPE	FPE
	2022	2023	2024	June 2024	June 2025
	RM	RM	RM	RM	RM
Cash	-	2,863,852	-	-	-
Financed through term loan	-	17,099,804	-	-	-
	-	19,963,656	-	-	-

- (b) The freehold units with total net carrying amount of RM14,153,954 (30 June 2024: RM21,879,817; 31 December 2024: RM14,301,880; 31 December 2023: RM19,810,461; 31 December 2022: RM Nil) are pledged to licensed banks for banking facilities granted to the Group as disclosed in Note 20.
- (c) The fair value of investment properties at the reporting date was RM21,149,000 (30 June 2024: RM23,680,000; 31 December 2024: RM15,360,000; 31 December 2023: RM20,500,000; 31 December 2022: RM Nil) 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.
- (d) During the financial year ended 2024, investment properties with a fair value of RM8,700,000 were reclassified to property, plant and equipment due to a change in the intended use of the properties.
- (e) Depreciation is recognised in the profit or loss on straight line basis at 2% annual rate.
- (f) (Income)/expenses derived from the above investment properties are as follows:

	<----- Audited ----->			Unaudited	Audited
	FYE	FYE	FYE	FPE	FPE
	2022	2023	2024	June 2024	June 2025
	RM	RM	RM	RM	RM
Rental income	-	(305,340)	(731,062)	(431,705)	(292,200)
Depreciation of investment properties	-	153,195	295,853	224,525	147,926
Direct operating expenses	-	19,170	35,818	56,839	18,735

**13. ACCOUNTANTS' REPORT (CONT'D)****9. INVESTMENT PROPERTIES (cont'd)****(g) Non-cancellable lease receivables**

The Group rents out its investment properties under operating lease. At the reporting date, the Group has contracted with tenants for the following terms:

	<----- Audited ----->			Unaudited	Audited
	<----- As at 31 December ----->			<----- As at 30 June ----->	
	2022	2023	2024	2024	2025
	RM	RM	RM	RM	RM
<b>Lease rental receivable:</b>					
Within one year	-	612,306	584,400	611,557	507,000
Within one and two years	-	464,400	274,800	507,000	120,000
Within two and five years	-	154,800	80,000	140,000	20,000
	-	1,231,506	939,200	1,258,557	647,000

*Material accounting policy*

Investment properties are properties which are held either to earn rental income or for capital appreciation or for both. Investment properties are stated at cost less accumulated depreciation and accumulated impairment losses.

Investment properties are depreciated by allocating the depreciable amounts of assets less their residual values over their estimated useful lives, using straight line method.

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 benefits is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in profit or loss in the financial year/period in which they arise.

When the use of a property changes such that it is reclassified as property, plant and equipment or inventories, the transfer does not change the carrying amount of the property transferred and it does not change the cost of that property for measurement or disclosure purposes.



**13. ACCOUNTANTS' REPORT (CONT'D)****10. INTANGIBLE ASSETS**

	<----- Audited ----->			Unaudited	Audited
	<----- As at 31 December ----->			<----- As at 30 June ----->	
	2022	2023	2024	2024	2025
	RM	RM	RM	RM	RM
<b>Trademark</b>					
<b>Cost</b>					
At 1 January	5,568	5,568	110,832	110,832	274,392
Addition	-	105,264	163,560	132,809	-
At 31 December/ 30 June	5,568	110,832	274,392	243,641	274,392
<b>Accumulated amortisation</b>					
At 1 January	1,228	1,785	19,730	19,730	48,202
Charge for the financial year	557	17,945	28,472	7,760	9,556
At 31 December/ 30 June	1,785	19,730	48,202	27,490	57,758
<b>Net carrying amount</b>					
At 31 December/ 30 June	3,783	91,102	226,190	216,151	216,634

**(a) Addition of intangible assets**

	<----- Audited ----->			Unaudited	Audited
	FYE	FYE	FYE	FPE	FPE
	2022	2023	2024	June 2024	June 2025
	RM	RM	RM	RM	RM
Prepayment	-	79,669	-	-	-
Cash payments	-	25,595	163,560	132,809	-
	-	105,264	163,560	132,809	-

**11. OTHER INVESTMENTS**

		<----- Audited ----->			Unaudited	Audited
		<----- As at 31 December ----->			<----- As at 30 June ----->	
		2022	2023	2024	2024	2025
	Notes	RM	RM	RM	RM	RM
<b>Unquoted securities</b>						
Bond 1	(i)	-	6,120,000	6,120,000	6,120,000	6,120,000
Bond 2	(ii)	-	2,000,000	2,000,000	2,000,000	2,000,000
		-	8,120,000	8,120,000	8,120,000	8,120,000

**13. ACCOUNTANTS' REPORT (CONT'D)****11. OTHER INVESTMENTS (cont'd)**

- (i) Represents corporate bonds classified as investment at amortised cost, maturing in 1.5 years (30 June 2024: 2.5 years; 31 December 2024: 2 years; 31 December 2023: 3 years) with a coupon rate of 5.40% (30 June 2024: 5.40%; 31 December 2024: 5.40%; 31 December 2023: 5.40%) per annum, payable semi-annually throughout the entire tenure.
- (ii) Represents corporate bonds classified as investment at amortised cost, perpetual in nature, with a coupon rate of 6.75% (30 June 2024: 6.75%; 31 December 2024: 6.75%; 31 December 2023: 6.75%) per annum, payable semi-annually throughout the entire tenure.

The issuer can exercise an option to redeem the principal of the bond on 26 August 2028 ("Call Date") and has the right to not redeem the bond on Call Date and extends the bond till the next callable date.

**12. DEFERRED TAX (ASSETS)/LIABILITIES**

	<----- Audited ----->			Unaudited	Audited
	<----- As at 31 December ----->			<----- As at 30 June ----->	
	2022	2023	2024	2024	2025
	RM	RM	RM	RM	RM
At 1 January	(9,851,479)	(30,066,003)	(43,429,051)	(43,429,051)	(59,035,799)
Recognised in profit or loss (Note 6)	(20,214,524)	(13,363,048)	(15,615,012)	(7,942,936)	(4,160,735)
Foreign currency translation	-	-	8,264	223	17,597
At 31 December/ 30 June	<u>(30,066,003)</u>	<u>(43,429,051)</u>	<u>(59,035,799)</u>	<u>(51,371,764)</u>	<u>(63,178,937)</u>
<b>Presented as:</b>					
Deferred tax assets	(30,635,297)	(43,888,468)	(59,037,106)	(51,675,439)	(63,178,937)
Deferred tax liabilities	569,294	459,417	1,307	303,675	-
	<u>(30,066,003)</u>	<u>(43,429,051)</u>	<u>(59,035,799)</u>	<u>(51,371,764)</u>	<u>(63,178,937)</u>

**13. ACCOUNTANTS' REPORT (CONT'D)****12. DEFERRED TAX (ASSETS)/LIABILITIES (cont'd)**

The components of deferred tax (assets)/liabilities during the financial year/period prior to offsetting are as follows:

	Property, plant and equipment RM	ROU assets & lease liabilities RM	Contract costs & contract liabilities* RM	Unrealised profit RM	Others RM	Total RM
<b>31 December 2022</b>						
At 1 January	635,585	-	(9,427,005)	(1,060,059)	-	(9,851,479)
Recognised in profit or loss (Note 6)	519,261	-	(20,242,737)	(491,048)	-	(20,214,524)
At 31 December	<u>1,154,846</u>	<u>-</u>	<u>(29,669,742)</u>	<u>(1,551,107)</u>	<u>-</u>	<u>(30,066,003)</u>
<b>31 December 2023</b>						
At 1 January	1,154,846	-	(29,669,742)	(1,551,107)	-	(30,066,003)
Recognised in profit or loss (Note 6)	(423,699)	(179,192)	(12,847,647)	512,987	(425,497)	(13,363,048)
At 31 December	<u>731,147</u>	<u>(179,192)</u>	<u>(42,517,389)</u>	<u>(1,038,120)</u>	<u>(425,497)</u>	<u>(43,429,051)</u>
<b>31 December 2024</b>						
At 1 January	731,147	(179,192)	(42,517,389)	(1,038,120)	(425,497)	(43,429,051)
Recognised in profit or loss (Note 6)	(1,627,217)	38,160	(14,368,738)	233,675	109,108	(15,615,012)
Foreign currency translation	-	-	8,264	-	-	8,264
At 31 December	<u>(896,070)</u>	<u>(141,032)</u>	<u>(56,877,863)</u>	<u>(804,445)</u>	<u>(316,389)</u>	<u>(59,035,799)</u>

**13. ACCOUNTANTS' REPORT (CONT'D)****12. DEFERRED TAX (ASSETS)/LIABILITIES (cont'd)**

The components of deferred tax (assets)/liabilities during the financial year/period prior to offsetting are as follows: (cont'd)

	Property, plant and equipment RM	ROU assets & lease liabilities RM	Contract costs & contract liabilities* RM	Unrealised profit RM	Others RM	Total RM
<b>30 June 2024</b>						
At 1 January	731,147	(179,192)	(42,517,389)	(1,038,120)	(425,497)	(43,429,051)
Recognised in profit or loss (Note 6)	(375,688)	3,083	(7,455,147)	(97,066)	(18,118)	(7,942,936)
Foreign currency translation	87	-	-	-	136	223
At 30 June	<u>355,546</u>	<u>(176,109)</u>	<u>(49,972,536)</u>	<u>(1,135,186)</u>	<u>(443,479)</u>	<u>(51,371,764)</u>
<b>30 June 2025</b>						
At 1 January	(896,070)	(141,032)	(56,877,863)	(804,445)	(316,389)	(59,035,799)
Recognised in profit or loss (Note 6)	(257,454)	(8,296)	(3,974,846)	(35,657)	115,518	(4,160,735)
Foreign currency translation	8,913	-	(5,518)	-	14,202	17,597
At 30 June	<u>(1,144,611)</u>	<u>(149,328)</u>	<u>(60,858,227)</u>	<u>(840,102)</u>	<u>(186,669)</u>	<u>(63,178,937)</u>

\* The deferred tax assets arising from contract liabilities primarily relate to collections received upfront from customers for services yet to be rendered as at the reporting date. For tax purposes, such collections are taxable upon receipt, whereas for accounting purposes, revenue is recognised only when the related performance obligations are satisfied. This timing difference has resulted in a significant deferred tax asset as at the reporting date. A portion of the deferred tax assets arising from contract liabilities has been offset against the deferred tax liabilities arising from contract costs for presentation purposes.

**13. ACCOUNTANTS' REPORT (CONT'D)****13. INVENTORIES**

	<----- Audited ----->			Unaudited	Audited
	<----- As at 31 December ----->			<----- As at 30 June ----->	
	2022	2023	2024	2024	2025
	RM	RM	RM	RM	RM
<b>At cost:</b>					
Goods for retail use	4,527,851	4,543,494	4,360,189	4,147,591	2,461,575
Goods for resale	3,501,496	3,568,223	3,539,326	3,158,399	3,604,137
Beauty equipment	601,090	689,582	679,660	1,159,628	673,961
	<u>8,630,437</u>	<u>8,801,299</u>	<u>8,579,175</u>	<u>8,465,618</u>	<u>6,739,673</u>

During the financial period, the Group has recognised inventories as cost of sales amounted to RM10,077,678 (30 June 2024: RM7,057,523; 31 December 2024: RM15,857,104; 31 December 2023: RM14,681,722; 31 December 2022: RM12,174,569). There were no inventories written down during the respective financial years/periods.

**Material accounting policy**

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 included 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 the estimated costs of completion and the estimated costs necessary to make the sale.

**14. OTHER RECEIVABLES**

	<----- Audited ----->			Unaudited	Audited
	<----- As at 31 December ----->			<----- As at 30 June ----->	
	2022	2023	2024	2024	2025
Note	RM	RM	RM	RM	RM
Non-trade receivables	141,591	371,157	150,992	265,696	158,538
Deposits	2,081,019	2,661,450	3,622,946	3,411,905	4,910,550
Prepayments (i)(ii)	4,280,121	9,683,811	8,767,557	8,359,319	6,013,266
Contract costs (iii)	23,082,364	33,734,621	45,284,047	39,851,276	49,954,635
Goods and service tax	2,572	-	-	22,685	-
	<u>29,587,667</u>	<u>46,451,039</u>	<u>57,825,542</u>	<u>51,910,881</u>	<u>61,036,989</u>

(i) Included in prepayments is an amount of RM2,360,088 (30 June 2024: RM2,139,501; 31 December 2024: RM1,581,930; 31 December 2023: RM2,129,165; 31 December 2022: RM4,020,091) which relates to prepayment made to external suppliers for purchase of goods.

(ii) Included in prepayments is an amount of RM Nil (30 June 2024: RM5,346,345; 31 December 2024: RM3,543,273; 31 December 2023: RM6,682,931; 31 December 2022: RM Nil) in respect of consultancy services deemed prepaid arising from the issuance of RCPS. The prepaid amount is recognised as expenses over the tenure of the consultancy services. Please refer to Note 21 for further information on the RCPS.

**13. ACCOUNTANTS' REPORT (CONT'D)****14. OTHER RECEIVABLES (cont'd)**

- (iii) Contract costs represent incremental sales person commission for obtaining sales contracts which are expected to be recovered through revenue recognition upon complete satisfaction of the PO with contract customers. These costs are subsequently expensed off as "selling and distribution expenses" by reference to the performance to date, consistent with the revenue recognition pattern. During the financial year/period, the capitalised commission fees recognised as selling and distribution expenses to profit or loss were RM31,791,919 (30 June 2024: RM26,011,725; 31 December 2024: RM56,091,618; 31 December 2023: RM48,445,817; 31 December 2022: RM30,318,532).

**15. FIXED DEPOSITS WITH LICENSED BANKS**

The fixed deposits placed with licensed banks at the end of the reporting period bear weighted average effective interest rates at the range of 3.80% to 4.00% (30 June 2024: 3.80% to 4.00%; 31 December 2024: 3.80% to 4.00%; 31 December 2023: 2.80% to 4.00%; 31 December 2022: 2.35% to 3.70%) per annum. The maturity period of the fixed deposits is 6 months (30 June 2024: 6 to 12 months; 31 December 2024: 4 to 12 months; 31 December 2023: 2 to 12 months; 31 December 2022: 2 to 6 months).

**16. SHORT-TERM FUNDS**

The short-term funds are highly liquid and subject to an insignificant risk of change in value. The distribution of income from the fund is recognised as interest income by the Group. The short-term funds bear weighted average effective interest rates in the range of 3.32% to 3.68% (30 June 2024: 0.50% to 5.00%; 31 December 2024: 0.50% to 5.00%; 31 December 2023: 4.24% to 4.56%; 31 December 2022: nil) per annum.

**13. ACCOUNTANTS' REPORT (CONT'D)****17. SHARE CAPITAL AND INVESTED EQUITY****Share capital**

	<----- Number of ordinary shares ----->					<----- Amount ----->				
	<----- Audited ----->			Unaudited	Audited	<----- Audited ----->			Unaudited	Audited
	<----- As at 31 December ----->			<----- As at 30 June ----->		<----- As at 31 December ----->			<----- As at 30 June ----->	
	2022 Units	2023 Units	2024 Units	2024 Units	2025 Units	2022 RM	2023 RM	2024 RM	2024 RM	2025 RM
<b>Issued and Fully Paid-up</b>										
At 1 January	-	-	1,000	1,000	1,000	-	-	1,000	1,000	1,000
Issuance of new shares	-	1,000	-	-	-	-	1,000	-	-	-
At 31 December / 30 June	-	1,000	1,000	1,000	1,000	-	1,000	1,000	1,000	1,000

**Invested equity**

	<----- Audited ----->			Unaudited	Audited
	<----- As at 31 December ----->			<----- As at 30 June ----->	
	2022 RM	2023 RM	2024 RM	2024 RM	2025 RM
<b>Issued and Fully Paid-up</b>					
At 1 January	22,000	22,000	255,168	255,168	286,781
Issuance of new shares	-	233,168	31,613	31,613	-
Redemption of RCPS pursuant to Section 72(5) of Companies Act 2016*	-	-	-	-	60
At 31 December/30 June	22,000	255,168	286,781	286,781	286,841

\* Pursuant to Section 72(5) of the Companies Act 2016, where preference shares are redeemed out of the Company's profits, a sum equal to the amount of those redeemed shares be transferred into the Company's share capital account. Accordingly, the Company transferred RM60 from retained earnings to the share capital upon the redemption of RCPS. The transfer does not constitute an issue of new shares.

**13. ACCOUNTANTS' REPORT (CONT'D)****17. SHARE CAPITAL AND INVESTED CAPITAL (cont'd)**

For the purpose of the combined financial statements, the invested share capital at the end of the respective financial years/periods is the aggregate of the share capital of the combining entities.

The invested share capital constitutes the share capital of 1 Doc Holding, Slim Doc and Slim Doc SG held by the common control shareholders.

In FPE 30 June 2025, the Group's issued and fully paid-up ordinary shares of invested equity increased from RM286,781 to RM286,841 by way of transfer of RM60 from retaining earnings resulted from the redemption of RCPS pursuant to Section 72(5) of Companies Act 2016 as disclosed in Note 21. The transfer does not constitute an issue of new shares.

In FYE 31 December 2024, the Group increased its issued and fully paid-up ordinary shares of invested equity from RM255,168 to RM286,781 due to Slim Doc SG increased its issued share capital for a cash consideration of SGD9,000 (approximately RM31,613)

In FYE 31 December 2023, the Group increased its issued and fully paid-up ordinary shares and invested equity from RM nil and RM22,000 to RM1,000 and RM255,168, respectively due to:

- (a) Incorporation of the Company with a total paid-up share capital of RM1,000 comprising 1,000 ordinary shares;
- (b) Slim Doc increased its issued share capital for a cash consideration of RM230,000; and
- (c) Incorporation of Slim Doc SG with a total paid-up share capital of SGD1,000 (approximately RM3,168).

The new ordinary shares issued in the respective financial year/period ended rank pari passu in all respects with the existing issued ordinary shares of the Group.

The ordinary shares have no par value. The holders of ordinary shares are entitled to receive dividends as and when declared by the Group. All ordinary shares carry one vote per share without restrictions and rank equally with regard to the Group's residual assets.

**18. RESERVES**

		<----- Audited ----->			Unaudited	Audited
		<----- As at 31 December ----->			<----- As at 30 June ----->	
Notes		2022 RM	2023 RM	2024 RM	2024 RM	2025 RM
<b>Non-distributable</b>						
Merger						
reserve	(i)	-	-	12,000,000	12,000,000	12,000,000
Currency						
translation						
reserve	(ii)	-	107	(58,578)	(508)	(33,084)
		-	107	11,941,422	11,999,492	11,966,916

- (i) The merger reserve comprises the cost of investment in Perfect Facelift recorded in Slim Doc arising from the acquisition of Perfect Facelift on 8 February 2024.



**13. ACCOUNTANTS' REPORT (CONT'D)****18. RESERVES (cont'd)**

- (ii) The currency translation reserve arose from the translation of the financial statements of a foreign subsidiary which functional currency differs from the Group's presentation currency.

**19. LEASE LIABILITIES**

	<----- Audited ----->			Unaudited	Audited
	<----- As at 31 December ----->			<----- As at 30 June ----->	
	2022	2023	2024	2024	2025
	RM	RM	RM	RM	RM
<b>Minimum lease payments:</b>					
Repayable within one year	4,802,054	6,137,296	6,970,936	6,794,223	6,724,520
Repayable between one and two years	3,875,900	4,176,303	4,086,609	4,121,834	3,911,631
Repayable between two and five years	2,953,463	2,162,501	1,725,311	1,830,358	1,444,644
Repayable more than five years	31,169	38,384	12,421	20,398	-
	11,662,586	12,514,484	12,795,277	12,766,813	12,080,795
Less: Future finance charges	(990,782)	(990,100)	(968,418)	(875,453)	(919,978)
Present value of lease liabilities	10,671,804	11,524,384	11,826,859	11,891,360	11,160,817
<b>Present value of lease liabilities:</b>					
Repayable within one year	4,235,567	5,509,453	6,315,518	6,240,044	6,078,675
Repayable between one and two years	3,583,963	3,902,824	3,829,403	3,877,317	3,681,378
Repayable between two and five years	2,821,934	2,075,126	1,669,682	1,759,152	1,400,764
Repayable more than five years	30,340	36,981	12,256	14,847	-
	6,436,237	6,014,931	5,511,341	5,651,316	5,082,142
	10,671,804	11,524,384	11,826,859	11,891,360	11,160,817
<b>Presented as:</b>					
Current liabilities	4,235,567	5,509,453	6,315,518	6,240,044	6,078,675
Non-current liabilities	6,436,237	6,014,931	5,511,341	5,651,316	5,082,142
	10,671,804	11,524,384	11,826,859	11,891,360	11,160,817

The range of effective interest rates per annum for the lease liabilities are as follows:

	<----- Audited ----->			Unaudited	Audited
	FYE	FYE	FYE	FPE	FPE
	2022	2023	2024	June 2024	June 2025
	%	%	%	%	%
Motor vehicles	3.96 - 6.88	3.96 - 8.57	3.96 - 8.57	3.96 - 8.57	3.96 - 8.57
Lease of premises	6.65 - 8.15	6.65 - 7.90	6.65 - 8.65	6.65 - 8.65	6.65 - 8.65

**13. ACCOUNTANTS' REPORT (CONT'D)****20. BORROWINGS**

		<----- Audited ----->			Unaudited	Audited
		<----- As at 31 December ----->			<----- As at 30 June ----->	
	Note	2022 RM	2023 RM	2024 RM	2024 RM	2025 RM
Fixed loan ("BNM SRF")	(i)	136,484	96,092	54,273	75,360	32,800
Commodity Murabahah Term Financing-i 1 ("CMTF-i 1")	(ii)	619,319	482,931	341,713	412,898	269,193
Commodity Murabahah Term Financing-i 2 ("CMTF-i 2")	(iii)	2,167,379	19,263,688	18,732,585	19,027,066	18,424,829
Term loan ("SWIFT")	(iv)	789,857	753,918	723,697	738,625	708,568
		<u>3,713,039</u>	<u>20,596,629</u>	<u>19,852,268</u>	<u>20,253,949</u>	<u>19,435,390</u>

**Secured:**

Repayable within one year	2,387,930	19,474,293	18,951,072	19,242,538	18,636,055
Repayable between one and two years	205,288	218,367	236,764	211,228	151,427
Repayable between two and five years	446,763	301,162	99,304	217,684	101,643
Repayable more than five years	673,058	602,807	565,128	582,499	546,265
	<u>1,325,109</u>	<u>1,122,336</u>	<u>901,196</u>	<u>1,011,411</u>	<u>799,335</u>
	<u>3,713,039</u>	<u>20,596,629</u>	<u>19,852,268</u>	<u>20,253,949</u>	<u>19,435,390</u>

**Presented as:**

Current liabilities	2,387,930	19,474,293	18,951,072	19,242,538	18,636,055
Non-current liabilities	<u>1,325,109</u>	<u>1,122,336</u>	<u>901,196</u>	<u>1,011,411</u>	<u>799,335</u>
	<u>3,713,039</u>	<u>20,596,629</u>	<u>19,852,268</u>	<u>20,253,949</u>	<u>19,435,390</u>

**13. ACCOUNTANTS' REPORT (CONT'D)****20. BORROWINGS (cont'd)**

The effective interest/profit rates per annum on the borrowings are as follows:

	<----- Audited ----->			Unaudited	Audited
	FYE	FYE	FYE	FPE	FPE
	2022	2023	2024	June 2024	June 2025
	%	%	%	%	%
BNM SRF	3.50	3.50	3.50	3.50	3.50
CMTF-i 1	3.50	3.50	3.50	3.50	3.50
CMTF-i 2	3.05 - 4.05	4.00 - 4.30	4.05 - 4.30	4.25 - 4.30	4.25 - 4.30
SWIFT	3.42 - 4.17	4.17 - 4.42	4.42	4.42	4.42

- (i) The BNM SRF is secured by the following:
- (a) Joint and several guarantee by certain Directors, former Director and shareholder of the Group; and
  - (b) A guarantee by Syarikat Jaminan Pembiayaan Perniagaan ("SJPP") under Bank Negara Malaysia's Fund for Small & Medium Enterprises Special Relief Facility.
- (ii) The CMTF-i 1 is secured by the following:
- (a) Corporate guarantee by 1 Doc Resources and 1 Doc Trading;
  - (b) A guarantee by Credit Guarantee Corporation Malaysia Berhad under Bank Negara Malaysia Special Relief Facility;
  - (c) Joint and several guarantee by certain Directors of the Group, former Director and shareholders of the Company; and
  - (d) Asset Sale Agreement over Shariah compliant commodities determined by the financier as per the e-certificate or such other evidence of ownership maintained by the financier.
- (iii) The CMTF-i 2 is secured by the following:
- (a) A first party legal charge on the property, plant and equipment and investment properties as disclosed in Note 7 and Note 9 respectively;
  - (b) Joint and several guarantee by certain Directors, former Director and shareholder of the Group; and
  - (c) Asset Sale Agreement over Shariah compliant commodities determined by the financier as per the e-certificate or such other evidence of ownership maintained by the financier.
- (iv) The SWIFT is secured by the following:
- (a) A first party legal charge on the property, plant and equipment as disclosed in Note 7; and
  - (b) Joint and several guarantee by certain Directors of the Group.

**13. ACCOUNTANTS' REPORT (CONT'D)****21. REDEEMABLE CONVERTIBLE PREFERENCE SHARES ("RCPS")**

	<----- Audited ----->			Unaudited	Audited
	<----- As at 31 December ----->			<----- As at 30 June ----->	
	2022	2023	2024	2024	2025
	RM	RM	RM	RM	RM
At 1 January	-	-	6,700,625	6,700,625	5,613,540
Issuance during the financial year/period	-	60	-	-	-
Fair value adjustments on RCPS	-	9,356,103	(466,486)	-	(37,853)
Accrued dividend to RCPS holders	-	(3,025,105)	(1,144,598)	(400,000)	(1,797,419)
Interest expenses of RCPS	-	369,567	523,999	262,000	221,732
Redemption of RCPS	-	-	-	-	(4,000,000)
At 31 December/30 June	-	6,700,625	5,613,540	6,562,625	-
<b>Presented as:</b>					
Non-current	-	6,080,027	-	5,060,125	-
Current	-	620,598	5,613,540	1,502,500	-
	-	6,700,625	5,613,540	6,562,625	-

	Number of RCPS			Unaudited	Audited
	<----- Audited ----->			<----- As at 30 June ----->	
	<----- As at 31 December ----->				
	2022	2023	2024	2024	2025
	Units	Units	Units	Units	Units
At 1 January	-	-	60	60	60
Issuance during the financial year/period	-	60	-	-	-
Redemption during the financial year/period	-	-	-	-	(60)
At 31 December/30 June	-	60	60	60	-

On 16 June 2023, 1 Doc Holding issued 60 RCPS with an aggregate nominal value of RM60 in partial settlement of business consultancy services rendered. The consultancy services settled through the issuance of RCPS are recognised as prepayments and expensed over the tenure of the services.

The RCPS are classified as financial liabilities and are measured using the effective interest method at an effective interest rate of 7.90%.

**13. ACCOUNTANTS' REPORT (CONT'D)****21. REDEEMABLE CONVERTIBLE PREFERENCE SHARES ( "RCPS") (cont'd)**

The salient features of the RCPS are as follows:

- (i) The tenure of the RCPS shall be for a period of 3 years from the issue date of allotment of the RCPS on 16 June 2023;
- (ii) The RCPS holders will be entitled to a fixed annual dividend equivalent to 2% of 1 Doc Holding's annual net profit after tax which shall be based on 1 Doc Holding's audited financial statements for the relevant financial year end for every 30 RCPS held.
- (iii) Conversion of RCPS shall be made upon the occurrence of any of the following events ("Conversion Events") on or before the expiry of the tenure:
  - (a) 1 Doc Holding receives an approval-in-principle from the Securities Commission Malaysia or other equivalent regulatory body for listing of its entire share capital on any stock exchange in Malaysia or overseas;
  - (b) 1 Doc Holding undertakes a reverse takeover (RTO) exercise; or
  - (c) 1 Doc Holding undertakes a re-organisation, merger, consolidation or other business combination of 1 Doc Holding with or into any other business entity.

1 Doc Holding shall convert all (and not part only) of the RCPS into new ordinary shares of 1 Doc Holding based on the ratio of 1 RCPS into 1 new ordinary share of 1 Doc Holding. 1 Doc Holding undertakes and agrees that the percentage of the ordinary shares to be issued to the subscribers pursuant to the conversion hereunder shall be no less than approximately 2.8301% of 1 Doc Holding's total issue share capital. In addition to the new ordinary shares to be issued pursuant to the conversion, the RCPS holders, each holder shall be entitled to an additional payment of RM2,000,000 only together with any unpaid RCPS dividend as at the date of conversion of RCPS.

If none of the Conversion Events shall occur upon the expiry of tenure, 1 Doc Holding shall redeem all (and not part only) of the RCPS held by each holder at the redemption price of RM2,000,000 for every 30 RCPS held only together with any unpaid RCPS dividend as at the date of redemption of RCPS.

- (iv) No RCPS shall be transferable save and except with the prior written consent of the Directors of 1 Doc Holding.

The RCPS was fully redeemed by 1 Doc Holding on 5 June 2025 at the redemption price of RM4,000,000.

Material accounting policy

The RCPS are classified as financial liabilities in accordance with MFRS 132 *Financial Instruments: Presentation*, as 1 Doc Holding has a contractual obligation to deliver cash to the holders regardless of whether the RCPS are redeemed or converted into ordinary shares.

The RCPS are initially recognised at fair value, representing the present value of the contractual cash outflows, including any expected dividend payments over the instrument's term. Transaction costs that are directly attributable to the issuance of the RCPS are deducted from the liability carrying amount.

Subsequent to initial recognition, the RCPS are measured at amortised cost using the effective interest method. Although the RCPS contains a conversion feature, the conversion does not extinguish the financial liability, as the fixed cash obligation remains payable. Accordingly, the entire instrument is accounted for as a financial liability throughout its term.

**13. ACCOUNTANTS' REPORT (CONT'D)****22. OTHER PAYABLES**

	Note	<----- Audited -----> <----- As at 31 December ----->			Unaudited	Audited
		2022 RM	2023 RM	2024 RM	As at 30 June 2024 RM	2025 RM
<b>Non-current liability</b>						
Provision for restoration costs	(i)	-	25,899	82,601	25,899	30,489
<b>Current liabilities</b>						
Other payables		1,092,954	1,903,724	2,658,359	1,572,312	1,640,696
Amounts due to former Directors and shareholders		7,693	3,437,260	4,545,879	4,861,867	1,228,518
Accruals		9,259,490	13,069,237	17,451,117	13,813,829	18,558,055
Deposits received		73,370	608,097	370,800	537,065	393,600
Provision for restoration costs	(i)	-	-	68,945	-	121,057
Goods and service tax		-	-	-	-	141,877
		<u>10,433,507</u>	<u>19,018,318</u>	<u>25,095,100</u>	<u>20,785,073</u>	<u>22,083,803</u>
		<u>10,433,507</u>	<u>19,044,217</u>	<u>25,177,701</u>	<u>20,810,972</u>	<u>22,114,292</u>

(i) The movement of the provision for restoration costs is as follows:

	<----- Audited ----->			Unaudited	Audited
	FYE 2022 RM	FYE 2023 RM	FYE 2024 RM	FPE June 2024 RM	FPE June 2025 RM
At 1 January	-	-	25,899	25,899	151,546
Recognised in ROU assets (Note 8)	-	24,261	114,281	-	-
Unwinding of discount	-	1,638	11,366	-	-
At 31 December/ 30 June	<u>-</u>	<u>25,899</u>	<u>151,546</u>	<u>25,899</u>	<u>151,546</u>

**13. ACCOUNTANTS' REPORT (CONT'D)****22. OTHER PAYABLES (cont'd)**

- (i) The movement of the provision for restoration costs is as follows: (cont'd)

The Group recognised the provision for restoration costs in respect of the obligation of the Group to restore leased beauty care centres, maintenance office and warehouse to their original state upon the expiry of the tenancy agreements, which are capitalised and included in the ROU assets.

The provision is calculated using discount rates range from 7.15% to 8.65% (30 June 2024: 7.65%; 31 December 2024: 7.15% to 8.65%; 31 December 2023: 7.65%; 31 December 2022: nil) per annum measured at the present value of the restoration cost and is expected to be paid upon termination of the lease agreement. The unwinding of the discount is recognised within the line of "finance costs" in the profit or loss for the respective financial years/periods.

**23. TRADE PAYABLES**

The normal credit terms for trade payables granted to the Group are nil to 60 days (30 June 2024: nil to 60 days; 31 December 2024: nil to 60 days; 31 December 2023: nil to 60 days; 31 December 2022: nil to 60 days). Other credit terms are assessed and approved on a case-by-case basis.

**24. CONTRACT LIABILITIES**

Contract liabilities relate to advance consideration received from customers at the inception of contracts, for services and products which have not been rendered and delivered as at the reporting date.

**13. ACCOUNTANTS' REPORT (CONT'D)****24. CONTRACT LIABILITIES (cont'd)**

Movement of contract liabilities is as follows:

	<----- Audited ----->			Unaudited	Audited
	<----- As at 31 December ----->			<----- As at 30 June ----->	
	2022	2023	2024	2024	2025
	RM	RM	RM	RM	RM
At 1 January	47,990,730	146,985,561	210,933,529	210,933,529	282,623,780
Collection during the financial year	290,824,654	366,357,202	418,704,451	198,073,396	227,300,038
Amount recognised as revenue:					
- contract liabilities at beginning of the financial year/period	(39,891,880)	(123,998,538)	(175,311,054)	(100,052,062)	(125,859,430)
- revenue during the financial year/period	(151,937,943)	(178,410,696)	(171,650,306)	(60,884,702)	(78,997,699)
	(191,829,823)	(302,409,234)	(346,961,360)	(160,936,764)	(204,857,129)
Foreign currency translation	-	-	(52,840)	-	(6,600)
At 31 December/30 June	<u>146,985,561</u>	<u>210,933,529</u>	<u>282,623,780</u>	<u>248,070,161</u>	<u>305,060,089</u>

When recognising revenue and contract liabilities, the Group adopted portfolio approach practical expedient to a portfolio of contracts (or PO) with similar characteristics which the Group reasonably expects that the application of this practical expedient will not differ materially from applying MFRS 15 *Revenue from Contract Customer* to the individual contracts (or PO) within the portfolio. The Group reviews the utilisation pattern of contract liabilities and the services progress of the customers on a regular basis.



**13. ACCOUNTANTS' REPORT (CONT'D)****25. AMOUNTS DUE TO DIRECTORS AND SHAREHOLDERS**

	<----- Audited ----->			Unaudited	Audited
	<----- As at 31 December ----->			<----- As at 30 June ----->	
	2022	2023	2024	2024	2025
	RM	RM	RM	RM	RM
Amounts due to Directors and shareholders	48,046	456,598	2,223,355	2,648,780	2,801,678

These amounts are non-trade in nature, unsecured, interest free and are repayable on demand.

**26. DIVIDENDS**

	Per ordinary share RM	Total amount RM	Date of payment
<b>Recognised during the financial year ended 31 December 2022</b>			
<i>1DHSB</i>			
Interim single tier dividend for the financial year ended 31 December 2022	20,000	20,000,000	30 September 2022
<i>SDSB</i>			
Interim single tier dividend for the financial year ended 31 December 2022	250	5,000,000	20 July 2022
		<u>25,000,000</u>	
<b>Recognised during the financial year ended 31 December 2023</b>			
<i>1DHSB</i>			
First interim single tier dividend for the financial year ended 31 December 2023	29,500	29,500,000	22 March 2023
Second interim single tier dividend for the financial year ended 31 December 2023	22,500	22,500,000	10 October 2023
<i>SDSB</i>			
First interim single tier dividend for the financial year ended 31 December 2023	500	10,000,000	22 March 2023
Second interim single tier dividend for the financial year ended 31 December 2023	10	2,500,000	19 September 2023
		<u>64,500,000</u>	

**13. ACCOUNTANTS' REPORT (CONT'D)****26. DIVIDENDS (cont'd)**

	Per ordinary share RM	Total amount RM	Date of payment
<b>Recognised during the financial year ended 31 December 2024</b>			
<i>1DHSB</i>			
Third interim single tier dividend for the financial year ended 31 December 2023	10,000	10,000,000	07 May 2024
Second interim single tier dividend for the financial year ended 31 December 2024	22,000	22,000,000	04 October 2024
<i>SDSB</i>			
Third interim single tier dividend for the financial year ended 31 December 2023	80	20,000,000	09 January 2024
First interim single tier dividend for the financial year ended 31 December 2024	112	<u>28,000,000</u>	04 October 2024
		<u>80,000,000</u>	
<b>Recognised during the financial period ended 30 June 2024</b>			
<i>1DHSB</i>			
First interim single tier dividend for the financial year ended 31 December 2023	10,000	10,000,000	07 May 2024
<i>SDSB</i>			
Third interim single tier dividend for the financial year ended 31 December 2023	80	<u>20,000,000</u>	09 January 2024
		<u>30,000,000</u>	

**27. RELATED PARTIES DISCLOSURES**Identity of related parties

For the purpose of these combined financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to 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 Directors, shareholders, former Directors and shareholders, related companies, related parties and key management personnel. The related party balances are shown in Notes 22 and 25.

**13. ACCOUNTANTS' REPORT (CONT'D)****27. RELATED PARTIES DISCLOSURES (cont'd)**Related party transactions

Other than disclosed elsewhere in the combined financial statements, the related party transactions between the Group and its related parties during the financial year/period are as follows:

	<----- Audited ----->			Unaudited	Audited
	FYE	FYE	FYE	FPE	FPE
	2022	2023	2024	June 2024	June 2025
	RM	RM	RM	RM	RM
<b>Transactions with Directors and shareholders</b>					
Advances from	-	360,399	1,929,757	1,882,181	264,545
Payment on behalf	818,086	354,267	145,576	-	5,451,750
Repayment to	(1,319,590)	(491,482)	(554,699)	(17,723)	(5,040,307)
Secretarial expenses	16,595	-	14,094	-	-
Consultancy fees	-	1,336,586	1,336,586	668,293	1,752,710
<b>Transactions with former Directors and shareholders</b>					
Advances from	-	3,361,550	1,271,252	1,304,498	-
Payment on behalf	12,608	731,386	5,216	5,216	-
Repayment to	(371,520)	(663,370)	(118,426)	(73,233)	-
Waiver of debts	-	-	-	-	(3,324,050)
Lease payment	12,500	30,000	30,000	15,000	2,500
<b>Transactions with shareholders</b>					
Advances from	-	184,950	339,000	347,866	66,137
Waiver of debts	-	-	-	-	(174,950)
Payment on behalf	199	-	400	-	-
Repayment to	(98,199)	-	(10,400)	-	-
<b>Transaction with a company related to former Director</b>					
Consultancy fees	773,890	216,000	216,000	108,000	108,000
<b>Transaction with related companies</b>					
Printing and stationery	1,050	180	-	-	-
Consultancy fees	773,890	216,000	216,000	108,000	108,000

**13. ACCOUNTANTS' REPORT (CONT'D)****27. RELATED PARTIES 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 include all the Executive Directors and certain members of senior management of the Group.

The estimated money value of benefit-in-kind received or receivable by the Executive Directors otherwise than in cash from the Group for their services to the Group is RM23,125 (30 June 2024: RM60,625; 31 December 2024: RM104,584; 31 December 2023: RM46,250; 31 December 2022: RM Nil). The remuneration of the Directors paid by the Group during the financial year/period has been disclosed in Note 4(a).

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

	<----- Audited ----->			Unaudited	Audited
	FYE	FYE	FYE	FPE	FPE
	2022	2023	2024	June 2024	June 2025
	RM	RM	RM	RM	RM
Salaries and bonus	358,000	229,000	521,753	172,000	483,088
Contributions to defined contribution plan	68,020	43,510	95,056	32,680	66,371
Social security contributions	899	1,040	1,196	520	1,250
Other benefits	103	119	137	59	1,912
	427,022	273,669	618,142	205,259	552,621
Benefit-in-kind	15,000	15,000	15,000	7,500	9,014
	442,022	288,669	633,142	212,759	561,635

**28. SEGMENT INFORMATION**

Information about business segments has not been presented separately as the Group's revenue, results, assets, and liabilities are attributable to a single business segment, namely the provision of beauty care services, as well as the sale of related products.

**Major customers**

There is no single customer that contributed 10% or more to the Group's revenue.

**13. ACCOUNTANTS' REPORT (CONT'D)****28. SEGMENT INFORMATION (cont'd)****Geographical segments**

The Group's operations are located in Malaysia and Singapore. The revenue and non-current assets attributable to Malaysia and Singapore operations are shown below:

	<----- Audited ----->			Unaudited	Audited
	FYE	FYE	FYE	FPE	FPE
	2022	2023	2024	June 2024	June 2025
	RM	RM	RM	RM	RM
<b>Revenue</b>					
Malaysia	191,829,823	302,409,234	345,960,347	160,936,764	202,591,062
Singapore	-	-	1,001,013	-	2,266,067
	<u>191,829,823</u>	<u>302,409,234</u>	<u>346,961,360</u>	<u>160,936,764</u>	<u>204,857,129</u>
	<----- Audited ----->			Unaudited	Audited
	<----- As at 31 December ----->			<----- As at 30 June ----->	
	2022	2023	2024	2024	2025
	RM	RM	RM	RM	RM
<b>Segment non-current asset</b>					
Malaysia	36,357,857	64,740,375	57,251,939	61,861,370	55,824,707
Singapore	-	-	2,281,951	1,791,885	1,676,782
	<u>36,357,857</u>	<u>64,740,375</u>	<u>59,533,890</u>	<u>63,653,255</u>	<u>57,501,489</u>

**29. 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, interest rate risk, foreign currency risk and liquidity 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.

**(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 other receivables and cash and cash equivalents.

**Other receivables**

Other receivables refer to non-trade receivables, deposits and goods and service tax receivable. Other receivables are neither past due nor impaired. The Group believes that generally no allowance for doubtful debts is necessary in respect of other receivables that are neither past due nor impaired as other receivables are mainly arising from debtors that have good records of payment in the past.

**13. ACCOUNTANTS' REPORT (CONT'D)****29. FINANCIAL INSTRUMENTS (cont'd)****Financial risk management objectives and policies (cont'd)**

The following sections provide details regarding the Group's exposures to the abovementioned financial risks and the objectives, policies and processes for the management of these risks.

**(a) Credit risk (cont'd)****Cash and cash equivalents**

The cash and cash equivalents are held with banks and financial institutions. As at the reporting date, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position. These banks and financial institutions have low credit risks. Hence, a loss allowance is not necessary.

**(b) Interest rate risk**

Interest rate risk is the risk that the fair value of 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 fixed deposits with licensed banks, short-term funds and borrowings.

The interest rate profile of the Group's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period was:

	<----- Audited ----->			Unaudited	Audited
	<----- As at 31 December ----->			<----- As at 30 June ----->	
	2022	2023	2024	2024	2025
	RM	RM	RM	RM	RM
<b>Floating rate instruments:</b>					
<b>Financial assets</b>					
Fixed deposits with licensed banks	52,490,000	13,490,000	8,490,000	8,490,000	7,490,000
Short-term funds	-	12,000,000	30,317,350	30,044,097	15,546,654
	<u>52,490,000</u>	<u>25,490,000</u>	<u>38,807,350</u>	<u>38,534,097</u>	<u>23,036,654</u>
<b>Financial liability</b>					
Borrowings	(2,957,236)	(20,017,606)	(19,456,282)	(19,765,691)	(19,133,397)
	<u>49,532,764</u>	<u>5,472,394</u>	<u>19,351,068</u>	<u>18,768,406</u>	<u>3,903,257</u>

The Group is exposed to interest rate risk through the impact of rate changes in floating rate instruments. The interest rates are disclosed in Notes 15, 16 and 20. The changes in interest rates of 100 basis points would not have material impact on the profit after tax of the Group.

**13. ACCOUNTANTS' REPORT (CONT'D)****29. FINANCIAL INSTRUMENTS (cont'd)****Financial risk management objectives and policies (cont'd)****(c) Foreign currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group is exposed to foreign currency risk on balances that are denominated in a currency other than the functional currency of the Group. The currency giving rise to this risk is United States Dollar ("USD").

Foreign exchange exposure in transactional currencies other than functional currency of the Group is kept to an acceptable level.

Exposure to foreign currency risk

The Group's significant exposure to foreign currencies (a currency which is other than functional currency of the Group) risk, based on carrying amounts as at end of the reporting period was:

	<----- Audited ----->			Unaudited	Audited
	<----- As at 31 December ----->			<----- As at 30 June ----->	
	2022	2023	2024	2024	2025
	RM	RM	RM	RM	RM
<b>USD</b>					
- Cash and bank balances	-	1,438,663	5,429,447	706,222	5,200,960

The foreign currencies exchange rate changes against RM would not have material impact on the profit after tax and equity of the Group.

**(d) Liquidity risk**

Liquidity risk is the risk that the Group will encounter difficulty in meeting financial obligations due to shortage for funds.

The Group's liquidity risk management policy is to manage its 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 to meet its working capital requirements.

**13. ACCOUNTANTS' REPORT (CONT'D)****29. FINANCIAL INSTRUMENTS (cont'd)****Financial risk management objectives and policies (cont'd)****(d) Liquidity risk (cont'd)**

For the FYE 2022, FYE 2023 and FYE 2024, the Group recorded net current liabilities positions of RM31.79 million, RM50.77 million and RM62.78 million, respectively. The net current liabilities position was primarily attributable to contract liabilities, which represent upfront payments received from customers for package sales of beauty services and related products that have yet to be rendered as at the financial year end.

In line with the Group's business model, customers typically enter into contracts for service packages, for which the Group charges an upfront package price with contract duration of 12 months. The Group may, at its discretion, allow customers to redeem unutilised package value beyond the 12-month validity.

To reflect expected customer behaviour, the Group estimates, based on historical utilisation trends, the portion of package value likely to be redeemed after the validity period. This estimated amount remains classified as deferred revenue at the end of the contract term and is recognised as revenue systematically in the future based on the historical utilisation trend.

The net current liabilities position was also partly due to dividend payments made to both ordinary shareholders, amounting to RM25.00 million in FYE 2022, RM64.50 million in FYE 2023 and RM80.00 million in FYE 2024. Notwithstanding this, the Group continued to generate strong positive operating cash flows of RM131.22 million, RM144.85 million and RM182.97 million, respectively, over the same financial years.

As at 30 June 2025, the Group's working capital position improved to a net current asset position of RM2.17 million. This improvement was mainly attributed to higher cash and bank balances of RM283.58 million as at 30 June 2025, driven by stronger package sales during the financial period and the absence of dividend payouts. The Group also generated positive operating cash flows of RM97.26 million for the FPE 2025.



**13. ACCOUNTANTS' REPORT (CONT'D)****29. FINANCIAL INSTRUMENTS (cont'd)****(d) 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.

		Contractual Cash Flows				
	Carrying Amount RM	Contractual cash flows RM	On demand/ Within 1 year RM	Between 1 and 2 years RM	Between 2 and 5 years RM	More than 5 years RM
<b>31 December 2022</b>						
<b>Financial liabilities:</b>						
Trade payables	504,713	504,713	504,713	-	-	-
Other payables	10,433,507	10,433,507	10,433,507	-	-	-
Lease liabilities	10,671,804	11,662,586	4,802,054	3,875,900	2,953,463	31,169
Borrowings	3,713,039	4,273,156	2,509,498	254,340	573,273	936,045
Amounts due to Directors and shareholders	48,046	48,046	48,046	-	-	-
	<u>25,371,109</u>	<u>26,922,008</u>	<u>18,297,818</u>	<u>4,130,240</u>	<u>3,526,736</u>	<u>967,214</u>
<b>31 December 2023</b>						
<b>Financial liabilities:</b>						
Trade payables	29,687	29,687	29,687	-	-	-
Other payables	19,018,318	19,018,318	19,018,318	-	-	-
Lease liabilities	11,524,384	12,514,484	6,137,296	4,176,303	2,162,501	38,384
Borrowings	20,596,629	21,793,464	20,344,175	260,723	392,013	796,553
RCPS	6,700,625	7,664,597	1,144,597	6,520,000	-	-
Amounts due to Directors and shareholders	456,598	456,598	456,598	-	-	-
	<u>58,326,241</u>	<u>61,477,148</u>	<u>47,130,671</u>	<u>10,957,026</u>	<u>2,554,514</u>	<u>834,937</u>

**13. ACCOUNTANTS' REPORT (CONT'D)****29. FINANCIAL INSTRUMENTS (cont'd)****(d) 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)

		<div>&lt;----- Contractual Cash Flows -----&gt;</div>				
	Carrying Amount RM	Contractual cash flows RM	On demand/ Within 1 year RM	Between 1 and 2 years RM	Between 2 and 5 years RM	More than 5 years RM
31 December 2024						
Financial liabilities:						
Trade payables	188,635	188,635	188,635	-	-	-
Other payables	25,026,155	25,026,155	25,026,155	-	-	-
Lease liabilities	11,826,859	12,795,277	6,970,936	4,086,609	1,725,311	12,421
Borrowings	19,852,268	21,005,338	19,822,341	271,191	181,152	730,654
RCPS	5,613,540	6,172,199	6,172,199	-	-	-
Amounts due to Directors and shareholders	2,223,355	2,223,355	2,223,355	-	-	-
	64,730,812	67,410,959	60,403,621	4,357,800	1,906,463	743,075

**13. ACCOUNTANTS' REPORT (CONT'D)****29. FINANCIAL INSTRUMENTS (cont'd)****(d) 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)

	<----- Contractual Cash Flows ----->					
	Carrying Amount RM	Contractual cash flows RM	On demand/ Within 1 year RM	Between 1 and 2 years RM	Between 2 and 5 years RM	More than 5 years RM
<b>30 June 2024</b>						
<b>Financial liabilities:</b>						
Trade payables	766,578	766,578	766,578	-	-	-
Other payables	20,785,073	20,785,073	20,785,073	-	-	-
Lease liabilities	11,891,360	12,766,813	6,794,223	4,121,834	1,830,358	20,398
Borrowings	20,253,949	21,409,138	20,097,484	249,487	302,974	759,193
RCPS	6,562,625	7,264,597	2,004,597	5,260,000	-	-
Amounts due to Directors and shareholders	2,648,780	2,648,780	2,648,780	-	-	-
	<u>62,908,365</u>	<u>65,640,979</u>	<u>53,096,735</u>	<u>9,631,321</u>	<u>2,133,332</u>	<u>779,591</u>

**13. ACCOUNTANTS' REPORT (CONT'D)****29. FINANCIAL INSTRUMENTS (cont'd)****(d) 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	<----- Contractual Cash Flows ----->				
		Contractual cash flows RM	On demand/ Within 1 year RM	Between 1 and 2 years RM	Between 2 and 5 years RM	More than 5 years RM
<b>30 June 2025</b>						
<b>Financial liabilities:</b>						
Trade payables	701,709	701,709	701,709	-	-	-
Other payables	21,820,869	21,820,869	21,820,869	-	-	-
Lease liabilities	11,160,817	12,080,795	6,724,520	3,911,631	1,444,644	-
Borrowings	19,435,390	20,884,508	19,822,341	182,206	181,152	698,809
Amounts due to Directors and shareholders	2,801,678	2,801,678	2,801,678	-	-	-
	<u>55,920,463</u>	<u>58,289,559</u>	<u>51,871,117</u>	<u>4,093,837</u>	<u>1,625,796</u>	<u>698,809</u>

**13. ACCOUNTANTS' REPORT (CONT'D)****30. FAIR VALUE INFORMATION**Financial instrument at fair value

As the financial assets and liabilities are not carried at fair value by any valuation method, the fair value hierarchy analysis is not presented.

Financial instrument other than those carried at fair value

The carrying amount of other investments approximate their fair values due to insignificant changes in fair value.

The carrying amounts of receivables, payables and cash and cash equivalents approximate their fair values due to relatively short terms nature of these financial instruments and the insignificant impact of discounting.

The carrying amount of long-term floating rate loans approximate their fair values as the loans will be re-priced to market interest rate on or near reporting date.

The fair value of fixed rate term loans is RM293,000 (30 June 2024: RM473,000; 31 December 2024: RM386,000; 31 December 2023: RM562,000; 31 December 2022: RM735,000) and it is measured at fair value on level 3 as at the reporting date.

**31. CAPITAL MANAGEMENT**

The primary objective of the Group's capital management is to ensure that it will be able to maintain an optimal capital structure so as to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic and business conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

No changes were made in the Group's approach to capital management in the objectives, policies, processes during the reporting years/periods ended 31 December 2022, 31 December 2023, 31 December 2024, 30 June 2024 and 30 June 2025.

The Group monitors its capital using a gearing ratio, which is total debt divided by total capital. Total debt includes lease liabilities and borrowings whilst total capital is the equity attributable to the owners of the Company.

The gearing ratio as at the reporting date were as follows:

	<----- Audited ----->			Unaudited	Audited
	<----- As at 31 December ----->			<----- As at 30 June ----->	
	2022	2023	2024	2024	2025
	RM	RM	RM	RM	RM
Borrowings	3,713,039	20,596,629	19,852,268	20,253,949	19,435,390
Lease liabilities*	3,052,009	2,708,392	1,604,797	2,399,301	1,005,135
Total debts	6,765,048	23,305,021	21,457,065	22,653,250	20,440,525
Equity attributable to the owners of the Company, representing total capital	26,869,627	52,271,905	57,413,755	59,747,691	125,058,436
	25%	45%	37%	38%	16%

**13. ACCOUNTANTS' REPORT (CONT'D)****31. CAPITAL MANAGEMENT (cont'd)**

*\* The lease liabilities exclude the lease rentals.*

The Group is required to comply with certain financial covenants in relation to minimum paid-up capital of certain subsidiaries and combining entities. The Group is in compliance with the paid-up capital requirements.

**13. ACCOUNTANTS' REPORT (CONT'D)****32. EARNINGS PER SHARE****(a) Basic**

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

	<----- Audited ----->			Unaudited	Audited
	FYE	FYE	FYE	FPE	FPE
	2022	2023	2024	June 2024	June 2025
Profit after tax attributable to Owners of the Company (RM)	50,250,714	89,668,217	97,051,552	49,443,558	67,670,175
Number of enlarged ordinary shares (unit) *	2,276,000,000	2,276,000,000	2,276,000,000	2,276,000,000	2,276,000,000
Basic earnings per share (sen)	2.21	3.94	4.26	2.17	2.97

\* Based on the assumption of the potential issued and enlarged share capital upon completion of the proposed listing of the Company.

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

**13. ACCOUNTANTS' REPORT (CONT'D)****33. SUBSEQUENT EVENTS**Pre-Initial Public Offering ("Pre-IPO") Exercise**(i) Acquisition of Slim Doc SG**

On 1 August 2025, Slim Doc entered into a share sale agreement with Ong Hong Keat, Joel Yap Jiang Feng, Chin Boon Keat and Teoh Hui Sim for the acquisition of the entire equity interest in Slim Doc SG for a cash purchase consideration of RM40.

**(ii) Acquisition of 1 Doc Holding and Slim Doc**

On 8 October 2025, 1 Doc International had entered into share sale agreements with Ong Hong Keat, Joel Yap Jiang Feng, Chin Boon Keat and Teoh Hui Sim to acquire the entire equity interest in 1 Doc Holding and Slim Doc. The total purchase consideration for the acquisitions was satisfied via allotment and issuance of 125,130,360 new ordinary shares in 1 Doc International Berhad at an issue price of RM1.00 per share.

**(iii) Share split**

On 31 October 2025, 1 Doc International had undertaken a share split exercise, which entailed the subdivision of its existing 125,131,360 shares into 1,934,600,000 shares.



**13. ACCOUNTANTS' REPORT (CONT'D)****1 DOC INTERNATIONAL 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 79 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 2022, 31 December 2023, 31 December 2024, 30 June 2024 and 30 June 2025 and of its combined financial performance and combined cash flows for the financial years/period then ended.

Approved and signed on behalf of the Board in accordance with a resolution of the Directors dated

**16 DEC 2025**  
JOEL YAP JIANG FENG  
ONG HONG KEAT