CENGILD G. I. MEDICAL CENTRE
Centre for Gastrointestinal and Liver Diseases

CENGILD MEDICAL BERHAD

(Registration No.: 202101004143 (1404442-P))
(Incorporated in Malaysia under the Companies Act 2016)

ACHIEVING GLOBAL STANDARDS

ANNUAL REPORT **2023**

WHAT'S INSIDE

MISSION

To provide top-class medical care in Gastrointestinal and Liver Diseases, as well as Obesity, through the skilled expertise of specialist doctors in an optimal outpatient and hospital setting.

VISION

To become the Center of Excellence for Gastrointestinal, Liver Diseases, and Obesity in Malaysia and internationally.

3rd ANNUAL GENERAL MEETING

Date	Wednesday, 29 November 2023
Time	3.00 p.m.
Broadcast Venue	Tricor Business Centre, Manuka 2 & 3, Unit 29.01 Level 29, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8 Jalan Kerinchi, 59200 Kuala Lumpur

CONTENTS

> — Corporate Information

ABOUT US

Commencing operations in October 2017, Cengild G.I. Medical Centre (CGI) is a dedicated healthcare provider specializing in the diagnosis and treatment of gastrointestinal and liver diseases, as well as obesity. CGI stands out as a unique healthcare facility in Malaysia and Asia, offering a focused range of services, including gastroenterology, hepatology, gastrointestinal surgery (covering upper gastrointestinal, hepatobiliary, pancreatic, colorectal surgery, and bariatric surgery). These services are complemented by a range of diagnostic tools, including interventional radiology, and are all led and provided by specialists in these fields who collaborate as a multidisciplinary team to deliver optimal care.

Located in the heart of Kuala Lumpur, CGI offers convenient transportation access and on-site hotel accommodation for patients from other parts of Malaysia and overseas.

This 36,588 sq. ft. medical center boasts state-of-the-art facilities, featuring 36 licensed beds, 2 fully equipped operating theaters, 3 endoscopy suites, and advanced imaging equipment, including fibroscan, ultrasonography, CT scan, fluoroscopy, and angiography equipment for ERCPs and other procedures.

CGI not only provides comprehensive on-site laboratory services but also offers 24-hour accident and emergency care, health screenings, physiotherapy, histopathology, and more. Our mission is not only to deliver the highest quality treatment and care to our patients but also to provide tailored and suitable solutions for individuals dealing with gastrointestinal and liver diseases, as well as obesity.

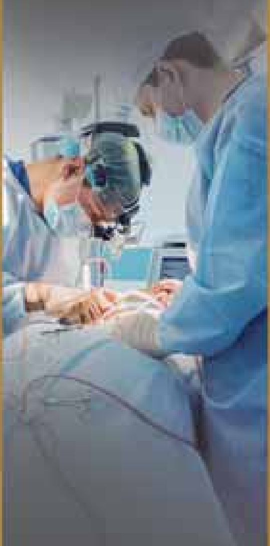
OUR SERVICES

As one of Malaysia's leading centers for advanced gastrointestinal, liver diseases, and obesity care, we are dedicated to delivering exceptional healthcare and comprehensive medical treatments to our patients. With the expertise of our medical specialists and our experienced healthcare staff, patients can expect to receive the highest quality treatment and services in state-of-the-art facilities, all complemented by personalized consultations.

MEDICAL SPECIALTIES

Comprising a team of dedicated Gastroenterologists & Hepatologists.

OPERATING THEATRE



Our Operating Theatre is fully equipped with the latest cutting-edge technology, dedicated to minimally invasive procedures such as keyhole surgery and open surgery, manned by an experienced team.

RADIOLOGY DEPARTMENT

Our Radiology Department is equipped with the latest diagnostic scans essential for your diagnostic needs.

LABORATORY

In our clinical laboratory, clinical pathology tests are conducted on specimens to gather information about a patient's health, aiding in the diagnosis, treatment, and prevention of diseases.

PHARMACY

Our pharmacy comprises a team of highly skilled professionals who prioritize your safety, ensuring that all processes related to medication selection, preparation, storage, compounding, and dispensing for our patients adhere to regulated standards.

CORPORATE INFORMATION

BOARD OF DIRECTORS

- **Dato' Dr. Tan Huck Joo**
  Executive Chairman
- **Dr. Mohamed Akhtar Bin Mohamed Ditali Qureshi**
  Executive Director
- **Mr. Kua Choo Kai**
  Independent Non-Executive Director
- **Dr. Chong Su-Lin**
  Independent Non-Executive Director
- **Dr. Azrina Binti Abu Bakar**
  Independent Non-Executive Director

AUDIT AND RISK MANAGEMENT COMMITTEE

Mr. Kua Choo Kai (Chairman)
Dr. Chong Su-Lin (Member)
Dr. Azrina Binti Abu Bakar (Member)

REMUNERATION COMMITTEE

Dr. Chong Su-Lin (Chairperson)
Mr. Kua Choo Kai (Member)
Dr. Azrina Binti Abu Bakar (Member)

NOMINATING COMMITTEE

Dr. Azrina Binti Abu Bakar (Chairperson)
Mr. Kua Choo Kai (Member)
Dr. Chong Su-Lin (Member)

LONG TERM INCENTIVE PLAN COMMITTEE

Mr. Kua Choo Kai (Chairman)
Dr. Chong Su-Lin (Member)
Dr. Azrina Binti Abu Bakar (Member)

KEY SENIOR MANAGEMENT

Dr. Ramesh A/L K Gurunathan
(Head of Department, Inpatient)

Dr. Ong Siew Kuen
(Head of Department, Medicine and Endoscopy)

Dr. Mustafa Mohammed Taher
(Head of Department, Outpatient)

Mr. Micheal Bong Enn Chung
@ Micheal Wong Enn Chung
(Group Chief Executive Officer)

Ms. Yap Soh Kim
(Chief Executive Officer of Cengild Sdn Bhd)

Ms. Cheah Wen Lih
(Financial Controller)

PRINCIPAL PLACE OF BUSINESS

Unit 2-3 & 2-4
Level 2, Nexus @ Bangsar South
No. 7, Jalan Kerinchi
59200 Kuala Lumpur
Telephone No.: +603 2242 7000

REGISTERED OFFICE

Unit 30-01, Level 30
Tower A Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Telephone No. : +603 2783 9191
Facisimile No. : +603 2783 9111
Email : info@my.tricorglobal.com

SHARE REGISTRAR

Tricor Investor & Issuing House Services Sdn Bhd
Unit 32-01, Level 32
Tower A, Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Telephone No. : +603 2783 9299
Facisimile No. : +603 2783 9222
Email : is.enquiry@my.tricorglobal.com

AUDITORS

Crowe Malaysia PLT
201906000005
(LLP0018817-LCA) & AF 1018
Level 16, Tower C, Megan Avenue II
12, Jalan Yap Kwan Seng
50450 Kuala Lumpur
Telephone No. : +603 2788 9999
Facisimile No. : +603 2788 9998

CORPORATE WEBSITE

https://www.cengild.com

COMPANIES SECRETARIES

Ms. Wong Siew Yeen (MAICSA 7018749)
(SSM PC No. 202008001471)

Mr. Tee Thiam Chai (MAICSA 7066679)
(SSM PC No. 202008002297)

STOCK EXCHANGE

ACE Market of
Bursa Malaysia Securities Berhad
Stock Name : CENGILD
Stock Code : 0243
Category : HEALTH CARE

PRINCIPAL BANKER

RHB Bank Berhad

CORPORATE STRUCTURE

CENGILD G. I. MEDICAL CENTRE

Centre for Gastrointestinal and Liver Diseases

CENGILD MEDICAL BERHAD

(Registration No.: 202101004143 (1404442-P))

(Incorporated in Malaysia under the Companies Act 2016)

- 100% CGI Primary Care Sdn Bhd
  - 100% CGI Polyclinic (Taman Bukit Mayang Emas) Sdn Bhd
- 100% Cengild Sdn Bhd
  - 30% Cardiac Care Centre Sdn Bhd
  - 100% Galen Primer Sdn Bhd
  - 30% UNCKL Sdn Bhd
  - 30% Urohealth Sdn Bhd
  - 25% Curie Oncology KL Sdn Bhd

CORPORATE MILESTONE

Our key achievements/milestones are as follows:

Year
2017
Achievements/Milestones:

- We commenced operations at Nexus @ Bangsar South, Kuala Lumpur, with six (6) clinics, 10 inpatient beds, three (3) endoscopy rooms, one (1) operating theatre, a radiology department, an accident and emergency department, a pharmacy, a laboratory, and a central sterile supply department.

Year
2018
Achievements/Milestones:

- We became part of a corporate panel with insurance companies and third-party administrators.
- We expanded our services to include gastrointestinal-related oncology and gynaecology services.

Year
2019
Achievements/Milestones:

- Expanded our medical center, where we added one (1) clinic and 10 inpatient beds.
- Received the “Gastroenterology Service Provider of the Year in Asia Pacific” award from Global Health and Travel.
- Received the “Malaysia Health and Wellness Brand Award 2019 – Private Hospital category” from Sin Chew Daily and Life Magazine.
- Became part of a corporate panel with IA International Assistance Sdn Bhd, which serves the Indonesian market, to offer patients in Indonesia the opportunity to seek medical treatment in Malaysia.

Year
2021
Achievements/Milestones:

- Expanded our services to include cardiology and urology services.
- Expanded our medical centre where we added one (1) operating theatre and three (3) clinics.
- Received the “Bariatric Medical Centre of the Year in Asia Pacific” award from Global Health and Travel.

Year
2022
Achievements/Milestones:

- Listed on the ACE Market of Bursa Malaysia Securities Berhad.
- Received the "Gastroenterology Service Provider of the Year in Asia Pacific" award from Global Health and Travel.
- Received the "Bariatric Medical Centre of the Year in Asia Pacific" award from Global Health and Travel.

CORPORATE MILESTONE
(CONT'D)

Year
2023
Achievements/Milestones:

- Received the "Gastroenterology Service Provider of the Year in Asia Pacific" award from Global Health and Travel.
- Received the "Bariatric Medical Centre of the Year in Asia Pacific" award from Global Health and Travel.
- Received the "Colorectal Service Provider of the Year in Asia Pacific" award from Global Health and Travel.
- Member of International Excellence Federation for Bariatric and Metabolic Surgery.
- Expanded our medical centre where we added eight (8) daycare beds.
- Became part of a hospital panel with PT Global Solusi Jakarta, Rumah Sakit Kalbu Intan Medika Kota Pangkalpinang, PT i-Care Jawa Timur, and MS Elite Global Sdn Bhd. This partnership serves the Indonesian market and offers patients in Indonesia the opportunity to seek medical treatment in Malaysia.
- Became Health Screening centre under Corporate Partnership Program with Anaika Collection Sdn Bhd, Brisk Supply Solutions Sdn Bhd, Ceeve Luxury Sdn Bhd, Envico Enterprise Sdn Bhd, Envico Travel Retail Sdn Bhd, Harum Aspirasi Sdn Bhd, Jesselton Duty Free Sdn Bhd, Luxitalia Sdn Bhd, Naresh Global Concepts Sdn Bhd, Ranesza Sdn Bhd, Swiss Watch Gallery Sdn Bhd, & Valiram Global Concepts Sdn Bhd
- Entered into a joint venture with Urohealth Sdn Bhd to expand our services, providing urology assessment and treatment.
- Entered into a joint venture with Curie KL Sdn Bhd (formerly known as Curie Oncology Sdn Bhd) and Oncocare Holdings Sdn Bhd to expand our services, providing oncology services.

CHAIRMAN'S STATEMENT

HIGHLIGHTS 2023

REVENUE
(RM'000)

RM 70,280

PROFIT AFTER TAX
(RM'000)

RM 13,288

TOTAL ASSETS
(RM'000)

RM 131,729

Dearest stakeholders,

With immense delight, I present the Chairman's Statement for Cengild Medical Berhad and its subsidiaries (hereafter referred to as "the Group" collectively), highlighting our remarkable progress and ambitious aspirations to establish ourselves as the premier centre of excellence for gastrointestinal and liver diseases, as well as obesity while providing world-class healthcare services to all our esteemed patients.

DATO' DR. TAN HUCK JOO
Executive Chairman

CHAIRMAN’S STATEMENT
(CONT'D)

NAVIGATING FY2023: EMBRACING OPPORTUNITIES AMID CHALLENGES

The financial year ended 30 June 2023 has been a year of dynamism for the Group, marked by a challenging yet opportune operating environment. On a positive note, Malaysia’s healthcare expenditures are projected to maintain their upward trajectory, with forecasts indicating a potential doubling by 2028. This burgeoning demand for healthcare services presents a significant opportunity for the Group to attain sustainable growth and expansion.

Nevertheless, it is imperative to acknowledge that we were not immune to the economic repercussions stemming from the aftermath of the COVID-19 pandemic, coupled with multiple overnight policy rate hikes and geopolitical conflicts. These factors have, both directly and indirectly, posed challenges to the Malaysian healthcare sector, impacting the Group alike. Some challenges we have encountered throughout the fiscal year included a more cautious attitude among consumers toward healthcare expenditures, leading to reduced demand; escalated costs of healthcare services and medical supplies due to inflation following the overnight policy rate hike; and a reduction or redirection of healthcare investments.

In the midst of this multifaceted operating environment, the Group has taken diligent and proactive measures to capitalize on existing opportunities while prudently mitigating and managing associated risks and challenges.

CENGILD'S FISCAL PERFORMANCE SHINES BRIGHT

I am pleased to report that the Group's financial performance has been robust, underscoring our resilience and commitment to prudent financial management. Our earnings have experienced remarkable growth, surging by an impressive compound annual growth rate (CAGR) of 73.2% over the course of four (4) years. This substantial growth is truly a testament to the effectiveness of our strategies and operational efficiency.

THE PATH AHEAD

The Group's robust financial performance stands as a resounding affirmation of the soundness of our strategic direction. Building upon this success, we remain steadfast in adhering to the mid to long-term strategies set forth during our initial public offering exercise in 2022.

As we embark on the financial year 2024, the Group will continue to pursue the present two-pronged strategy unabated. First and foremost, we will focus on augmenting our existing medical centre in Bangsar South, further elevating its capabilities and capacity. Concurrently, we are resolute in our ambition to actively broaden our geographical footprint by strategically establishing ourselves in other favourable locations. This concerted effort demonstrates our unwavering dedication to fulfilling our mission and meeting the evolving needs of our valued patients.

In our course of active expansion, we recognize that our success lies in our exceptional medical team. And so, we are determined to bolster our medical staff by recruiting more consultants and surgeons, with a particular focus on specialities such as gastroenterology and hepatology. We have recently added a strong team of experienced and renowned oncologists in collaboration with the Curie Group Singapore. This strategic investment will augment our medical expertise, enabling us to deliver specialized care to our patients.

Moreover, in our endeavour to stay at the forefront of medical advancements, we have committed to investing in state-of-the-art medical technologies and equipment. This commitment empowers our medical professionals to deliver improved patient outcomes through accurate diagnoses and effective treatments, all made possible by embracing cutting-edge innovations.

In addition, collaboration is an essential driver of growth and innovation. As part of our forward-looking approach, we aim to establish strategic partnerships with international healthcare providers, recognizing the potential value they bring forth. Such collaborations will facilitate knowledge exchange and expertise sharing, thereby enriching our service offerings, particularly for medical travellers seeking world-class care.

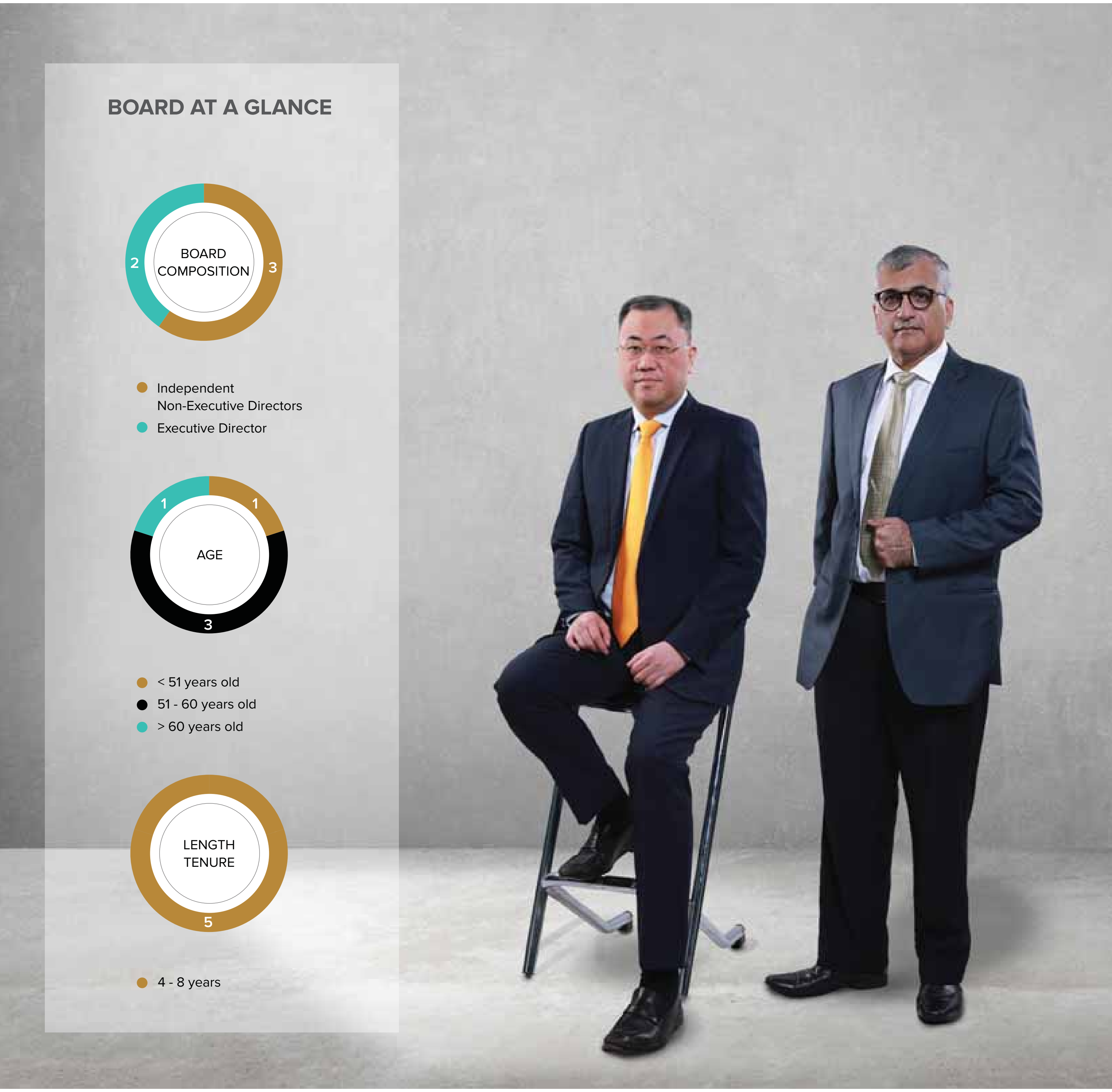
A MESSAGE OF APPRECIATION

On behalf of all my peers in our growing Cengild family, I would like to express my sincerest gratitude to all our stakeholders, including our patients, shareholders, business partners and suppliers, for placing their unwavering trust in Cengild Medical Berhad. We are immensely grateful for your continued support as we navigate the path of progress and growth.

To our esteemed consultants, dedicated management team and valued staff members, I extend my heartfelt appreciation. Your unwavering commitment, diligent efforts and loyalty to delivering extraordinary care to our patients are truly commendable. Each and every one of you is undeniably our most cherished asset, playing a pivotal role in driving our success and contributing to our esteemed reputation for excellence in the healthcare industry.

Sincerely,
DATO' DR. TAN HUCK JOO
Executive Chairman

BOARD OF DIRECTORS



FROM LEFT TO RIGHT:

DATO' DR. TAN HUCK JOO
Executive Chairman and Medical Director

DR. MOHAMED AKHTAR BIN MOHAMED DITALI QURESHI
Executive Director, Head of Medical Advisory Board and Head of Operating Theatre and Central Sterile Supply Department

DR. AZRINA BINTI ABU BAKAR
Independent Non-Executive Director

MR. KUA CHOO KAI
Independent Non-Executive Director

DR. CHONG SU-LIN
Independent Non-Executive Director

PROFILE OF DIRECTORS

DATO' DR. TAN HUCK JOO

Executive Chairman and Medical Director

55 | Male | Malaysian

Date of Appointment

3 February 2021 and 1 May 2021

Dato' Dr. Tan Huck Joo ("**Dato Dr. Tan**") is the Executive Chairman of the Company and Medical Director of the Group's medical centre. He was appointed as the Executive Chairman and Medical Director on 3 February 2021 and 1 May 2021 respectively.

Dato' Dr. Tan graduated with a Bachelor of Medicine and Surgery (Bachelor of Medicine, Bachelor of Surgery, Bachelor in the Art of Obstetrics) from University College Dublin, National University of Ireland and subsequently received his doctorate degree in Gastroenterology & Hepatology from the same university. He received his postgraduate training in the United Kingdom and is currently a member of the Royal College of Physicians (United Kingdom), a fellow of the Royal College of Physicians (London), the Royal College of Physicians of Edinburgh and the Royal College of Physicians and Surgeons of Glasgow, a fellow of the Academy of Medicine, Malaysia, a fellow of the American College of Gastroenterology and a fellow of the American Society for Gastrointestinal Endoscopy.

Dato' Dr. Tan was a council member of the National Specialist Register for gastroenterology and hepatology for many years. He was the Chairman of the Network Committee, Asia Pacific Association of Gastroenterology ("**APAGE**") and the Chairman of Awards Committee, APAGE. He was the President of the Malaysian Society of Gastroenterology and Hepatology (MSGH) from 2009 to 2010 and Secretary General of the Organizing Committee of the Asia Pacific Digestive Week 2010. Dato' Dr. Tan sits in the Editorial Board of the Journal of Gastroenterology & Hepatology and World Journal of Gastroenterology. Dato' Dr. Tan was one of the expert panellists of the Asia Pacific Consensus Guidelines for the management of Helicobacter pylori in 2008. He was also the Chairman of the Malaysian Society of Gastroenterology and Hepatology - National Heart Association Malaysia Working Party Statement for antiplatelet therapy in the prevention of bleeding peptic ulcer disease. Dato' Dr. Tan has been the Scientific Chairman for the annual scientific meeting of the Malaysian Society of Gastroenterology and Hepatology from 2007 to 2017.

Dato' Dr. Tan, together with five other founding doctors set up the Group's medical centre in October 2017.

Dato' Dr. Tan does not hold any directorship in other public companies and listed issuer in Malaysia. He has no family relationship with any Director and/or major shareholder of the Company. He has no conflict of interest with the Group. He has no conviction for any offences (other than traffic offences, if any) within the past five (5) years and has no public sanctions and/or penalties imposed by the relevant regulatory bodies during the financial year.

DR. MOHAMED AKHTAR BIN MOHAMED DITALI QURESHI

Executive Director, Head of Medical Advisory Board and Head of Operating Theatre and Central Sterile Supply Department

62 | Male | Malaysian

Date of Appointment

4 May 2021, 1 May 2021 and 1 July 2023

Dr. Mohamed Akhtar Bin Mohamed Ditali Qureshi ("**Dr. Qureshi**") is the Executive Director, Head of Medical Advisory Board and Head of Operating Theatre and Central Sterile Supply Department of the Group's medical centre. He was appointed as the Executive Director, Head of Operating Theatre and Central Sterile Supply Department and Head of Medical Advisory Board on 4 May 2021, 1 May 2021 and 1 July 2023 respectively.

He graduated with a Bachelor of Medicine, Bachelor of Surgery and Bachelor of Obstetrics from the Royal College of Surgeons in Ireland and was awarded a Licentiate in Medicine and Obstetrics of the Royal College of Physicians of Ireland in 1987. He subsequently obtained a Bachelor of Science and Master of Surgery from the National University of Ireland, Ireland.

Dr. Qureshi is a fellow of the Royal College of Surgeons (Ireland), a fellow of the Royal College of Surgeons England (United Kingdom) and a fellow of the Royal College of Surgeons of England (General Surgery) (United Kingdom). He is also a fellow of the International College of Surgeons (United Kingdom Chapter), a fellow of the Association of Surgeons (United Kingdom) and a fellow of the Academy of Medicine of Malaysia. He is also a member of the editorial board of Malaysian Journal, a member of the College of Surgeons of Malaysia, a member of the Malaysian Medical Association, and a member of the Malaysian Society of Colorectal Surgeons. He also served as a member, president and committee member of the Malaysian Society of Gastroenterology and Hepatology.

Dr. Qureshi began his medical practise from 1987 to 1996 at various hospitals in Ireland and England before returning to Malaysia. Upon his return, he was appointed as a lecturer in colorectal and general surgery at Universiti Kebangsaan Malaysia, a position that he held until 1997. Subsequently, he was appointed as a senior registrar in general surgery at Scarborough General Hospital, England.

Dr. Qureshi returned to Malaysia in 1998 as a lecturer/ associate professor in colorectal and general surgery at Universiti Kebangsaan Malaysia, Malaysia. He was later appointed as professor of surgery at International Medical University (IMU). Subsequently, he joined Sunway Medical Centre as a consultant in General and Colorectal Surgeon.

Dr. Qureshi does not hold any directorship in other public companies and listed issuer in Malaysia. He has no family relationship with any Director and/or major shareholder of the Company. He has no conflict of interest with the Group. He has no conviction for any offences (other than traffic offences, if any) within the past five (5) years and has no public sanctions and/or penalties imposed by the relevant regulatory bodies during the financial year.

> — Corporate Information

PROFILE OF DIRECTORS
(CONT'D)

MR. KUA CHOO KAI

Independent Non-Executive Director

63	Male	Malaysian

Date of Appointment
4 May 2021

Mr. Kua Choo Kai ("**Mr. Kua**") is the Independent Non-Executive Director of the Company and he was appointed on 4 May 2021. He is the Chairman of the Audit and Risk Management Committee and Long-Term Incentive Plan Committee and a member of the Nominating Committee and Remuneration Committee.

He graduated with a Bachelor of Economics from Monash University, Australia in 1983 and later obtained a Master of Business Administration from the University of Bath (in association with The Malaysian Institute of Management) in 1995. He is a member of the Malaysian Institute of Accountants ("**MIA**"), a member of the Malaysian Institute of Certified Public Accountants and a fellow of the Chartered Practising Accountants, Australia. He was also a Certified Information Systems Auditor (CISA) from 2001 to 2020.

He began his career with Ernst & Whinney (Malaysia) (currently known as Ernst & Young PLT) after his graduation and was with the firm for 38 years.

He started as a junior audit assistant performing financial audits. From 1987 to 1989, he was seconded to Ernst & Young's London office to gain experience in computer security review of mainframe computers and mini-computers. From 1989 to 1992, he was in the management consultancy department and project managed various assignments in the areas of process improvement/transformation, strategic planning, organisational reviews and privatization feasibility studies. From 1993 to 1997, he held the position of a senior manager to principal where he was in charge of several financial and computer security engagements of large conglomerates and multinational corporations.

He was promoted as a partner in 1997 and underwent an expatriate secondment to Ernst & Young's London and Cleveland offices and was involved in risk management services and business risk framework methodology development. From 1998 to 2005, he was the head of Ernst & Young (Malaysia) advisory services and was instrumental in the start-up of the risk and assurance business services in Ernst & Young (Malaysia). In 2005, he returned to assurance practice and was the engagement partner in charge of financial audit engagements of several large conglomerate and multinational corporations. Prior to his retirement in 2020, he was a partner of Ernst & Young (Malaysia) within the Kuala Lumpur Assurance Practice and was the Professional Practice Director for East Malaysia.

He was an elected council member of MIA and served the council in the period of 2012 to 2014. He was in the committee of Ethics Board, Education and Disciplinary.

Currently, he is also an Independent Non-Executive Director of REDtone Digital Berhad and Berjaya Land Berhad.

He has no family relationship with any Director and/or major shareholder of the Company. He has no conflict of interest with the Group. He has no conviction for any offences (other than traffic offences, if any) within the past five (5) years and has no public sanctions and/or penalties imposed by the relevant regulatory bodies during the financial year.

DR. CHONG SU-LIN

Independent Non-Executive Director

63	Female	Malaysian

Date of Appointment
4 May 2021

Dr. Chong Su-Lin **("Dr. Chong")** is an Independent Non-Executive Director of the Company and she was appointed on 4 May 2021. She is the Chairperson of the Remuneration Committee and a member of the Audit and Risk Management Committee, Nominating Committee and Long Term Incentive Plan Committee.

She is a graduate of the Royal Free School of Medicine, University of London (currently known as UCL Medical School, University of London). She subsequently obtained a Master of Business Administration ("**MBA**") at London Business School, University of London, United Kingdom in 1992.

Dr. Chong began her career in 1984 with the National Health Service in the United Kingdom as a medical practitioner. Having obtained her MBA, she joined Cambridge Pharma Consultancy Ltd as a management consultant of 'pharmaco-economics', conducting analyses of clinical trial research on active pharmaceutical compounds, especially in oncology, for health economic modelling and justification for drug inclusion in European Union countries' drug reimbursement.

Upon her return to Malaysia in 1995, Dr. Chong joined Subang Jaya Medical Centre as a management trainee, and was subsequently promoted to the role of Director of Ancillary Services in 1996. Since then she has been CEO of Sunway Medical Centre, CEO of Prince Court Medical Centre, Executive Director of Beacon Specialist Hospital as well as CEO of the Healthcare arm of the International Medical University.

Dr. Chong was the Lab leader for the healthcare National Key Economic Areas ("**NKEA**") blueprint planning by the Malaysian Government in 2010, and more recently a member of the task force appointed by the Minister of Health to look into workplace culture in the Ministry of Health hospitals.

Dr. Chong is an Independent Non-Executive Director of AIA Berhad, ECRI Bhd and Top Glove Corporation Berhad and Chairperson of Naluri Life Sdn Bhd. She is also the the Honorary Secretary of the Council of Hospis Malaysia.

Dr. Chong does not hold any executive directorships in any public companies and listed issuers in Malaysia. She has no family relationship with any Director and/or major shareholder of the Company. She has no conflict of interest with the Group. She has no conviction for any offences (other than traffic offences, if any) within the past five (5) years and has no public sanctions and/or penalties imposed by the relevant regulatory bodies during the financial year.

PROFILE OF DIRECTORS
(CONT'D)

DR. AZRINA BINTI ABU BAKAR

Independent Non-Executive Director

48 | Female | Malaysian

Date of Appointment
4 May 2021

Dr. Azrina Binti Abu Bakar ("**Dr. Azrina**") is an Independent Non-Executive Director of the Company, and she was appointed on 4 May 2021. She is the Chairperson of the Nominating Committee and a member of the Audit and Risk Management Committee, Remuneration Committee and Long-Term Incentive Plan Committee.

She graduated from Universiti Sains Malaysia, Malaysia with a Bachelor of Medicine and subsequently obtained a Master of Surgery from the Universiti Kebangsaan Malaysia, Malaysia. She is also a founding member of the Malaysian Upper Gastrointestinal Surgical Society since its inception in 2013.

She began her career in 1999 as a houseman in Sarawak General Hospital in Kuching. She moved on to become a medical officer attached to Miri Hospital, Sarawak and Tuanku Ja'afar Hospital in Seremban, Negeri Sembilan. While in Tuanku Ja'afar Hospital, she started her four-year-out campus Master's program under Universiti Kebangsaan Malaysia and was attached to Kuala Lumpur Hospital, Hospital Canselor Tuanku Muhriz (formerly known as Hospital Universiti Kebangsaan Malaysia) and Tunku Ja'afar Hospital in Seremban as medical officer as part of the Master program.

Upon completing her Master program, she joined Tuanku Ampuan Najihah Hospital in Kuala Pilah, Negeri Sembilan as a specialist leading the general surgery department. She left in 2009 and joined Tuanku Ja'afar Hospital in Seremban for post graduate study (a fellowship program) as a specialist in training for the upper gastrointestinal surgeries where she worked as a general surgeon and training in training for the upper gastrointestinal surgery.

In 2011, she joined the Prince of Wales Hospital in Shatin, Hong Kong as a fellow as part of her upper gastrointestinal training. She returned to Malaysia in 2012 and was attached to Tuanku Ja'afar Hospital in Seremban as a specialist in the general and upper gastrointestinal division in the surgical department. In 2018, she joined Sunway Medical Centre as a specialist in the general and upper gastrointestinal surgery.

Dr. Azrina does not hold any directorship in other public companies and listed issuers in Malaysia. She has no family relationship with any Director and/or major shareholder of the Company. She has no conflict of interest with the Group. She has no conviction for any offences (other than traffic offences, if any) within the past five (5) years and has no public sanctions and/or penalties imposed by the relevant regulatory bodies during the financial year.

KEY SENIOR MANAGEMENT

Standing From Left To Right:

1 **MR. MICHEAL BONG ENN CHUNG @ MICHEAL WONG ENN CHUNG**
Group Chief Executive Officer

2 **MS. CHEAH WEN LIH**
Financial Controller

3 **MS. YAP SOH KIM**
Chief Executive Officer

Seating From Left To Right:

4 **DR. MUSTAFA MOHAMMED TAHER**
Head of Department, Outpatient

5 **DR. ONG SIEW KUEN**
Head of Department, Endoscopy and Head of Department, Medicine

6 **DR. RAMESH A/L K GURUNATHAN**
Head of Department, Inpatient

PROFILE OF KEY SENIOR MANAGEMENT

DR. RAMESH A/L K GURUNATHAN

HEAD OF DEPARTMENT, INPATIENT

Age / Gender / Nationality / Date Appointed
56 / MALE / MALAYSIAN / 1 MAY 2021

Dr. Ramesh A/L K Gurunathan ("**Dr. Ramesh**") joined the Group in 2017 as consultant in general, upper gastrointestinal and obesity surgeon. He was appointed as the Head of Department, Inpatient for the Group's medical centre on 1 May 2021. He is responsible for the strategic direction of the Inpatient Department as well as for the development and implementation of adequate policies and procedures for the Inpatient Department.

He graduated from Mangalore University, India with a Bachelor of Medicine and Bachelor of Surgery and subsequently obtained a Master of Surgery from Hospital Universiti Kebangsaan Malaysia (currently known as Hospital Canselor Tuanku Muhriz).

He obtained his fellowship from the Royal College of Surgeons in Ireland and is a member of the Academy of Medicine of Malaysia and College of Surgeons. He is a member of the Malaysian Society of Gastroenterology and Hepatology and has served as president and committee member for various terms. He is also a member of the Malaysian Upper Gastrointestinal Surgical Society and a member of the International Society of Diseases of Esophagus, Canada.

Dr. Ramesh began his career with the Ministry of Health in 1993 where he was placed in Kuala Lumpur General Hospital as a house officer and was posted to Queen Elizabeth Hospital in Kota Kinabalu, Sabah as a medical officer. In 1997, he joined Hospital Kebangsaan Malaysia (currently known as Hospital Canselor Tuanku Muhriz) in the same year as a Master of Surgery in general surgery.

Subsequently, he joined Malacca General Hospital as a specialist in the general surgery and subsequently was transferred to Tuanku Ja'afar Hospital in Seremban, Negeri Sembilan as a consultant in general surgery. In 2005, he took a sabbatical from his duties in Tuanku Ja'afar Hospital. During his sabbatical, he joined the Queen Alexandra Hospital, United Kingdom as a clinical fellow as part of his overseas training. He returned to Malaysia in 2006 and resumed his position with Tuanku Ja'afar Hospital. In 2010, he joined Sunway Medical Centre as a resident consultant in general, upper gastrointestinal and obesity surgeon, a position he holds until today.

Dr. Ramesh does not hold directorship in any public companies and listed issuers in Malaysia. He has no family relationship with any Director and/or major shareholder of the Company. He has no conflict of interest with the Group. He has no conviction for any offences (other than traffic offences, if any) within the past five (5) years and has no public sanctions and/or penalties imposed by the relevant regulatory bodies during the financial year.

DR. ONG SIEW KUEN

HEAD OF DEPARTMENT, ENDOSCOPY AND HEAD OF DEPARTMENT, MEDICINE

Age / Gender / Nationality / Date Appointed
55 / FEMALE / MALAYSIAN / 1 MAY 2021

Dr. Ong Siew Kuen ("**Dr. Ong**") joined in 2017 as a consultant in gastroenterology and hepatology. She was appointed as the Head of Department, Medicine and Head of Department, Endoscopy for the Group's medical centre on 1 May 2021 and 1 July 2023 respectively. She is responsible for the strategic direction, development and implementation of adequate policies and procedures of the Medical and Endoscopy departments.

She graduated from University College Dublin, National University of Ireland in Ireland with a Bachelor of Medicine, Bachelor of Surgery and Bachelor of Obstetrics. She is also a member of the Malaysian Society of Gastroenterology and Hepatology since 2004.

She began her career as an intern in Our Lady's Hospital in Cashel, Ireland and Mater Misericordiae Hospital (currently known as Mater Misericordiae University Hospital) in Dublin. Upon completion, she become a senior house officer in several discipline in hospitals in Ireland such as St. Columcille's Hospital, St. Michael's Hospital and Lough County Hospital. She was also a medical registrar in St. Vincent's Hospital (currently known as St Vincent's University Hospital) and Our Lady's Hospital in Drogheda, Ireland. During her time at Our Lady's Hospital, she also acted as a medical tutor at the Royal College of Surgeons, Ireland.

She returned to Malaysia in 1997 and was placed at Ipoh General Hospital as a specialist where she was responsible for care of patients. She was later transferred to the Kuala Lumpur General Hospital as a gastroenterologist. Subsequently, she joined Taman Desa Medical Centre as a consultant in gastroenterology and hepatology and later moved on to join Sunway Medical Centre as a resident consultant in gastroenterology and hepatology, where she still practices today.

Dr. Ong does not hold directorship in any public companies and listed issuers in Malaysia. She has no family relationship with any Director and/or major shareholder of the Company. She has no conflict of interest with the Group. She has no conviction for any offences (other than traffic offences, if any) within the past five (5) years and has no public sanctions and/or penalties imposed by the relevant regulatory bodies during the financial year.

DR. MUSTAFA MOHAMMED TAHER

HEAD OF DEPARTMENT, OUTPATIENT

Age / Gender / Nationality / Date Appointed
46 / MALE / IRAQI AND MALAYSIAN PERMANENT RESIDENT / 1 MAY 2021

Dr. Mustafa Mohammed Taher ("**Dr. Mustafa**") joined the Group in 2019 as consultant general, upper gastrointestinal and obesity surgeon and was appointed as the Head of Department, Outpatient of the Group's medical centre on 1 May 2021. He is responsible for the strategic direction of the outpatient department as well as for the development and implementation of adequate policies and procedures for the outpatient department.

Dr. Mustafa graduated from the College of Medicine, Baghdad, University in Baghdad, Iraq with a Bachelor of Medicine and Bachelor of Surgery. He subsequently obtained a Master of Surgery and Master of Upper Gastro-Intestinal & Bariatric Surgery from the Universiti Kebangsaan Malaysia.

He is a member of the Parenteral and Enteral Nutrition Society of Malaysia, Malaysian Upper Gastrointestinal Surgical Society, Malaysia Metabolic & Bariatric Surgical Society, the International Federation for the Surgery of Obesity and Metabolic Disorders, International Excellence Federation for Bariatric and Metabolic Surgery as well as the Society of Endoscopic and Laparoscopic of Surgery Malaysia. Further, he is also a fellow of the Fellowship of Upper Gastro-Intestinal and Bariatric Division of Hospital Universiti Kebangsaan Malaysia (currently known as Hospital Canselor Tuanku Muhriz).

He began his career in 2000 with the Ministry of Health of Iraq as a medical officer in General Medicine and Surgery. He thereafter began his employment in Malaysia in 2008 with the Hospital Universiti Kebangsaan Malaysia (currently known as Hospital Canselor Tunku Muhriz), as a general surgeon as part of his Master of General Surgery Training and was subsequently promoted to the position of consultant general surgeon, upper gastrointestinal and obesity surgeon.

Dr. Mustafa does not hold directorship in any public companies and listed issuers in Malaysia. He has no family relationship with any Director and/or major shareholder of the Company. He has no conflict of interest with the Group. He has no conviction for any offences (other than traffic offences, if any) within the past five (5) years and has no public sanctions and/or penalties imposed by the relevant regulatory bodies during the financial year.

MICHEAL BONG ENN CHUNG @ MICHEAL WONG ENN CHUNG

GROUP CHIEF EXECUTIVE OFFICER

Age / Gender / Nationality / Date Appointed
52 / MALE / MALAYSIAN

Micheal Bong Enn Chung @ Micheal Wong Enn Chung ("Micheal") has hold senior management roles in various hospitals and medical device company in the past 19 years, including Pantai Hospital Ampang, Pantai Hospital Ayer Keroh, IMU Healthcare, Daehan Rehabilitation Hospital, UOA Medical & Healthcare and Qualitas Healthcare, as well as runs his own healthcare focus business consultancy business.

Within the industry, Micheal is a frequent speaker at national and international conferences. He is a fellow of Certified Practicing Accountants Australia (CPA Australia), a member of the Malaysia Institute of Accountant and is an Enterprise Risk Manager certified by Asian Risk Management Institute in association with National University Singapore who awarded him a Professional Diploma in Enterprise Risk Planning and Management.

Micheal is a certified coach, teacher, and speaker of the John Maxwell Team©, and teaches leadership principles in workplaces, youth group and community groups. In addition, he is a Marshall Goldsmith Stakeholder Centered Coach©.

His special interests include data-driven decision making, harnessing business intelligence in healthcare, enterprise risk management, organizational transformation, innovation in boosting staff productivity and morale, lean healthcare, and exploring tomorrow's healthcare delivery models.

Micheal does not hold directorship in any public companies and listed issuers in Malaysia. He has no family relationship with any Director and/or major shareholder of the Company. He has no conflict of interest with the Group. He has no conviction for any offences (other than traffic offences, if any) within the past five (5) years and has no public sanctions and/or penalties imposed by the relevant regulatory bodies during the financial year.

PROFILE OF KEY SENIOR MANAGEMENT (CONT'D)

YAP SOH KIM

CHIEF EXECUTIVE OFFICER

Age / Gender / Nationality / Date Appointed
59 / FEMALE / MALAYSIAN / 2 OCTOBER 2017

Yap Soh Kim ("**Ms. Yap**") is the Chief Executive Officer of Cengild Sdn Bhd and she was appointed on 2 October 2017. She is responsible in the planning, monitoring, managing direction, and coordinating day-to-day business operations of the medical centre and to ensure compliance of the relevant regulations by the regulatory bodies such as the renewal of the licenses and approvals required for the operation of the medical centre as well as the implementation of the hospital policies and procedures set by the Medical Director. She is also involved in working with key management staff in planning and managing internal control standard practices and procedures.

Ms. Yap started her career in the banking industry in 1983 before joining the healthcare sector in 1996.

Her involvement in healthcare sector has equipped her with knowledge and experience which includes formulation of short and long-term strategies to improve the effectiveness and efficiency of the department, formulate and review policies regularly to further strengthen the internal control and enhance the workflow and services

She heads and oversees in the development of the hospital information system and participated in the hospital migration system project.

Ms. Yap does not hold directorship in any public companies and listed issuers in Malaysia. She has no family relationship with any Director and/or major shareholder of the Company. She has no conflict of interest with the Group. She has no conviction for any offences (other than traffic offences, if any) within the past five (5) years and has no public sanctions and/or penalties imposed by the relevant regulatory bodies during the financial year.

CHEAH WEN LIH

FINANCIAL CONTROLLER

Age / Gender / Nationality / Date Appointed
53 / FEMALE / MALAYSIAN / JULY 2020

Cheah Wen Lih ("**Ms. Cheah**") joined the Group in July 2020 and was promoted to Financial Controller in January 2023.

She obtained her qualification in Association of Chartered Certified Accountants ("**ACCA**") in 2002. She was admitted as a member of the ACCA in 2004 and has been a member of the Malaysian Institute of Accountants since 2004 and a fellow member of ACCA since 2009. In 2020, she obtained her Master of Business Administration (MBA) from Universiti Tunku Abdul Rahman.

She is responsible for overseeing the activities relating to accounts, treasury, and purchasing in the finance department. Additionally, she is responsible for budget planning and providing the management support by offering insights and financial advice. She is also involved in monitoring compliance of financial processes with statutory and regulatory mandates, accounting standards, and company policies and procedures.

Ms. Cheah does not hold directorship in any public companies and listed issuers in Malaysia. She has no family relationship with any Director and/or major shareholder of the Company. She has no conflict of interest with the Group. She has no conviction for any offences (other than traffic offences, if any) within the past five (5) years and has no public sanctions and/or penalties imposed by the relevant regulatory bodies during the financial year.

FINANCIAL HIGHLIGHTS

Financial Year Ended 30 June ("FYE")	2019 (1)	2020 (1)	2021	2022	2023
Statements of Profit or Loss	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Revenue	28,183	39,180	63,470	64,442	70,280
Gross Profit	12,832	17,515	26,679	26,051	30,725
Listing expenses	-	-	711	1,274	-
Special Issue expenses	-	-	-	-	151
Profit before tax ("PBT")	1,476	5,534	13,469	12,114	17,374
Net profit after tax for the year	1,476	3,952	10,005	9,391	13,288
Net profit attributable to owners of the Company ("PAT")	1,476	3,952	10,005	9,391	13,288
Adjusted Net Profit Attributable to Owners of the Company (excluding listing expenses)	1,476	3,952	10,716	10,665	13,439
Statements of Financial Position					
Total equity attributable to owners of the Company	5,836	9,788	13,778	92,950	106,108
Total assets	45,944	47,091	45,977	119,544	131,729
Cash and bank balances, deposits with financial institution	1,319	5,714	6,398	86,390	98,308
Bank borrowings	10,128	6,018	2,018	-	-
Financial ratios					
Basic earnings per share ("EPS") (sen)	0.25 (2)	0.66 (2)	1.67 (2)	1.46 (3)	1.62 (4)
Net assets per share (sen)	0.97 (2)	1.63 (2)	2.30 (2)	14.43 (3)	12.95 (4)
Current ratio (times)	0.48	0.81	1.16	8.04	9.32
Gross profit margin (%)	45.5	44.7	42.0	40.4	43.7
PBT margin (%)	5.2	14.1	21.2	18.8	24.7
PAT margin (%)	5.2	10.1	15.8	14.6	18.9

NOTES:

(1) *Cengild Medical Berhad was incorporated on 3 February 2021. The financial information presented for FYE 2019 & 2020 are the combined financial statements which were prepared based on the audited financial statements of Cengild Sdn Bhd.*

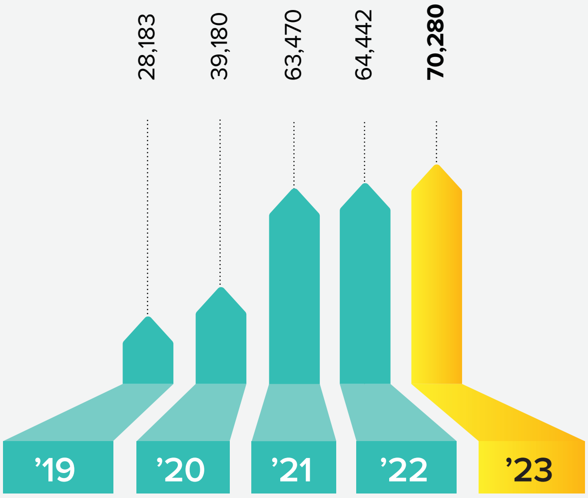
(2) *Computed based on the issued share capital of 600,000,000 ordinary shares after the completion of acquisition but prior to the IPO.*

(3) *Computed based on the weighted average number of issued share capital of 600,000,000 ordinary shares after the completion of acquisition but before the IPO and 818,800,000 ordinary shares after the completion of the IPO.*

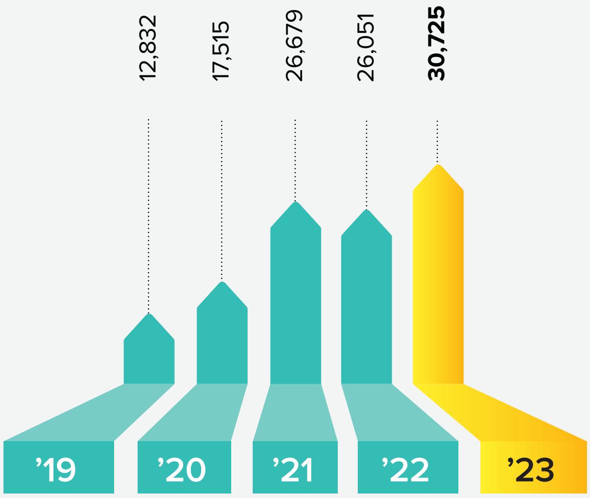
(4) *Based on the weighted average number of issued share capital of 818,800,000 ordinary shares after the completion of the IPO, and with included of number of ordinary shares from exercised ESOS and Special Issue shares.*

FINANCIAL HIGHLIGHTS
(CONT'D)

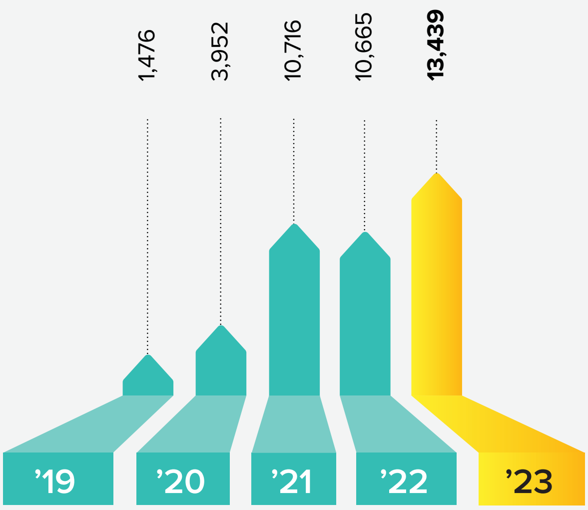
REVENUE
(RM'000)



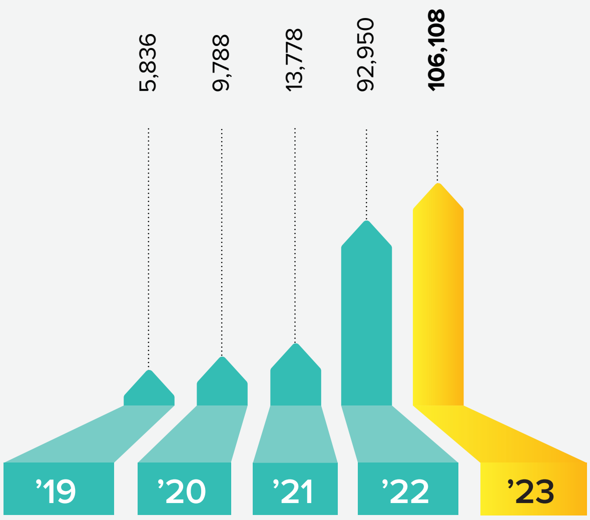
GROSS PROFIT
(RM'000)



ADJUSTED PAT
(RM'000)



TOTAL EQUITY
(RM'000)



MANAGEMENT'S DISCUSSION AND ANALYSIS

SEGMENTAL REVENUE 2023

CONSULTANT SERVICES
(RM'000)

RM 25,958

MEDICAL MANAGEMENT SERVICES
(RM'000)

RM 44,322

GROUP'S GROSS PROFIT
(RM'000)

RM 30,725

COMPANY OVERVIEW

WE ARE AN INDEPENDENT HEALTHCARE SERVICE PROVIDER, DEDICATED TO EXCELLENCE IN THE FIELD OF MEDICAL CARE. OUR MEDICAL CENTRE SPECIALIZES IN THE DIAGNOSIS AND TREATMENT OF GASTROINTESTINAL AND LIVER DISEASES, AND OBESITY. WE HAVE EXPANDED OUR SERVICES TO INCLUDE GYNAECOLOGY, CARDIOLOGY AND UROLOGY SERVICES. OUR MEDICAL CENTRE IS CONVENIENTLY SITUATED IN THE HEART OF NEXUS @ BANGSAR SOUTH, KUALA LUMPUR.

MANAGEMENT'S DISCUSSION AND ANALYSIS
(CONT'D)

Our business activities comprise the following:

(i) Consultant services

Our Group offers a comprehensive and diverse range of care and treatment services for gastrointestinal and liver diseases and obesity. In the past year, we have extended our services to encompass the diagnosis and treatment of oncology and urological conditions. Furthermore, as a testament to our holistic approach to healthcare, our Group also offers general cardiology and gynaecology assessments as an integral part of our comprehensive treatment plans for gastrointestinal and liver diseases.

(ii) Medical management services

Our medical centre's array of facilities complements our consultant services, ensuring the provision of comprehensive medical care and treatment for our patients.

These facilities comprise:

- Two fully equipped operating theatres to perform procedures ranging from keyhole surgery to open surgery.
- Three endoscopy rooms equipped with facilities such as endoscopic ultrasound devices and endoscopic video imaging systems.
- A radiology department equipped with facilities such as a CT scanner, ultrasonography, fluoroscopy and angiography equipment to assist our consultant in carrying out all the relevant procedures for our patients.
- A clinical laboratory capable of conducting pathology tests on clinical specimens, including a 24-hour blood testing service.
- A 24-hour accident and emergency department and inpatient ward.
- A pharmacy department that prepares and dispenses medication.

Our medical management services are further fortified by our dedicated nursing staff and clinical support team, collectively enhancing our ability to deliver comprehensive and patient-focused care.

(a) Nursing services

Our nursing team is an indispensable part of our medical centre, actively supporting our consultants in delivering top-notch patient care. They play a multifaceted role, from providing compassionate care to patients during their stay to assisting our consultants during various medical procedures. Their responsibilities include ensuring that our operating theatres are well-equipped, maintaining a sterile environment during surgeries and offering vital support to consultants to ensure successful outcomes.

For patients undergoing surgery, our nurses oversee their comprehensive care from pre-operative preparations to post-operative monitoring, ensuring a smooth and comfortable recovery process. Similarly, during endoscopic procedures, our nurses are instrumental in providing pre- and post-procedure care and supporting our consultants throughout the procedure. Their dedication and expertise are pivotal in enhancing patient well-being and the seamless execution of medical treatments within our medical centre.

(b) Clinical support services

Our clinical support team complements and supports our consultants in diagnosing and treating gastrointestinal and liver diseases and obesity. Cengild Medical's clinical support services include radiology for advanced imaging, a pharmacy for precise medication management, a clinical laboratory for diagnostic tests, dietetics and nutrition expertise, physiotherapy for rehabilitation and meticulous medical record services. Together, they form a cohesive unit to ensure patients receive comprehensive and personalized care, facilitating accurate diagnoses and effective treatment plans within our medical centre.

FUTURE BUSINESS STRATEGIES

Our overarching business strategy revolves around the continued development of our core expertise in the diagnosis and treatment of gastrointestinal and liver diseases, alongside our commitment to addressing obesity-related healthcare needs and, of course, our newly added urology treatment. To achieve this, we have devised a dual-pronged expansion approach that involves the expansion of our current medical centre and an expansion into key cities across Malaysia. This growth initiative also entails strengthening our medical team through the recruitment of skilled consultants and surgeons.

Furthermore, we recognize the pivotal role that our dedicated staff plays in realizing our expansion plans. Therefore, we are actively seeking to bolster our workforce by welcoming new team members. These additions will encompass nursing staff, including nurse managers and registered nurses, as well as clinical support and administrative personnel, such as clinic assistants, radiographers, central sterile supply unit (CSSU) technicians and executives to fortify IT, human resources, finance and business office functions. This comprehensive staffing approach will not only support the expansion of our existing medical centre but also facilitate the establishment of two new full-fledged medical centres, positioning us to provide enhanced healthcare services to a broader patient base.

GROUP FINANCIAL PERFORMANCE

For the fiscal year ended on 30 June 2023 ("FYE 2023"), our Group achieved a total revenue of RM70.28 million, representing an increase of RM5.84 million, or 9.06% as compared to the preceding fiscal year ended on 30 June 2022 ("FYE 2022"), where our total revenue stood at RM64.44 million.

It is worth emphasizing that this achievement is particularly noteworthy given the challenging economic landscape. The persistent impact of the COVID-19 pandemic, coupled with the multiple overnight policy rate hikes and ongoing geopolitical conflicts, presented formidable hurdles. Despite these adversities, our Group has not only persevered but also thrived, maintaining sustainable revenue growth.

Gross Profit Margin

43.72%

2022
40.43%

Dividend

0.37 Sen

2022
0.37 Sen

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONT'D)

REVENUE REVIEW BY SEGMENT

The Group's revenue segmental results for FYE 2023 and FYE 2022 are as follows:

	FYE 2023		FYE 2022	
Revenue	**RM'000**	**%**	**RM'000**	**%**
Consultant Services	25,958	36.9	24,117	37.4
Medical Management Services	44,322	63.1	40,125	62.3
Others	-	-	200	0.3
Total	**70,280**	**100.0**	**64,442**	**100.0**

Our revenue was mainly generated from the medical management services segment, which contributed to 62.3% and 63.1% of our total revenue for FYE 2022 and FYE 2023, respectively.

The revenue of the consultant services segment and medical management services segment increased by 7.6% and 10.4% in FYE 2023 as compared to FYE 2022, respectively. The increase was attributable to the price increase and the overall increase in the number of endoscopic procedures performed (FYE 2023: approximately 7,680 procedures compared with FYE 2022: approximately 7,400 procedures).

However, there was no contribution from other segments to our revenue in FYE 2023.

GROSS PROFIT AND GROSS PROFIT MARGIN BY SEGMENT

The Group's gross profit and gross profit margin by business segment for FYE 2023 and FYE 2022 are as follows:

	FYE 2023		FYE 2022	
Gross Profit	**RM'000**	**%**	**RM'000**	**%**
Consultant Services	4,212	13.7	3,645	14.0
Medical Management Services	26,513	86.3	22,206	85.2
Others	-	-	200	0.8
Total	**30,725**	**100.0**	**26,051**	**100.0**

	FYE 2023	FYE 2022
Gross Profit Margin	**%**	**%**
Consultant Services	16.2	15.1
Medical Management Services	59.8	55.3
Others	-	100.0
Total	**43.7**	**40.4**

Our Group's gross profit for FYE 2023 amounted to RM30.73 million, an increase of RM4.68 million or 17.94% from RM26.05 million in FYE 2022. The gross profit was mainly derived from the medical management services segment at 86.29% of the total gross profit, followed by the consultant services segment at 13.71% of the total gross profit. As reflected in revenue, there was no contribution in terms of gross profit from other segments in FYE 2023. The increase in our gross profit was in line with the increase in revenue during the year.

The Group's overall gross profit margin increased by 3.29% from 40.43% in FYE 2022 to 43.72% in FYE 2023. The increase is mainly due to price increases, as well as lower depreciation as some medical equipment has fully depreciated.

DIVIDEND

Our objective is to maintain a consistent dividend payout ratio of a minimum of 25% from the consolidated net profit attributed to the owners of our Company for each fiscal year. This determination takes into careful consideration various factors, including our financial performance, cash flow necessities and capital expenditure strategies. The aim is to strike a balance between rewarding our shareholders and ensuring we have the financial resources necessary to support our operational needs and future investments.

On 22 August 2023, the Company declared an interim single-tier dividend of 0.37 sen per ordinary share in respect of the financial year ended 30 June 2023, paid on 25 September 2023 to shareholders of the Company whose names appeared in the Register of Depositors on 8 September 2023. This declaration brings the cumulative dividend for the fiscal year 30 June 2023 to RM6,111,194, representing a payout ratio of 46% of our profit after tax (PAT).

CAPITAL EXPENDITURE REQUIREMENTS FOR FYE 2024

Our Group is poised to undertake a significant investment of approximately RM47.3 million, spanning a strategic timeline of 24 to 36 months. This investment will be allocated towards the expansion of our current medical centre and the establishment of new, state-of-the-art medical facilities. Notably, a portion of the funds raised from our initial public offering (IPO) has been specifically earmarked to facilitate these vital capital expenditures.

This forward-looking commitment underscores our dedication to enhancing and expanding our healthcare services, ensuring that we continue to provide top-notch care to our patients while extending our reach to new geographic areas. It reflects our vision for sustainable growth and underscores our confidence in the prospects of our healthcare initiatives.

CAPITAL STRUCTURE AND CAPITAL RESOURCES FOR FYE 2024

In the upcoming fiscal year, our primary avenue for securing working capital is anticipated to be a combination of internally generated funds and the capital raised through our successful IPO. We have diligently planned to rely on these internal resources to fuel our operational needs.

However, should an unexpected shortfall in working capital occur, our Group is prepared to explore alternative financing avenues. Initially, we would consider fundraising through debt or bank borrowings as a viable option to bridge any potential gaps in our financial requirements. Only after exhausting these avenues, would we contemplate raising funds through the issuance of new equity, underscoring our prudent financial management approach and commitment to ensuring the sustained growth and stability of our operations.

OUTLOOK AHEAD FYE 2024

As a publicly listed medical centre in Malaysia since 2022, we remain steadfast in our commitment to advancing and expanding our expertise, capabilities and capacity, with a primary focus on gastrointestinal and liver diseases, obesity management and selected diagnostics and treatments for conditions encompassing gastrointestinal oncology, urology and gynaecology.

The challenges we have encountered in recent years, notably the global COVID-19 pandemic and associated risk management issues, have imparted invaluable lessons and experiences. These experiences have fostered a culture of heightened caution and meticulousness within our board and management. As we navigate our business planning, expansion and daily operations, we place a renewed emphasis on risk assessment and prudent financial management. As a publicly listed entity, we prioritize judicious decision-making that not only enhances shareholder value but also ensures the robust protection of our minority shareholders' interests.

Following a thorough evaluation of our Group's performance throughout the fiscal year that concluded on 30 June 2023 and taking into account our strategic enhancements, including the incorporation of 8 daycare beds and the expansion into complementary medical services in urology, cardiology and oncology, our esteemed Board of Directors anticipates a promising outlook for our Group in the upcoming fiscal year ending on 30 June 2024. This prudent assessment underscores our commitment to delivering sustainable growth and excellence in healthcare services.

ANTICIPATED / KNOWN RISK & MITIGATING PLANS AND STRATEGIES

(1) **We are highly dependent on our employee consultants.**

Currently, we have five (5) employee consultants specializing in gastrointestinal and liver diseases and obesity, who are the key revenue drivers for our medical centre. The loss of any of these employee consultants, without suitable and timely replacement or the inability to attract, hire and retain suitable candidates as consultants, may result in us being unable to retain our patients or attract new patients. This could negatively affect our business operations, financial performance and

MANAGEMENT'S DISCUSSION AND ANALYSIS
(CONT'D)

prospects. Our mitigating plans and strategies to retain and attract experienced, reputable and highly trained consultants with exceptional track records include attractive remuneration packages such as minimum guarantee income and/or Long-Term Incentive Plan (LTIP).

(2) **We have a relatively short operating history with the operation of a single medical centre.**

Operating from a single medical centre that began operations in October 2017, we acknowledge that our facility may not yet enjoy the same level of recognition among the public as longer-established medical centres and hospitals. To address the risks associated with a single-centre operation and to enhance our reach, we intend to expand our presence across other major cities in Malaysia. Our strategy involves the establishment of two (2) new fully equipped medical centres in strategically chosen locations, thereby broadening our footprint and furthering our commitment to providing healthcare services to the nation.

(3) **Our business is subject to and is reliant on the approvals, licenses, permits or certificates issued by the relevant Malaysian authorities.**

Our business operations as a private healthcare facility or service provider (i.e., medical centre) are bound by federal, state and local laws, rules and regulations imposed by the relevant Malaysian Authorities, such as the Ministry of Health (MOH). In general, laws and regulations applicable to the healthcare industry have become more stringent with penalties and potential liabilities increasing over the years. These existing laws and regulations could also change with the implementation of new national policies or undergo amendments over time, and in turn, may result in substantial changes to our operations.

To date, we have yet to encounter any difficulty in renewing approvals, licenses, permits and certificates required to operate our medical centre. All renewal of permits and certificates are dependent on our compliance with the relevant regulations, which is at times contingent on the review, inspection and assessment, as well as continuously evolving practices and requirements of the relevant authorities. Besides, we continuously monitor developments in relevant laws and regulations, assess their potential impact on our operations, and have contingency plans in place to adapt to changing regulatory environments.

(4) **Our medical centre may not have adequate insurance coverage for our future litigation or claims judgment or against natural disasters.**

We are exposed to potential liability risks, such as malpractice or medical negligence claims on account of alleged misconduct or deficiencies in the provision of our services. Regardless of their merit or eventual outcome, they may have a material adverse effect on the professional standing and market reputation of our medical centre in terms of the quality and standard of care.

Our insurance coverage includes, among others, medical malpractice liability, natural disasters like floods and fires, and public liability in order to protect our business operation. Our medical malpractice liability coverage is RM5.0 million; the fire insurance coverage is RM21.4 million; the additional all-risk insurance coverage is RM5.0 million; and the fire consequential loss insurance coverage is RM60.0 million.

We are pleased to declare that there has been no material claim against these insurance policies or instances of damage or loss not covered by insurance policies in the past.

Also, the above insurance coverage is in addition to the individual malpractice insurance maintained by our consultants for their medical practice. Our consultants and medical officers have observed and will continue to observe compliance with the relevant laws and regulations for professional indemnity.

(5) **We are subject to the risk of system failure caused by unexpected network interruptions, security breaches, attacks by hackers or computer viruses.**

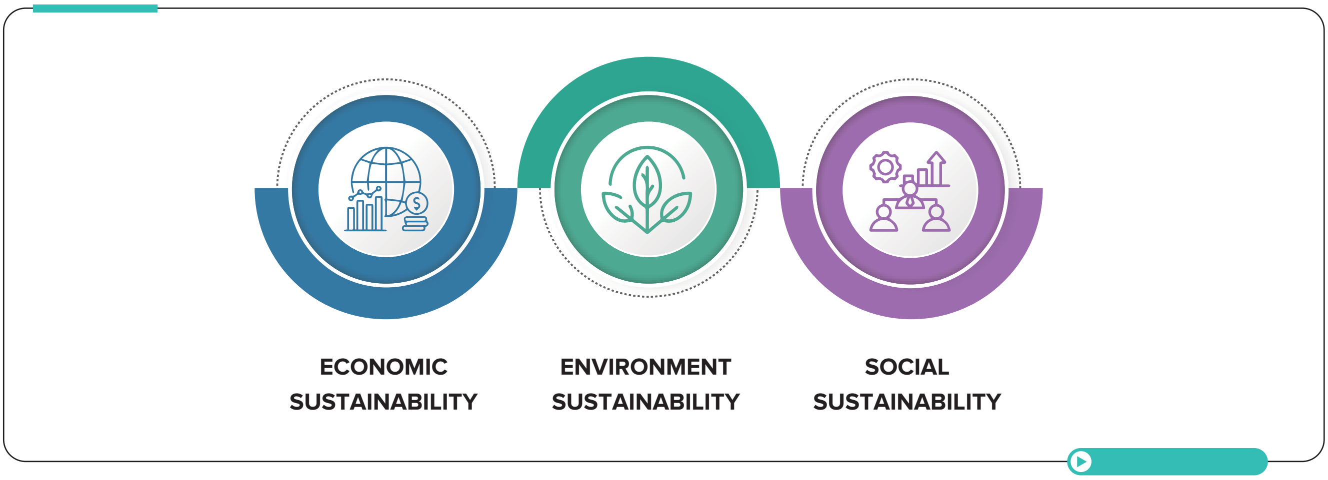
The core of our business operations relies heavily on our information system, which serves as the backbone for the administration of our medical centre, as well as the management of vital patient data, including medical records and financial information. However, like all digitized data, this information system is vulnerable to potential failures arising from unforeseen network disruptions, security breaches, hacker attacks or computer viruses.

To proactively mitigate these risks, we have taken several precautionary measures. They include implementing a comprehensive premises backup and server replication system in an off-site location. Additionally, we have conducted thorough penetration tests to assess and fortify our system's resilience against potential security threats and vulnerabilities, ensuring the integrity and security of our critical data.

SUSTAINABILITY STATEMENT

CENGILD MEDICAL BERHAD ("CENGILD MEDICAL" OR "THE COMPANY") IS PROUD TO PRESENT THE SECOND SUSTAINABILITY STATEMENT ("STATEMENT") FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023.

SUSTAINABILITY STATEMENT
(CONT'D)



ABOUT THIS STATEMENT

Cengild Medical Berhad ("**Cengild Medical**" or "**the Company**") is proud to present the second Sustainability Statement ("**Statement**") for the financial year ended 30 June 2023.

This Sustainability Statement presents our continued commitment towards sustainability and the impact on economics, environment, social and governance. It presents information and developments related to our practices and performances concerning sustainability matters during the financial year under review.

In this report, we will highlight and discuss Environmental, Social and Governance ("**ESG**") related matters and our approach and efforts in improving and integrating sustainability into our day-to-day operations and business planning.

As a result, this Sustainability Statement provides a clear and concise account of what sustainability means to us, and how Cengild Medical will strive to deliver long-term value to our shareholders and stakeholders.

SUSTAINABILITY APPROACH

We stress the importance of embedding sustainability into our business and approach towards all our stakeholders, such as our employees, customers, suppliers, contractors and community.

The Sustainability Approach of Cengild Medical is based on the pillars of Economic, Environmental and Social ("**EES**") which form the main pillars of sustainability, and we place importance on governance factors, to strengthen our support in sustainability. The emphasis is to incorporate economic, environmental, social and governance factors into our day-to-day operations.

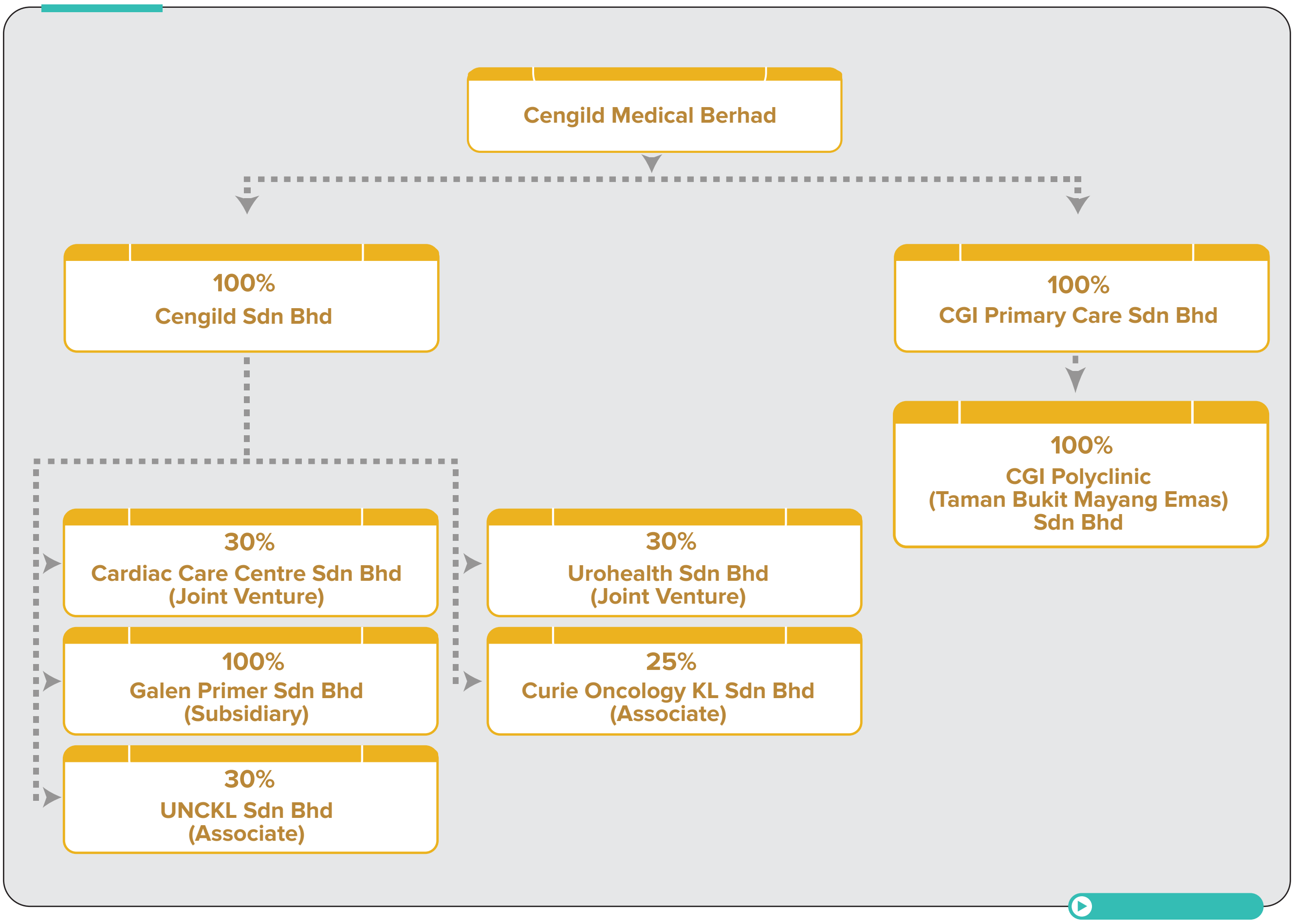
We strictly adhere to the best practice sustainability framework, standards and guidelines, such as the Sustainability Reporting Guidelines issued by Bursa Malaysia Securities Berhad and the United Nation's Sustainable Development Goals ("**UNSDG**"). Compliance to all relevant regulations and legislation and being sustainable is a core part of our business decision making process especially in our risk management planning.

The negative impact from the COVID-19 pandemic during the financial year under review remind Cengild and its subsidiaries ("**Group**") of the importance of being sustainable in ensuring our survival during the crisis, enhancing our risk management outlook and the importance of our stakeholders especially in taking care of our employees and communities around us, which will provide us the platform to plan ahead on a sustainable basis.

We ensure all our internal stakeholders are aware of their commitment to sustainability, in terms of the approaches and initiatives. Hence, we continue to encourage our Directors and employees especially our head of divisions and departments to attend seminars, workshops and talks related to sustainability or ESG matters that are relevant to our business planning, risk management and business operations.

REPORTING SCOPE

This Sustainability Statement covers the sustainability performance of our Group during the financial year ended 30 June 2023 as follows:



SUSTAINABILITY GOVERNANCE STRUCTURE

We believe in the importance of having a proper and functional governance structure. Most importantly, we must ensure that the governance structure has the transparency and accountability in executing its approach and strategies in sustainability, with clearly defined roles and responsibilities for effective decision-making and implementation.

The Senior Manager of Total Quality Management and Clinical Support has been identified as the designated person within the Management to provide dedicated focus in sustainability strategies, to co-ordinate, facilitate and monitor implementation of risk management and sustainability strategies across all operations within the Group. The activities performed are overseen by the CEO of the Company during the financial year under review.

SUSTAINABILITY STATEMENT (CONT'D)

STAKEHOLDER ENGAGEMENT

We believe in engaging with various groups of stakeholders regularly to provide updates to them on our latest sustainability initiatives and address areas of concern, as well as ensuring our Group carries out sustainable practices and create long term value for our stakeholders. Most importantly, we want to achieve a win-win situation for our Group and stakeholders.

Our stakeholders are our business partners and play an important role in providing solutions to our day-to-day business operations and growth amid the challenges in the local and global economy. As such, it is important for us to ensure that all legitimate concerns and expectations from our stakeholders are taken into various considerations through the established measures and processes.

KEY STAKEHOLDER	AREA OF CONCERN	ENGAGEMENT CHANNEL
Employees (including consultants, medical staff and nurses)	• Safe and conducive working environment • Rewards and recognition for performance • Career development • Employee satisfaction	• Meetings/briefings • Performance appraisals • Training programmes • Other communications/feedback such as email via grievance mechanism and staff satisfaction survey
Patients and Customers	• Provision of quality services • Products compliances with certifications • Customer satisfaction	• Quality control and assurance • Regular meetings/visits • Other communications/feedback via grievance mechanism and feedback form
Suppliers	• Transparent procurement practices • Safety compliance	• Evaluation and performance reviews • Onsite visits and field audits. • Other communications/feedback via regular meeting with outsource service providers
Regulators	• Regulatory compliance • Approvals and permits • Occupational safety and health • Environmental management and compliance	• Audit and verification • Inspections by local authorities and regulators • Training programmes for employees • Meetings with employees • Meetings with management team responsible for compliance

KEY STAKEHOLDER	AREA OF CONCERN	ENGAGEMENT CHANNEL
Community	• Corporate social responsibility • Impact on community	• Participation in community programmes and initiatives • Providing jobs
Shareholders and Investors	• Current and projected growth opportunities and threats • Funding needs • Risk management • Corporate governance • ESG-compliant and initiatives • Board representation and diversity • Succession plan	• Timeliness and periodic Bursa announcements • Analysts/fund managers presentations and briefing • Analyst reports • Media write-ups • Annual General Meeting • Annual Report
Media	• Financial reporting • Transparency • Business continuity	• Media Release • Media Interview • Press Conference

SUSTAINABILITY THEMES

In our efforts to achieve a sustainable growth, we constantly monitor and deliberate on the industry trends, challenges faced in our business operations and stakeholder expectations, in order to produce sustainable long-term value to shareholders and stakeholders, especially the community around us.

We regularly work with industry experts and subject matter experts to devise sustainable business plans and strategies according to the material aspects for business growth and needs of our stakeholders based on ESG.

SUSTAINABILITY STATEMENT
(CONT'D)

MATERIALITY ASSESSMENT

As previously indicated in 2022 annual report, we have planned to conduct a materiality assessment for financial year ending 30 June 2023.

In FY 2023, the Group established its five sustainability pillars. The five pillars were derived from the key stakeholder's areas of concern. Our five key strategic areas define our highest priorities and allow us to tailor our sustainability efforts, ensuring our initiatives are developed for those areas where they will most benefit.

Each pillar is linked with the identified material matters and UNSDG's Global Goals 2030.

15 material matters have been identified in alignment with our five core pillars: Our patients, Our People, Organization, Environment and Community.

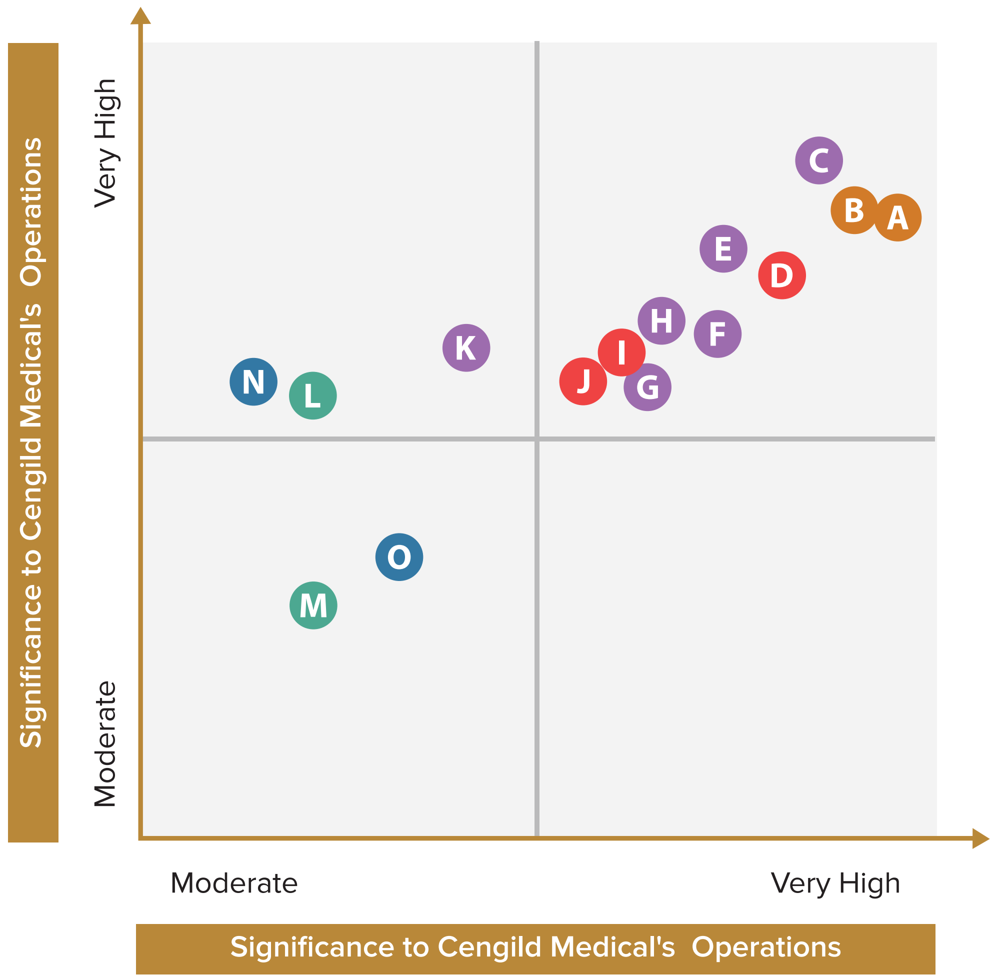
Cengild Medical has chosen to concentrate on 6 UNSDG's Global Goals. Our commitment is reflected in both our materiality assessment and sustainability performance.

PILLARS	MATERIAL MATTER	RELATED UNSDG
Our Patients	• Patient Safety • Quality of Care and Patient Satisfaction	**UNSDG3** Good Health and Well-Being
Our People	• Occupational Safety and Health • Recruitment and Retention • Training and Development	**UNSDG 8** Decent work and Economic Growth **UNSDG 4** Quality Education
Organization	• Corporate Governance • Ethics and Integrity • Regulatory Compliance • Economic Performance • Supply Chain Management • Technology and Innovation	**UNSDG 8** Decent work and Economic Growth **UNSDG 9** Industry Innovation and Infrastructure **UNSDG 16** Peace, Justice and Strong Institution
Environment	• Waste Management • Energy Conservation	**UNSDG 12** Responsible consumption and production
Community	• Corporate Social Responsibility • Community Engagement	**UNSDG 3** Good Health and Well-Being **UNSDG 4** Quality Education

SUSTAINABILITY STATEMENT
(CONT'D)

After the 15 material matters were confirmed, an assessment was performed to generate a materiality matrix. Each matter is ranked based on its relative importance from the matrix's stakeholder and business perspective. Through this assessment, Top 3 material matters for the Group are Patient Safety, Quality of Care and Patient Satisfaction and Ethics and Integrity.

Cengild Medical Berhad's Materiality Matrix for FY 2023 presented below:



Material Sustainability Matter	Legend
Our Patients	
Patient Safety	A
Quality of Care and Patient Satisfaction	B
Environment	
Waste Management	L
Energy Conservation	M
Our People	
Occupational Safety and Health	D
Recruitment and Retention	J
Training and Development	I
Community	
Corporate Social Responsibility	N
Community Engagement	O
Organization	
Corporate Governance	F
Ethics and Integrity	C
Regulatory Compliance	E
Economic Performance	K
Supply Chain Management	H
Technology and Innovation	G

SUSTAINABILITY PERFORMANCE

The subsequent table summarizes our sustainability achievements listed by their respective Pillars and Material Matters. The 5 pillars identified material matters and the KPI's are aligned with relevant United Nations Sustainable Development Goals ("SDGs").

Pillars	Material Matter	Achievement/Milestone
Our Patients	Patient Safety	Zero serious reportable incidents were reported for FY2023.
	Quality of Care and Patient Satisfaction	**Quality improvement activities FY2023:** i. Patient Safety Week – 19 to 23 Sept 2022 ii. Root cause analysis training – 28 Oct 2022 iii. Adoption of Risk Management Plan – 1 Dec 2022 iv. Phlebotomy training – 13 Nov 2022 v. Risk Management Training – 10 Jan to 31 Mar 2023 vi. Laundry Provider meeting – 17 Feb 2023 vii. Medical record review – 03 Feb 2023 viii. Internal Quality Audit – 24 Mar 2023 ix. Food Committee meeting – 03 Apr 2023 x. Infection Control Audit – 19 Apr 2023 xi. Safety Committee Meeting – 19 May 2023 xii. Internal Disaster Drill – 24 May 2023 xiii. Infection Control Training – 3 May 2023
Our People	Occupational Safety and Health	Zero workplace injury for FY2023.
	Recruitment and Retention	Implementation of the hospital-wide orientation programme.
	Training and Development	70% of staff attended internal and external training.
Organization	Corporate Governance	100% of suppliers and vendors were notified of the implementation of the Anti-Bribery/Anti-Corruption Policy. Zero monetary losses as a result of legal proceedings associated with data security and privacy.
	Ethics and Integrity	
	Regulatory Compliance	
	Economic Performance	
	Supply Chain Management	
	Technology and Innovation	
Environment	Waste Management	"Save The Earth Campaign" 100% usage of paper bags and woven bags for take-home medication.
	Energy Conservation	
Community	Corporate Social Responsibility	Collaborated with ProtectHealth to administer 2nd Dose COVID-19 booster to Public. In total, 637 persons had received their 2nd Dose at Cengild G.I Medical Centre.
	Community Engagement	

SUSTAINABILITY STATEMENT
(CONT'D)

CENGILD MEDICAL'S SUSTAINABLE JOURNEY IN FY2023

PHLEBOTOMY TRAINING

CASE REVIEW SESSION

AMBULANCE SERVICE AUDIT

PATIENT SAFETY WEEK

RISK MANAGEMENT TRAINING

MEDICAL RECORD REVIEW

CENGILD MEDICAL'S SUSTAINABLE JOURNEY IN FY2023

INTERNAL DISASTER DRILL

INSPECTION BY CKAPS ON RENEWAL OF HOSPITAL LICENSE

INSPECTION BY BAHAGIAN KAWALSELIA RADIASI PERUBATAN (BKRP)

CKAPS SITE INSPECTION VISIT: ADDITION OF 5 DAYCARE BEDS

CKAPS SITE INSPECTION VISIT: ADDITION OF ONCOLOGY DAYCARE

SUSTAINABILITY STATEMENT
(CONT'D)

As in previous years, the group decided to maintain the focus in Economic, Environmental and Social Sustainability.

ECONOMIC SUSTAINABILITY

We are a dedicated healthcare provider with wide-reaching impact on the Malaysian economy. We recognise that the sustainability of our business rests on our ability to produce the highest standard of quality in services surpassing the high expectations of our patients and customers. Meanwhile, we continue to strive to achieve commercial success and scale greater heights as a responsible corporate entity.

Our commitment towards sustainability remains intact. We continue to introduce and implement sustainable innovations in our daily business operations. We believe we play an important role to the economic development of local communities by employing locals, purchasing goods, services and capital equipment from local suppliers if they first meet our stringent standards, and supporting social development programmes. We trust that these efforts will improve long-term business viability and achieve a sustainable growth.

In addition, good customer relationship is important where we place great importance on patients' satisfaction. To ensure patients' satisfaction, we listen to the feedback of our patients by conducting regular patient satisfaction survey. We understand the importance to listen to our patients and strive to rectify negative feedback or work on constructive suggestions from our valued patients. Their feedback allows us to measure our performance in categories such as quality performance, lead time and commitment participation, responsiveness, cost competitiveness and post-discharge service and support.

Our business relies on our committed workforce to drive our healthcare operations and execute our business goals. We encourage staffs to raise their concern or grievances. We are aware that listening to our staffs and meeting their needs will help us to retain our talent. A highly engaged workforce leads to increased productivity, improved retention, enhanced customer satisfaction and better teamwork, which is advantageous to staff and organisation's profitability.

We also emphasise the importance of a strong and healthy supply chain as it is a key to delivering a high standard of service and meeting the sustainability criteria of our long-term growth.

The Group has in place a comprehensive Policy of Whistle-Blowing that outlines the Group's commitment to promote the highest standards of governance, ethics and integrity in all aspects of business dealings. Thus all staffs, stakeholders (i.e. shareholders / suppliers / customers/ patients) and any other parties are encouraged to report genuine concerns about unethical behaviour, malpractices, illegal acts or failure to comply with regulatory requirements without fear of reprisal should they act in good faith when reporting such concerns.

On 2 July 2021, our Company was converted into a public limited company to facilitate our initial public offering ("**IPO**") exercise. Consultant Services, Nursing Services and Clinical Support Services are the main revenue segments contributing to our Group's financial result, 2023: RM25.96 million - 36.9%, RM19.8 million - 28.2% and RM24.52 million - 34.9% (2022: RM24.12 million - 37.4%, RM18.91 million - 29.4% and RM21.21 million - 32.9%), respectively.

(1) FUTURE GROWTH

We intend to grow our business through the implementation of the following future plans and strategies:

(a) Continuous Expansion

The needs, expectations, and well-being of our patients continue to be our top priority and is a driving force for us to improve the existing facilities. Our total investment for the Group's renovation and equipment purchased is RM2.8 million.

The expansion of our existing medical centre for financial year ended 30 June 2023 which include the renovation to convert various section and purposes such as: renovation at Daycare Endoscopy by adding in 2 counselling rooms, creating a spacious patient waiting area, conversion of 2 recliner chairs to 2 daycare beds, which makes the total number of licensed daycare bed for endoscopy to increase from 8 beds to 11 beds.

Relocation of Lab and new venipuncture room, Conversion of 1 specialist clinic to new stress test room, conversion of clean utility room to new treatment room, addition of dispensing counter for Pharmacy and addition of new Daycare Unit (5 beds) has been approved and licensed by Ministry of Health.

The recent expansion project is Oncology Daycare that fulfills the needs of cancer patients. This unit is fully equipped with Cytotoxic Drug Reconstitution room that adheres to Ministry of Health specification.

(b) Geographical expansion of our services

We are currently operating in a single location in Nexus @ Bangsar South, Kuala Lumpur. We intend to expand our presence by establishing two (2) new full-fledged medical centres specialising in gastrointestinal and liver diseases, and obesity in other major cities in Malaysia such as Johor Bahru, Penang or Ipoh. We believe this step allows us to grow our core business specialising in the diagnosis and treatment of gastrointestinal and liver diseases, and obesity.

We have allocated RM37.10 million or approximately 51.38% of the IPO proceeds for this establishment of two (2) new full-fledged medical centres. We expect to utilise the funds allocated for this purpose within 36 months from the date of listing.

If the opportunity arises, we may acquire existing practices and/or clinics or establish strategic partnerships, or joint ventures with practices and/or clinics which are already operating in selected locations. As of the date of reporting, the Board is still identifying suitable locations in the major cities mentioned above.

(c) Expansion of our Medical team

In order to support the expansion of our existing medical centre as well as into other major cities in Malaysia, we intend to strengthen our medical team by attracting and recruiting consultants specialising in gastroenterology and hepatology. These consultants and surgeons will be based either at our existing medical centre or at our two (2) new full-fledged medical centres in selected major cities as part of the expansion plan. The full-fledged medical centres provide facilities for both inpatient and outpatient care and will be equipped with operating theatre, inpatient ward and accident and emergency department in addition to services such as outpatient clinics, radiology room, endoscopy rooms, laboratory, pharmacy and day care beds for the recovery areas. We will also recruit new staff which include nursing staff and administrative staff to support the expansion of our existing medical centre as well as the setting up of two (2) proposed new full-fledge medical centres.

We have allocated RM12.00 million or approximately 16.62% of the IPO proceeds to recruit 10 new consultants and surgeons and provide them with guaranteed minimum income up to a period of 24 months. In addition, we have also allocated RM3.77 million or 5.21% of the IPO proceeds to recruit new staff which include nursing staffs, clinical support and administrative staffs. We expect to utilise the funds allocated for the recruitment of consultant, surgeons, nursing and administrative staffs within 24 months from the date of listing.

(2) SUPPLY CHAIN

We expect the highest standard of support and service from our vendors as a solid supply chain is needed to achieve long-term growth on a sustainable basis. We conduct on-site annual supplier audits, yearly ongoing reviews based on vendor's risk level for our frequently used suppliers in accordance with the stringent guidelines for vendor selection and evaluation of Standard Operating Procedures ("**SOP**"). Findings of any non-conformance from the supplier audits are communicated to such suppliers, and they are required to set out their action plans and implement them within 2 weeks.

OFF-SITE LAUNDRY SERVICE INSPECTION

CLINICAL WASTE INSPECTION

FOOD SERVICE INSPECTION

SUSTAINABILITY STATEMENT
(CONT'D)

ENVIRONMENT SUSTAINABILITY

Electronic Medical Records

We have invested and implemented the Electronic Medical Records ("**EMR**") through the Hospital Information System. As we move into integration of technology into our business operations, the benefits of the EMR for our Group are enormous. For instance, EMR may increase our staff and doctor's accessibility to retrieve up to date patients' medical record, providing accurate diagnosis and treatment, with complete information on our patients at the point of care. This reduces paper usage and storage space.

Although we enjoy the benefits of the EMR system, we also recognise the risks associated with data breaches in the course of business that may compromise our doctor-patient privacy. Therefore, we place great emphasis on the confidentiality of such information by implementing a high level of cybersecurity protection practices and policies.

Clinical Waste

We have designed and implemented a Hospital Environmental Policy for our medical centre to control clinical waste. Under the Environmental Quality Act 1974 and Environmental Quality (Scheduled Wastes) Regulations 2005, every waste generator shall ensure that the generated waste is properly stored, treated on-site, recovered on-site, or delivered to a prescribed premises for treatment, disposal or recovery of material.

Waste generated from our Group's operations is disposed of in a responsible manner by a licensed clinical waste contractor registered with the Department of Environment. A proper system is in place to manage the medicine supplies and ensure minimum wastage. All expired medication will be disposed of based on the Pharmacy Standard Operating Procedure.

We implemented the below strategies to reduce our clinical waste: -

i) conduct awareness training on handling of clinical waste for medical staffs;
ii) conduct a random site inspection for our clinical waste bins; and
iii) monitor feedback from our housekeeping staffs and other relevant sources.

Clinical Waste (Weight)

Year	Weight	Revenue	Weight per Revenue
	(g)	(RM'000)	(g /revenue)
YA 2021	14,118	63,470	0.000222
YA 2022	14,777	64,442	0.000229
YA 2023	16,249	70,280	0.000231

From the table above, we have managed to improve the efficiency in our clinical waste in spite recording a rising trend in our revenue. This is reflected in the declining trend of the percentage in total clinical waste over the total revenue generated, between FYE2022 and FYE2023.

SOCIAL SUSTAINABILITY

We strongly believe that our employees are important to our Group. We continuously invest in our employees as we strongly believe that they will propel us towards achieving a sustainable growth in the long term. We constantly engage with our employees to ensure that they understand our mission, culture, best practices and most importantly, our commitment to sustainability and ESG matters.

We strive to ensure that our employees derive satisfaction working while providing them a structured career development path with opportunities to grow with our Group.

Staff satisfaction and grievance

We listened to our employees to understand their needs and work challenges, and to encourage them to share their feedback. This was done through reach out activity whereby the CEO approached and personally engaged with our employees.

Recently, we have intensified our approach by conducting surveys to gauge employee satisfaction and happiness at the workplace. Based on the result we took immediate measure to address the key concerns raised. We are aware that listening to our employees and meeting their needs will help us to retain our talent. We are committed to filling the gaps that have been identified.

We will also increase and improve the efficacy of our employee engagement sessions to gather feedback from our employees.

Employee Benefits

Insurance and Medical Benefits	As we place a great importance on the health of our employees, we ensure that our employees are covered by insurance and medical benefits as follows: - Outpatient (Employees and employee's dependent) Coverage - Inpatient (Employees and employee's dependent) Coverage - Dental and Optical Benefits - Personal accident, hospitalization and surgical insurance card (Employees and employee's dependent) - Hospitalisation Leave - Maternity and Paternity Leave
Health and Wellness	All employees who are in contact with patients such as, operating theatre, critical and Intensive care units, hospital aide and porters assigned to general nursing wards shall be entitled to free screening and immunization for Hepatitis. (Exclusion for staff in clerical and administrative)
Remuneration, Rewards and Recognition	- Annual increment and bonus - Staff's referral program - Perfect attendance reward program
Other Benefits	- Travelling Allowance - Supporting symbolic occasions in our employee's lives, such as Chinese New Year, Deepavali, Hari Raya and Christmas. - Special leave (compassionate leave and disaster effecting leave)

Gender Diversity

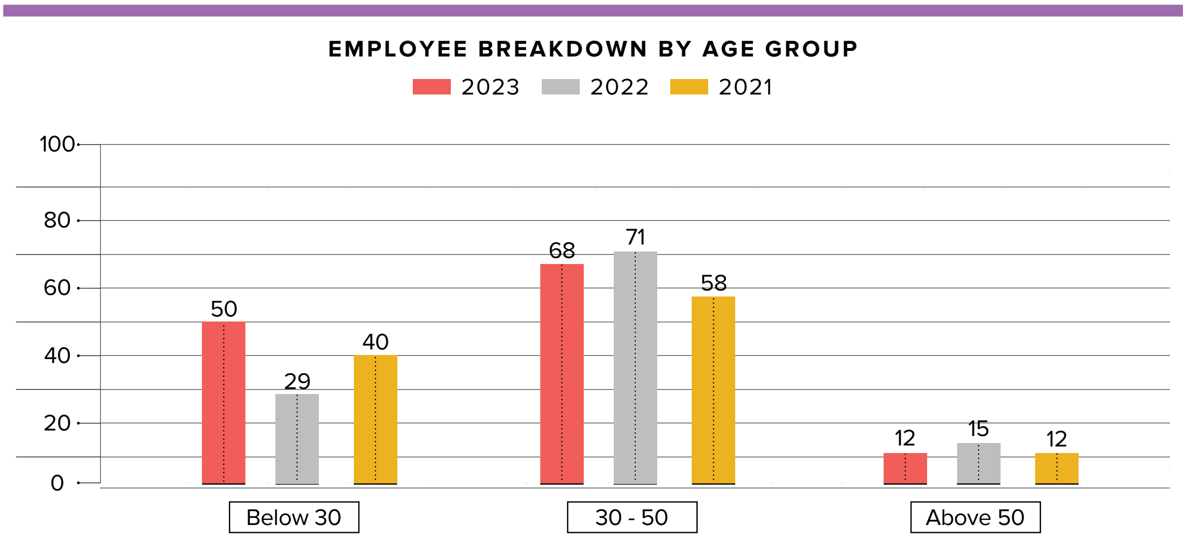
We do not set any gender target, however, we strive to achieve a balance of genders at a departmental and Group level.

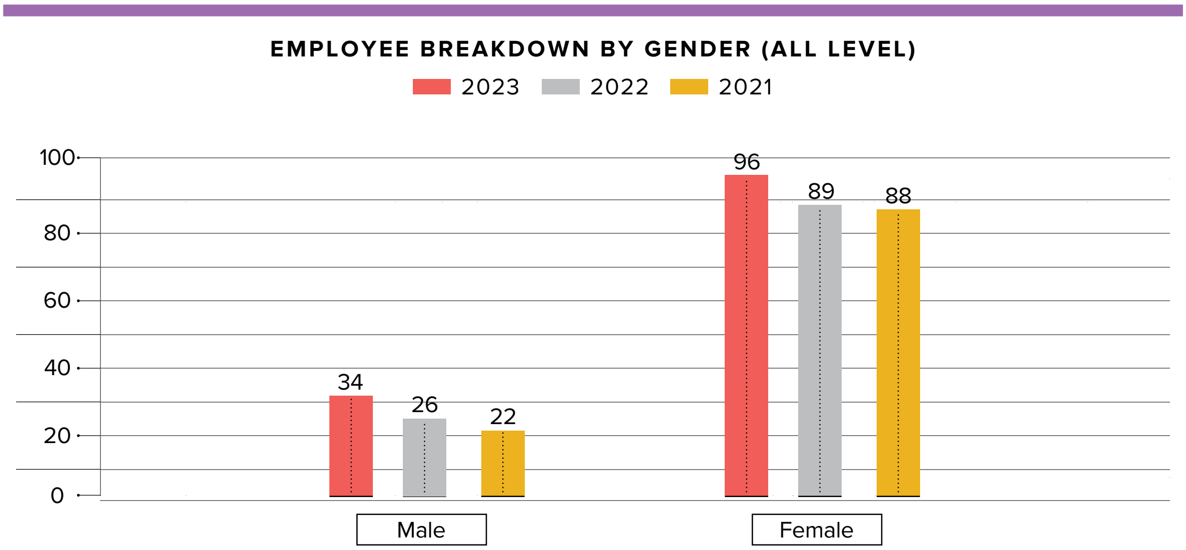
In respect of the diversity of our Board, we comply with the gender diversity recommended by Malaysian Code on Corporate Governance ("**MCCG**") issued by the Securities Commission of Malaysia. Our Board through the Nominating Committee ("**NC**") will continuously review our Board composition taking into consideration the appropriate competence, experience, character, integrity and time to effectively discharge his/her role as a director. Our Board has achieved the target of 30% women Directors in line with Practice 5.9 of the MCCG. Currently, there are 2 women directors, representing 40% of our Board.

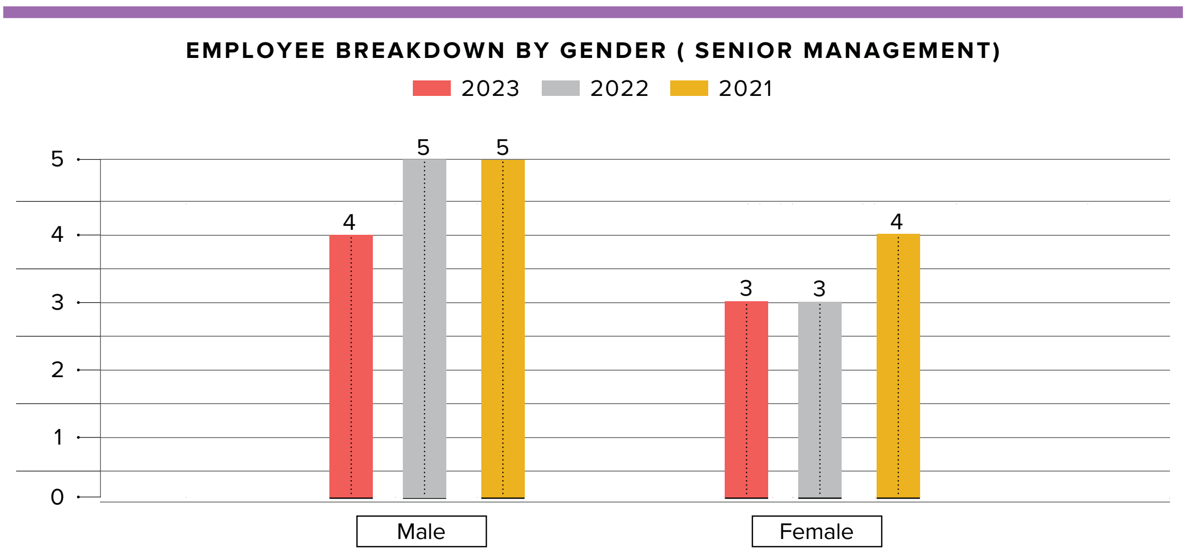
We aim to maintain an appropriate level of diversity in our Board composition to reflect the diverse nature of its operations and support the achievement of our long-term strategic vision and sustainable operating objectives.

SUSTAINABILITY STATEMENT
(CONT'D)

As at 30 June 2023, we have a total of 130 employees and the breakdown of our employees by age and gender are as follow:







Employee Training & Development

Our staff training programmes are identified based on business strategies and operational needs, meeting regulatory requirements and ensuring the development of our people's technical, interpersonal, business and management skills. The training programmes that we have arranged for our staff during the FYE 2023 are as follows:

FYE 2023			
TRAINING	**NO OF PARTICIPANTS**	**INTERNAL / EXTERNAL**	**NO OF HOURS**
AHA Advanced Cardiovascular Life Support (ACLS)	2	EXTERNAL	11
MIA Webinar Series : Mastering the Principles of Deferred Taxation – From Fundamental to Complex Transactions and Events	2	EXTERNAL	14
Webinar on Employment (Amendment) Act 2022	1	EXTERNAL	7
Effective Human Resource Management	1	EXTERNAL	7
Effective Leadership & Managerial Skills for New & Aspiring Managers	1	EXTERNAL	14
AHA Basic Life Support (BLS)	10	EXTERNAL	4
Wound Care Management Workshop	3	EXTERNAL	7
Infection Prevention and Control Course	20	EXTERNAL	7
Food Hygiene & Safety For Food Handlers in Food Processing Industry	13	INTERNAL	4
Nursing Symposium	1	EXTERNAL	7
Basic Laparoscopic Skill Workshop	1	EXTERNAL	14
Kursus Pengurusan Fail	1	EXTERNAL	14
Evidence Base Practised in Daily Practised	3	EXTERNAL	2
33rd Annual Scientific Congress of Malaysian Oncological Society 2022	1	EXTERNAL	21
Endo Nurse Workshop	1	EXTERNAL	14
Advancing Precision Endoscopy	1	EXTERNAL	11
Healthcare Risk Management & Safety	1	EXTERNAL	7
Bengkel Isu-Isu Berkaitan Perlesenan KPJKS 2023	2	EXTERNAL	5

Patient data protection

As a healthcare provider, we manage sensitive patient health data on a daily basis, which includes patients' historical health data. It is our duty to handle sensitive information with care and integrity. We comply with Personal Data Protection Act 2010 (Act 709) and implement practical steps to protect Personal Data from any threat of breach.

Approval is required from our Management or Head of Departments for access to our Hospital Information System based on the user roles in order to ensure we manage our patients' data carefully. We do not keep patients' data that we do not need and do not collect information that we do not require.

SUSTAINABILITY STATEMENT
(CONT'D)

Patient Satisfaction and Grievance Mechanism

Our patients play a central role in Cengild Medical's business growth. Our role is to enhance the quality of life of our patients by providing comprehensive and high-quality healthcare services.

We strive to understand patients' experience, treat them with empathy and help them to feel as comfortable as possible. We use patient satisfaction surveys to identify opportunities for service improvement and to fulfil patient needs. We will continue to hold patient satisfaction surveys to gather feedback and gauge the satisfaction level of our patients, to ensure our hospital grows sustainably.

Surveys were administered to patients, their families and visitors to assess their level of satisfaction with the services provided. The survey covered healthcare services such as Accident & Emergency, Administration, Allied Health, Consultants, Nursing, Outsource and others.

As of 30 June 2023, Patient Satisfaction Survey: 95.9% Services and Facilities, 96.5% Nursing Services, 98 % Doctor's Care, 96.8% Clinical Support Services.

Patient Satisfaction Survey

YA 2021	YA 2022	YA 2023
95.0%	96.0%	96.8%

Despite collecting the feedback via patient satisfaction survey, Groups are committed in ensuring all feedback or complaints highlighted by customers,patient being attended within the stipulated timeframe which is within 7 working days. As of this financial year, 100% of complaints responded to and resolved within 7 working days.

Going forward, we will conduct ongoing audits and monitoring to ensure that our services, facilities, and atmosphere meets the needs of our patients and visitors.

Ethics and integrity

As a responsible employer and being a leading healthcare provider, we also take the health and safety of our employees seriously.

In developing our business strategy, we emphasise human rights and will never tolerate any forms of discrimination and practices. We operate our business ethically, responsibly and take initiatives to prevent incidents of sexual harassment, child labour and forced labour. We have put in place several measures to address human rights-related risks, such as our Code of Ethical Conduct and Conflicts of Interest ("Code") that covers sexual harassment and discrimination. This Code set out a framework to ensure that no employees, regardless of gender and status, are subjected to any form of harassment.

Anti Bribery and Anti Corruption

Our Group has zero tolerance towards bribery and corruption. Bribery and corruption includes those in the form of exchange of money, goods, services, property, privilege, employment position or preferential treatment in attempting to illicitly influence the decision or actions of a person in a position of trust within an organization, either for the intended benefit of our Group or the persons involved in the transaction.

Public Listed Companies ("**PLCs**") is to establish and implement policies and procedures on anti-bribery and anti-corruption and whistleblowing, which will enable PLCs to have a measure of defense against corporate liability for corruption under Section 17A of the Malaysian Anti-Corruption Commission ("**MACC**") Act. In addition, the amendments to the MACC Act require PLCs and their board of directors to review the policies and procedures periodically or at least once every three years to assess their effectiveness. The amendments also require PLCs to ensure that corruption risks are included in the annual risk assessment of PLCs and their group of companies.

Our Anti-Bribery and Anti-Corruption policy can be accessed from our website at https://cengild.com/corporate-governance/

Whistle Blowing

We have established a Whistleblowing Policy that provides the assurance and confidence to our employees and external parties that we have an effective channel to report any activity that breaches our Code of Conduct and/or any breach of ethics by our employees.

We also provide a platform for complaints or whistle blow.The Whistleblowing Policy can be accessed from our website at https://cengild.com/corporate-governance/. Whistleblowers may send a complaint or whistle blow to: cengild.whistleblower@cengild.com or post it to Unit 2-3 & 2-4, Level 2, Nexus @ Bangsar South, No. 7, Jalan Kerinchi, 59200 Kuala Lumpur.

To safeguard the whistleblowers, we assure that all reports will be treated with strict confidentiality and upon verification of genuine cases, prompt investigation will be carried out.

As at to date, we have not received any whistleblowing complaint.

COMMUNITY

GP Symposium 2023

Cengild G.I Medical Centre in partnership with Takeda, Abbott, Ummi Surgical and Servier had organized the GP Symposium 2023. The symposium was held on 18 and 19 March 2023, at DoubleTree by Hilton Putrajaya Lakeside.

Covid-19 Booster Dose Vaccination Programmes (“PPV”)

Collaboration with ProtectHealth to administer 2nd Dose COVID-19 booster to Public. In total, 637 persons had received their Second Dose of Covid-19 Booster at Cengild G.I Medical Centre.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors ("**Board**") of Cengild Medical Berhad ("**Cengild Medical**" or "**the Company**") commits itself to instilling good corporate governance practices in the Company and its group of companies ("**Group**") in accordance with the principles set out in the Malaysian Code on Corporate Governance ("**MCCG**"). The Board strives to ensure our Group adopts the best practices of corporate governance in an effort to protect the interest of the stakeholders and enhance shareholders' value.

This statement outlines the following principles and recommendations which the Group has comprehended and applied within the standards outlined in the MCCG and the Board will continue to take measures to improve compliance with principles and recommended best practices in the ensuing years: -

- **Principle A**: Board Leadership and Effectiveness;
- **Principle B**: Effective Audit and Risk Management; and
- **Principle C**: Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders.

This statement is prepared in compliance with the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Bursa Securities**") ("**AMLR**") and should be read together with the Corporate Governance Report 2023 which is available on the Company's corporate website at https://cengild.com/corporate-governance/ as well as via an announcement on the website of Bursa Securities.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

A. BOARD RESPONSIBILITIES

BOARD ROLES AND RESPONSIBILITIES

The Board has the overall responsibility for the long-term success of the Group and delivery of sustainable value to its stakeholders. In discharging its fiduciary duties and responsibilities, the Board assumed the following corporate governance guidelines:

(a) together with management, promoting good corporate governance culture within the Group which reinforces ethical, prudent and professional behaviour;

(b) reviewing, challenging and deciding on management's proposals for the Group, and monitoring its implementation by management;

(c) overseeing the conduct of the Group's business to ensure it is properly managed, including supervising and assessing corporate behaviour and conduct of the business of the Group;

(d) identifying the principal risks and ensuring implementation of appropriate internal controls and mitigation measures to achieve a proper balance between risks incurred and potential returns to the shareholders;

(e) reviewing the information and risk management and internal control system and the effectiveness of the management;

(f) ensuring there is an orderly succession of senior management positions who are of high caliber and have the necessary skills and experience. The Board delegates to the Nominating Committee ("**NC**") and Remuneration Committee ("**RC**") to review succession plans and remuneration packages for the Directors respectively as well as the Group's policies and procedures on remuneration for the employees of the Group. The Board also ensures that there are appropriate policies for training, appointment and performance monitoring of management positions;

(g) reviewing and approving financial statements;

(h) reviewing and approving the reports of the Audit and Risk Management Committee# ("**ARMC**") (including the status of compliance of the Undertakings* by employee consultants to the Group), NC and RC at the end of each financial year;

(i) reviewing and approving the Company's annual report;

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

A. BOARD RESPONSIBILITIES (cont'd)

BOARD ROLES AND RESPONSIBILITIES (cont'd)

(j) ensuring the integrity of the Company's financial and non-financial reporting; and

(k) undertaking a formal and objective annual evaluation to determine the effectiveness of the Board, the Board Committees and each individual Director.

The roles and responsibilities of the Board are clearly stated in the Board Charter and appropriately segregated between those of the Chairman, Group Chief Executive Officer, Executive and Non-Executive Directors. A copy of the Board Charter can be accessed through the Company's website, https://cengild.com/corporate-governance/.

Note: -

The Board had on 28 February 2023 approved the merger of the Audit Committee ("**AC**") and Risk Management Committee ("**RMC**") to be known as **ARMC**.

* Employee Consultants shall not practice at other medical centres:

(i) after three (3) years from the date the Company is listed on the ACE Market of Bursa Securities; or

(ii) on full commencement of operations at the expanded area of the Group's existing medical centre,

whichever is the earlier, unless written approval from the Company has been obtained and the following conditions are met:

(i) employee consultants only consult and treat patients at other medical centre where such patients have other illnesses that require the attention of other specialists not available at the Group's medical centre; and

(ii) employee consultants shall not practise at other medical centres more than two (2) clinic sessions a week.

BOARD MEETING ATTENDANCE

The Board minutes are circulated to the Board and Board Committees respectively as soon as practicable after the meetings for review and comment. The Board meetings held during the financial year ended 30 June 2023 and the Directors' attendance are shown below:

Directors	Board	AC	RC	NC	RMC	ARMC	LTIPC
Dato' Dr. Tan Huck Joo	5/5	N/A	N/A	N/A	N/A	N/A	N/A
Emeritus Professor Dato' Dr Goh Khean Lee (Demised on 5 June 2023)	5/5	N/A	N/A	N/A	N/A	N/A	N/A
Dr. Mohamed Akhtar Bin Mohamed Ditali Qureshi	5/5	N/A	N/A	N/A	N/A	N/A	N/A
Dr. Chong Su-Lin	5/5	4/4	2/2	3/3	1/1	1/1	1/1
Mr. Kua Choo Kai	5/5	4/4	2/2	3/3	1/1	1/1	1/1
Dr. Azrina Binti Abu Bakar	4/5	3/4	1/2	3/3	1/1	1/1	1/1
Total Numbers of Meetings	**5**	**4**	**2**	**3**	**1**	**1**	**1**

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

A. BOARD RESPONSIBILITIES (cont'd)

BOARD TRAINING

The Board, continues to identify appropriate briefings, seminars, conferences and courses for the Directors to attend to keep abreast with the latest economic and corporate developments as well as changes in legislations and regulations affecting the Group.

The Directors are mindful that they would continue to enhance their skills and knowledge to maximise their effectiveness as Directors during their tenure. Throughout their period in office, the Directors are continually being updated on the Group's business and regulatory requirements.

During the financial year under review, the Directors have attended the following training programmes, seminars and/or conferences:

Name of Director	Training Program	Date
Dato' Dr. Tan Huck Joo	• Cengild's GP Symposium 2022 @ Lexis Hotel, Port Dickson: (1) Is It Safe to Use PPI Long Term, (2) Balancing Heart & Gut Risks of NSAIDS	2 July 2022 and 3 July 2022
	• Cengild's GP Symposium 2023 @ Putrajaya: PPI Clopidogrel Interaction and Update	18 March 2023 and 19 March 2023
Dr. Mohamed Akhtar Bin Mohamed Ditali Qureshi	• Cengild's GP Symposium 2022 @ Lexis Hotel, Port Dickson: (1) Breakthrough in Colorectal Cancer 2022, (2) New Treatment for Fecal Incontinence, Fistula & Haemorrhoids	2 July 2022 and 3 July 2022
	• Cengild's GP Symposium @ Putrajaya: Avoiding a Permanent Colostomy in Rectal Cancer	18 March 2023 and 19 March 2023
Mr. Kua Choo Kai	• Sustainability Realised: EY ASEAN Sustainability Summit 2022	5 July 2022 to 6 July 2022
	• ICDM Emerging Trends Talk: ESG Disclosure at a Glance: Key Development and Future Trends	27 July 2022
	• ICDM Emerging Trends Talk: ESG Oversight – Role of the Board	25 August 2022
	• Iclif Executive Education Center Asia School of Business: Corporate Governance & Remuneration Practices for the ESG World	6 September 2022
	• CPA Australia: ESG Management Leading Companies to Sustainable Development	14 September 2022
	• CPA Australia: Supercharging Modern Accounting	15 September 2022
	• CPA Australia: Understanding Malaysian Bankruptcy Laws & The Consequences	22 September 2022
	• CPA Australia: BEPS 2.0: How will the OECD/G20 project change the international tax landscape	27 September 2022
	• Securites Commission of Malaysia: Audit Oversight Board Conversation with Audit Committees	17 November 2022
	• 2023 Malaysia Budget Webinar by Tricor	9 March 2023
	• The Board "Agender": Bursa Malaysia Immersive Session	13 March 2023

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

A. BOARD RESPONSIBILITIES (cont'd)

BOARD TRAINING (cont'd)

Name of Director	Training Program	Date
Mr. Kua Choo Kai (cont'd)	• EY ASEAN Tax Forum – How tax accounting team should prepare for BEPS changes and global tax transformation	16 May 2023
	• MIA International Accountants Conference – Future Fit Profession: Charting a better tomorrow	13 June 2023 and 14 June 2023
Dr. Azrina Binti Abu Bakar	• 2023 Malaysia Budget Webinar by Tricor Taxand	9 March 2023
Dr. Chong Su-Lin	• Shariah Contracts and Understanding Business Propositions	19 October 2022
	• IERP Global Conference	25 October 2022 to 28 October 2022
	• Raja, Darryl & Loh: After Hours with RDL	24 February 2023
	• Cyber Security and Resilience - A Board Issue	28 February 2023
	• Bain & Company: Global Private Equity Report 2023 Webinar	3 March 2023
	• Wall Street Journal Health Forum	6 March 2023
	• AIA Directors- Investment Sharing Session	12 April 2023

CHAIRMAN

The Chairman, Dato' Dr. Tan Huck Joo acts independently in the best interest of the Group and provides the lead at Board level and represents the Board to the shareholders and other stakeholders. The Chairman is responsible for ensuring Board effectiveness and promoting the highest standards of integrity, probity and corporate governance throughout the Group. The responsibilities of Chairman are as follows: -

(a) setting the Board agenda and ensuring that Board members receive complete and accurate information in a timely manner;

(b) leading the Board in establishing and monitoring good corporate governance practices in the Group;

(c) leading Board meetings and discussions and acting as a facilitator at Board and ensuring appropriate level of interaction among Board members;

(d) encouraging active participation at Board meetings and allowing dissenting views to be freely expressed;

(e) promoting constructive and respectful relations between Directors and senior management;

(f) ensuring compliance with all relevant regulations and legislation; and

(g) representing the Board to shareholders and ensuring appropriate steps are taken to provide effective communication with stakeholders and that their views are communicated to the Board as a whole.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

A. BOARD RESPONSIBILITIES (cont'd)

CHIEF EXECUTIVE OFFICER ("CEO")

During the financial year ended 30 June 2023, Ms. Yap Soh Kim was the highest-ranking executive in the Group and whose primary responsibilities include making major corporate decisions, managing the overall operations and resources of the Group, acting as the main point of communication between the Board and corporate operations and being the public face of the Group. Her responsibilities were as follows:

(a) managing the day-to-day business operations of the Group;

(b) ensuring that the applicable rules and regulations for the conduct of affairs of the Board are complied with and for all matters associated with the maintenance of the Board or otherwise required for its efficient operation;

(c) representing the Group as the key spokesperson with all stakeholders including investors, regulators and business partners;

(d) leading the development of the Group's operations and businesses and recommending short and long-term strategies to the Board;

(e) assessing all business opportunities which are potentially benefit to the Group;

(f) maintaining awareness of the competitive market landscape, expansion opportunities and industry developments;

(g) ensuring that the Group maintains high social responsibility wherever it does business;

(h) creating and implementing the Company's vision and mission; and

(i) serving as a focal point for stakeholders' communication and engagement on corporate governance issues.

Mr. Micheal Wong was appointed as the Group Chief Executive Officer ("**GCEO**") on 1 July 2023 and henceforth resumed the responsibilities of the CEO.

CODE OF CONDUCT AND ETHICS

The Directors observe the Company Directors' Code of Conduct and Code of Ethics established by the Companies Commission of Malaysia. The Code of Conduct and Ethics is based on the principles in relation to sincerity, integrity, responsibility and corporate social responsibility and applies to all employees of the Group. A copy of the Code of Conduct and Ethics can be accessed through the Company's website at https://cengild.com/corporate-governance/.

ANTI-BRIBERY AND ANTI-CORRUPTION POLICY AND WHISTLEBLOWING POLICY

As part of the Board's focus area on corporate governance, the Company is committed to the highest standard of integrity, openness and accountability in the conduct of its business and operations. The following policies have been adopted by the Board to ensure proper governance is practiced by the Company and across the Group:

(a) Anti-Bribery and Anti-Corruption Policy

The Group is committed to conduct its business in an ethical and honest manner, and to implement and enforce a system that ensures corrupt gratification is prevented. The Group has adopted a zero-tolerance approach against all forms of bribery and corrupt gratification and its associated activities.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

A. BOARD RESPONSIBILITIES (cont'd)

ANTI-BRIBERY AND ANTI-CORRUPTION POLICY AND WHISTLEBLOWING POLICY (cont'd)

(a) Anti-Bribery and Anti-Corruption Policy (cont'd)

The Board and top-level management are committed to acting professionally, fairly and with integrity in all of the Group's business, in whichever country we operate.

This Anti-Bribery and Anti-Corruption Policy sets out the responsibilities of the Group and those who work for the Group to observe and uphold the Group's zero-tolerance position on "Bribery and Corruption".

The Anti-Bribery and Anti-Corruption Policy is made available for reference in the Company's website at https://cengild.com/corporate-governance/.

(b) Whistleblowing Policy

The Company adopts Whistleblowing Policy which serves as the guidelines for managing improper conduct within the Group and provides a channel of communication to encourage the report of any misconduct so that appropriate actions can be taken to resolve these issues.

The Term of Reference for Whistleblowing Policy will be periodically reviewed and are available on the Company's corporate website, https://cengild.com/corporate-governance/.

COMPANY SECRETARIES

During the financial year ended 30 June 2023 and until 29 September 2023, the Board was supported by two (2) qualified and competent Company Secretaries, Ms. Chong Lay Kim, who is a Licensed Secretary by Registrar of Companies and Ms. Yeng Shi Mei who is a member of the Malaysian Institute of Chartered Secretaries and Administrators (MAICSA) and both are qualified to act as Company Secretary under Section 235(2) of the Companies Act 2016. The Directors had ready and unrestricted access to the advice and services of the Company Secretaries to enable them to discharge their duties effectively. The Board was regularly updated and advised by the Company Secretaries on new statutory and regulatory requirements, and the resultant implications to the Group and the Directors in relation to their duties and responsibilities.

The Company Secretaries ensured that deliberations at Board and Board Committee Meetings were well documented, and subsequently communicated to the relevant Management for appropriate actions.

On 29 September 2023, Ms. Chong Lay Kim and Ms. Yeng Shi Mei resigned as the Company Secretaries and Ms. Wong Siew Yeen and Mr. Tee Thiam Chai are appointed as the Company Secretaries on the same date. Both are qualified and competent Company Secretaries and are members of The Malaysian Institute of Chartered Secretaries and Administrators (MAICSA). The roles and responsibilities of the Company Secretaries are also stated in the Board Charter of the Company.

B. BOARD COMPOSITION

BOARD COMPOSITION, INDEPENDENCE AND DIVERSITY

The Board currently consists of five (5) directors, after the demise of Late Emeritus Professor Dato' Dr. Goh Khean Lee on 5 June 2023, with three (3) Independent Non-Executive Directors, one (1) Executive Chairman and one (1) Non-Independent Executive Director. Currently, there are two (2) female directors on the Board, namely Dr. Chong Su-Lin and Dr. Azrina Binti Abu Bakar.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

B. BOARD COMPOSITION (cont'd)

BOARD COMPOSITION, INDEPENDENCE AND DIVERSITY (cont'd)

The Board composition meets the requirements of AMLR, which requires at a minimum of two (2) or one-third (1/3) of the Board, whichever is higher to be Independent Directors and the MCCG which requires at least half of the Board to consist of Independent Directors.

The Independent Directors are independent of management and are able to provide check and balance during Boardroom deliberations and decision making.

No Independent Directors have served on the Board for more than nine (9) consecutive years as the Company was listed on 18 April 2022. However, a policy on the tenure of Independent Directors was adopted and forms part of the Board Charter. Should the Board intend to retain the Independent Directors whose tenure exceeds the term of nine (9) years, it shall seek shareholders' approval via a two-tier voting process.

The significance of the diversity of the Board and the senior management in regard to skills, experience, age, cultural background and gender have always been emphasised by the Board to ensure that there is variety of professional opinion and where there is value that can be contributed to the growth of the Company. The NC is responsible to develop policies on diversity, as well as to identify and recommend suitable candidates for appointment as Directors or senior management.

BOARD COMMITTEES

To ensure the Board is able to effectively supervise the operations of the Company and to discharge their duties, the following Board Committees were formed to assist the Board:

(a) Audit and Risk Management Committee ("**ARMC**");
(b) Nominating Committee ("**NC**");
(c) Remuneration Committee ("**RC**"); and
(d) Long Term Incentive Plan Committee ("**LTIPC**").

Apart from the abovementioned Board Committees, the Board may from time to time establish other Board Committees to assist the Board in discharging its responsibilities more effectively.

These Board Committees do not make decision on behalf of the Board. Each Board Committee will have the authority to examine particular issues within its terms of reference and make the necessary recommendations to the Board for its consideration and decision making.

The duties and powers delegated to these Board Committees are set out in the Terms of Reference ("TOR") of each Board Committee as approved by the Board. The Terms of Reference of each Board Committee is available on the Company's website at https://cengild.com/corporate-governance/.

NOMINATING COMMITTEE

The Company's NC comprises three (3) members, all of whom are Independent Non-Executive Directors. The composition of the NC is as follows:

Chairperson: Dr. Azrina Binti Abu Bakar
Members: Dr. Chong Su-Lin
Mr. Kua Choo Kai

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

B. BOARD COMPOSITION (cont'd)

NOMINATING COMMITTEE (cont'd)

The composition, authority, duties and responsibilities of the NC are set out in its TOR, which can be accessed through the Company's website at, https://cengild.com/corporate-governance/.

The Board delegates to the NC the responsibility of making recommendations on any potential candidates for the appointment of new Director or Senior Management. The NC is responsible that the procedures to appoint new Director or Senior Management are transparent and based on merits. During the financial year ended 30 June 2023, the Company did not appoint any new Director or Senior Management.

Under the provision of the Company's Constitution, one-third (1/3) of the Directors for the time being, or if their number if not three (3) or a multiple of three (3), then the number nearest to one-third (1/3), shall retire from office at the conclusion of the Annual General Meeting in every year provided always that all Directors shall retire from office once at least in each three (3) years, but shall be eligible for re-election.

The NC is also responsible to review annually the effectiveness of the Board and Board Committees as well as the performance of individual Directors. The criteria for the evaluation are guided by the Corporate Governance Guide issued by Bursa Malaysia Berhad.

During the financial year ended 30 June 2023, the NC conducted three (3) meetings. Some activities carried out by the NC in discharging its duties were as below:

- Reviewed and assessed the mix of skills, experience and size of the Board;
- Reviewed and assessed the performance and effectiveness of the Board as a whole, Board Committees and the performance of each Director for the financial year ended 30 June 2022;
- Reviewed and assessed the independence of the Independent Non-Executive Directors;
- Reviewed and assessed the terms of office and performance of the AC and each of its members to determine such AC and members have carried out their duties in accordance with their terms of reference;
- Reviewed and recommended the re-election of Directors at the Second Annual General Meeting of the Company held on 30 November 2022;
- Assessed the training needs of each Director;
- Reviewed the roles and responsibilities of the AC and the RMC and proposed and recommended to the Board on the merger of the AC and the RMC;
- Proposed and recommended the change in the composition of the RC to the Board to re-designate Mr. Kua Choo Kai from Chairman to Member of RC, and to re-designate Dr. Chong Su-Lin from Member to Chairman of RC; and
- Proposed and recommended the re-designation of Ms. Yap Soh Kim as Chief Executive Officer of Cengild Sdn Bhd and the appointment of Mr. Micheal Wong as the GCEO to the Board for approval.

Based on the Directors' Fit and Proper Policy, the NC would assess any appointment of new Directors as well as Directors who are seeking for re-election of the Company and its group of subsidiaries, taking into account the following fit and proper criteria and declarations made by each individual candidate or Director:

- Character and integrity, which would be assessed on probity, personal integrity, financial integrity and reputation;
- Experience and competence, which would be assessed on qualifications, training and skills, relevant experience and expertise, and relevant past performance or track record; and
- Time commitment, which would be assessed on ability to discharge role having regard to other commitments, and participation and contribution in the board or track record (applicable to re-election of existing Directors only).

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

B. BOARD COMPOSITION (cont'd)

NOMINATING COMMITTEE (cont'd)

The performance of the Board and individual Directors would be assessed annually by the NC via a Board Effectiveness Evaluation ("BEE") exercise. During the financial year, the NC had conducted the BEE exercise internally and facilitated by the Company Secretary. Directors are assessed based on the following:-

- Board Assessment Form;
- Board Committee's Assessment Form;
- Individual Director Self and Peer Evaluation Form;
- ARMC and ARMC's Self and Peer Evaluation Form;
- Mix of skills and experience of the Board; and
- Declaration of Independence.

LONG TERM INCENTIVE PLAN COMMITTEE ("LTIPC")

The Company's LTIPC is comprised of three (3) members, all of whom are Independent Non-Executive Directors. The composition of the LTIPC is as follows:

Chairman:	Mr. Kua Choo Kai
Members:	Dr. Chong Su-Lin
	Dr. Azrina Binti Abu Bakar

The primary function of the LTIPC is to provide assistance to the Board in implementing and administering of the Long-Term Incentive Plan ("**LTIP**") of the Group. Currently the LTIP consists of two (2) plans which are Executive Share Option Scheme ("**ESOS**") and Executive Share Grant Scheme ("**ESGS**").

The composition, authority, duties and responsibilities of the LTIPC are set out in its TOR which can be accessed through the Company's website at https://cengild.com/corporate-governance/.

The role of the LTIPC is to administer the ESOS and ESGS as stated in the By-Laws and the powers and duties conferred upon by the Board.

During the financial year ended 30 June 2023, the LTIPC conducted one (1) meeting. At the said meeting, the LTIPC:

- Discussed and reviewed the proposed reallocation of ESOS.

REMUNERATION COMMITTEE

The Company's RC is comprised of three (3) members, all of whom are Independent Non-Executive Directors. The composition of the RC is as follows:

Chairperson:	Dr. Chong Su-Lin
Members:	Mr. Kua Choo Kai
	Dr. Azrina Binti Abu Bakar

The primary function of the RC is to develop a remuneration package that is competitive and in line with the current market practice to attract, retain and reward talented Directors and senior management, and is aligned with the Group's strategy. The remuneration package is determined by taking into account the short-term and long-term objectives and growth of the Group.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

B. BOARD COMPOSITION (cont'd)

REMUNERATION COMMITTEE (cont'd)

The composition, authority, duties and responsibilities of the LTIPC are set out in its TOR which can be accessed through the Company's website at https://cengild.com/corporate-governance/.

During the financial year ended 30 June 2023, the RC conducted two (2) meetings. At the said meetings, the RC:

- Reviewed the proposed Directors' fees and benefits for the financial year ended 30 June 2022 and recommended to the Board for approval;
- Reviewed the proposed Directors' fees and benefits from 1 July 2022 until the next Annual General Meeting and recommended to the Board for approval;
- Reviewed and proposed the remuneration package of the new appointment of GCEO, Mr. Micheal Wong; and
- Reviewed and proposed to the Board on the remuneration of the Late Emeritus Professor Dato' Dr. Goh Khean Lee.

The details of the remuneration of the Directors of the Company and the Group on a named basis for the FYE 2023 are as below:

DIRECTORS REMUNERATIONS

	Directors' Fees (RM'000)	Salaries, EPF and SOCSO (RM'000)	Bonuses, EPF and SOCSO (RM'000)	External Consultant Fee^ (RM'000)	Allowances (RM'000)	Benefit-in-kind (RM'000)	Total (RM'000)
Executive Directors (Group)							
Dato' Dr. Tan Huck Joo	-	3,000	1,255	1,452	-	-	5,707
Late Emeritus Professor Dato' Dr. Goh Khean Lee	-	335	534	-	-	-	869
Dr. Mohamed Akhtar Bin Mohamed Ditali Qureshi	-	960	400	854	-	-	2,214
Non-Executive Directors (Group)							
Mr. Kua Choo Kai	45	-	-	-	5	-	50
Dr. Chong Su-Lin	45	-	-	-	5	-	50
Dr. Azrina Binti Abu Bakar	45	-	-	-	5	-	50

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

B. BOARD COMPOSITION (cont'd)

TOP 5 SENIOR MANAGEMENT REMUNERATION

Group	Remuneration (including EPF and SOCSO) (in bands of RM50,000) (RM)	External Consultant Fee^ (including EPF and SOCSO) (in bands of RM50,000) (RM)	Total (in bands of RM50,000) (RM)
Key Senior Management			
Dr. Ramesh A/L K Gurunathan	1,050,001 – 1,100,000	650,001 - 700,000	1,700,001 - 1,750,000
Dr. Ong Siew Kuen	750,001 - 800,000	400,001 - 450,000	1,150,001 - 1,200,000
Dr. Mustafa Mohammed Taher	6,600,001 - 6,650,000	-	6,600,001 - 6,650,000
Ms. Yap Soh Kim	450,001 - 500,000	-	450,001 - 500,000
Ms. Cheah Wen Lih	200,001 - 250,000	-	200,001 - 250,000

None of the above-mentioned Directors and Key Senior Management received any benefit-in-kind during the financial year under review other than allocated ESOS.

^ The Group's employee consultants may perform consultation and undertake treatments for their patients in other medical centres. Pursuant to the employment agreements and deeds of assignment they have entered into with Cengild Sdn Bhd, with effect from 1 September 2021:

(a) they will assign to the Group all the income earned by them in other medical centres; and

(b) the Group will pay them 80% of the income earned by them in other medical centres.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

A. AUDIT AND RISK MANAGEMENT COMMITTEE ("ARMC")

The Board had on 28 February 2023 approved and announced the merger of the Audit Committee and Risk Management Committee to be known as "Audit and Risk Management Committee" ("**ARMC**") with the aim to improve the efficiency and effectiveness of the Board in discharging its duties.

The ARMC comprises three (3) members who are Independent Non-Executive Directors. The ARMC members possess a mix of skill, knowledge and appropriate level of expertise and experience to enable them to discharge their duties and responsibilities as set out in the TOR. Collectively the ARMC members are financially literate and able to understand, analyse and challenge matters under the purview of the ARMC including the financial reporting process.

The TOR of the ARMC is available on the Company's website, https://cengild.com/corporate-governance/.

During the financial year, the ARMC had carried out an annual assessment of the independence and performance of the external auditors, Crowe Malaysia PLT, and was satisfied that the external auditors have been independent throughout their audit engagement. The ARMC has also met with the external auditors without the present of management during the financial year to discuss on any matters that the external auditors may wish to bring up to the attention of the ARMC.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (cont'd)

B. RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

The Board has overall responsibility for risk governance and ensures that Group management maintains an effective risk management and internal control framework.

The Board is well aware of the importance of a sound internal control and risk management framework in ensuring the operation runs smoothly and potential risks are mitigated. The Company has engaged Baker Tilly Monteiro Heng Governance Sdn Bhd, an independent internal audit firm ("**BTMHG**" or "**Internal Auditors**") to assist in formalizing the Group's risk management framework and provide assurance on the adequacy and integrity of the internal control system. The Internal Auditor report directly to the ARMC.

The ARMC is responsible for reviewing the risk management framework and internal control system and ensure that it aligns with the business objectives of the Group. The ARMC's roles include updating the Board on current major risks, potential risks identified, changes of risk profile and management action plans taken to manage those identified risks. The ARMC also reviews the clinical governance, quality framework and reports to ensure delivery of high quality and safe patient care across the Group in accordance with the appropriate standards. Annual assessment and periodic testing on the effectiveness of the risk management framework and internal control system are conducted, and the assessment results together with recommendations for improvements are reported to the Board.

Details on the key features of the risk management and internal control system together with its adequacy and effectiveness are described in the Statement on Risk Management and Internal Control.

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

A. COMMUNICATION WITH STAKEHOLDERS

The Company is fully committed in providing continuous communication with the stakeholders and also the importance of transparency. Hence, the Board has established an effective and transparent method to keep the stakeholders informed on corporate information, policies on governance, economic, environmental and social responsibility.

The Company has posted the following on the Company's website, https://www.cengild.com/, with the intention of building a communication channel between the Company with the stakeholders:

(a) Financial information submitted to Bursa Securities

The Company has all its financial information submitted to Bursa Securities posted on the Company's website and stakeholders may access the information from its website.

(b) Investor section which provides relevant corporate information

The Company's website consists of an Investor section dedicated to provide corporate information to the stakeholders' such as general corporate information, directors' profile, and policies approved by the Board.

(c) General telephone number, fax number and email address.

The general line number, fax number and general enquiry email address of the Company are provided for the stakeholders to send in any enquiries to the Company directly.

B. CONDUCT OF ANNUAL GENERAL MEETING ("AGM")

The Annual General Meeting ("**AGM**") of the Company serves as a principal forum for the Company and the shareholders to be informed on the Company's growth and to seek for shareholders' approval on resolutions.

The notice and agenda of the AGM together with the proxy form are given to the shareholders at least 28 days prior to the date of the AGM. This will give the shareholders sufficient time to consider the resolutions to be tabled at the AGM and make the necessary arrangement to attend in person and submit the proxy form to attend the AGM. The notice of AGM was also accompanied by explanatory notes which provide further explanation on each resolution proposed to facilitate informed decision-making by the shareholders.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

The Board of Directors ("**Board**") of the Cengild Medical Berhad ("**Cengild Medical**" or "**the Company**") is pleased to present the Audit and Risk Management Committee ("**ARMC**") Report for the financial year ended 30 June 2023 ("**FYE 2023**").

The Board had on 28 February 2023 approved and announced the merger of the Audit Committee and Risk Management Committee to be known as "Audit and Risk Management Committee" ("**ARMC**") with the aim to improve the efficiency and effectiveness of the Board in discharging its duties.

AUDIT AND RISK MANAGEMENT COMMITTEE COMPOSITION

The **ARMC** comprises three (3) members, consist exclusively of Independent Non-Executive Directors. All of the Independent Non-Executive Directors satisfied the test of independence under the ACE Market Listing Requirements ("**AMLR**") of Bursa Malaysia Securities Berhad ("**Bursa Securities**"). The ARMC meets the requirements of Rule 15.09(1)(a) and (b) of the AMLR.

The present composition in the **ARMC** during the financial year under review are as follows:

Chairman:	Mr. Kua Choo Kai
Members:	Dr. Chong Su-Lin
	Dr. Azrina Binti Abu Bakar

Currently, the ARMC does not have a member who was a former key audit partner of the Company. However, there is a policy in the TOR of the ARMC which states that any key audit partners is required to observe a cooling off period of at least three (3) years before being appointed as a member of the ARMC.

The Chairman of ARMC, Mr. Kua Choo Kai, is a member of the Malaysian Institute of Accountants ("**MIA**"). Hence, the Company complies with Rule 15.09(1)(c)(i) of the AMLR.

ROLE AND RESPONSIBILITIES

The role and responsibilities of the ARMC are as follows:

Financial Reporting

(a) Review the quarterly results and the year-end financial statements of the Group, before submission to the Board for approval, such as changes or implementation of major accounting policies, major judgemental areas and others;

(b) Review and provide advice on whether the financial statements taken as a whole provide a true and fair view of the Company's financial position and performance; and

(c) Ask probing questions to ascertain whether the financial statements are consistent with operational and other information known, where there are significant matters requiring judgement.

External Auditors

(a) Consider and recommend to the Board on the appointment or re-appointment of external auditors and to fix their fees (audit and non-audit), after assessing their independence and capabilities as well as the effectiveness of the external audit process;

(b) Review and report the re-appointment or resignation or removal of external auditors to the Board;

(c) Assess the suitability, objectivity and independence of the external auditors on an annual basis based on the policies and procedures that have been established and the annual performance evaluation of the external auditors undertaken by the Committee; and

(d) Review the audit plan, scope, nature, audit report, evaluation of the system of internal controls, assistance given by the employees to the external auditors, and external auditors' management letter and management's response to the Board.

Internal Audit

(a) review the adequacy of the scope, competency and resources of the internal audit function, and that it has the necessary authority to carry out its work;

(b) review the internal audit plan, programme, processes, and the reporting structure;

(c) review the findings of the internal auditor's reports, investigations undertaken and whether or not appropriate actions are taken by the management, based on the recommendations of the internal auditors;

(d) review the appraisal or assessment of the performance of the internal audit function on an annual basis; and

(e) review any special audit which the Committee deems necessary.

Related Party Transactions ("RPT"), Recurrent RPT ("RRPT") and Conflict of Interest

(a) Monitor, review and report to the Board any RPT, RRPT and conflict of interest situation that arose, persist or may arise within the Company or Group, any other transaction, procedures or code of conduct that raises questions of management integrity, and the measures taken to resolve, eliminate, or mitigate such conflicts of interest;

(b) In reviewing any RPT or RRPT, the ARMC shall review the terms thereof to determine whether such RPT or RRPT will be conducted at arm's length basis and on normal commercial terms in the ordinary course of business and on terms not more favourable to the related party than those generally available to the public and will not prejudice the shareholders or disadvantage to the Group;

(c) Determining whether the arrangement for the employee consultants to perform consultations and treatments in other medical centre are satisfactory, essential and favourable to the Group and is not detrimental to the shareholders; and

(d) To conduct a review on the declaration and all relevant documents pertaining to the arrangement for the employee consultants of the Group to perform consultations and treatments in other medical centres are satisfactory, essential and favourable to the Group, and to recommend the same to the Board for approval.

Risk Management

(a) Ensure that an appropriate risk reporting structure is established to facilitate reporting of risks to management and the Board;

(b) Oversee the Group's overall risk management framework and policies;

(c) Review and assess the adequacy and effectiveness of the risk management framework, policies and processes, which include identifying, managing, monitoring, treating and mitigating significant risks of the Group, and recommend for approval by the Board;

(d) Review and assess the risk appetite and risk tolerance for the Group;

(e) Review the regulatory and clinical compliance reports and any other reports within the purview of the ARMC;

(f) Review the significant risks identified and assess the mitigating actions put in place to manage these risks;

(g) Review the Statement on Risk Management and Internal Control for inclusion in the Company's Annual Report, and recommend for approval by the Board;

(h) Ensure the key risks are effectively managed in accordance with the Group's risk management policies and strategies;

(i) Review the adequacy of resources for managing the risk management framework;

(j) Review and deliberate reports on non-compliance findings by regulatory agencies; and

(k) Has the right to call for Ad-Hoc or emergency meeting for any occurrence of sentinel event incident.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT
(CONT'D)

Others

(a) Review all financial related reports/statements as required by the AMLR, for inclusion in the Annual Report;

(b) Verify allocation of units or options issued pursuant to the various incentive or retention schemes implemented by the Group (if any);

(c) Obtain regular updates from the management regarding compliance matters;

(d) Review findings, queries or investigation by the regulatory agencies (if any);

(e) Review and report to the Board on the status of compliance of the undertakings* by the employee consultants to the Group;

(f) Review the adequacy and appropriateness of Anti-Bribery and Anti-Corruption Policy, and Whistleblowing Policy, when necessary; and

(g) Carry out any other functions that may be mutually agreed upon by the Committee and the Board.

Note: -

* Employee Consultants shall not practice at other medical centres:

(i) after three (3) years from the date the Company is listed on the ACE Market of Bursa Securities; or

(ii) on full commencement of operations at the expanded area of the Group's existing medical centre,

whichever is the earlier, unless written approval from the Company has been obtained and the following conditions are met:

(i) employee consultants only consult and treat patients at other medical centre where such patients have other illnesses that require the attention of other specialists not available at the Group's medical centre; and

(ii) employee consultants shall not practise at other medical centres more than two (2) clinic sessions a week.

MEETING ATTENDANCE

	Numbers of Meetings	
Audit Committee Meeting	**Attended**	**Held**
Independent Directors		
Dr. Chong Su-Lin	4	4
Mr. Kua Choo Kai	4	4
Dr. Azrina Binti Abu Bakar	3	4

	Numbers of Meetings	
Risk Management Committee Meeting	**Attended**	**Held**
Independent Directors		
Dr. Chong Su-Lin	1	1
Mr. Kua Choo Kai	1	1
Dr. Azrina Binti Abu Bakar	1	1

Audit and Risk Management Committee Meeting	Numbers of Meetings	
	Attended	**Held**
Independent Directors		
Dr. Chong Su-Lin	1	1
Mr. Kua Choo Kai	1	1
Dr. Azrina Binti Abu Bakar	1	1

SUMMARY OF ACTIVITIES DURING THE FINANCIAL YEAR UNDER REVIEW

The main activities undertaken by the AC and RMC as well as ARMC during the financial year are as follows:

Financial reporting

(a) Reviewed the quarterly financial results of the Group and made recommendations to the Board of Directors ("Board") for approval. The reviews served to ensure that the Group's financial reporting and disclosure are in compliance with Bursa Securities AMLR and applicable accounting standards in Malaysia;

(b) Reviewed and made the recommendation to the Board in respect of the annual audited financial statements of the Company and of the Group for the financial year ended 30 June 2023; and

(c) Reviewed and made the recommendation to the Board in respect of the proposed dividend after reviewing and considering the solvency test presented;

External Audit and re-appointment of External Auditors

(a) Reviewed the Audit Planning Memorandum with the External Auditors;

(b) Reviewed with the External Auditors, the results of their audit for the financial year ended 30 June 2023, and their audit report;

(c) Reviewed and recommended to the Board for approval, the fees for the audit and non-audit services for the financial year ended 30 June 2023;

(d) Assessed the suitability and independence of the External Auditors;

(e) Conducted private session with the External Auditors in the absence of the Executive Directors and Management to ensure there were no restrictions in the scope of their audit and there were no other significant matters to bring to the attention of the ARMC; and

(f) Reviewed and recommended to the Board to table at the Third Annual General Meeting for approval and recommendation on the re-appointment of External Auditors, Crowe Malaysia PLT for the financial year ending 30 June 2024;

Internal Audit

(a) Reviewed with the Internal Auditors, the Internal Audit Plan to ensure adequacy of the scope and coverage of work for the financial year ended 30 June 2023 and financial year ending 30 June 2024;

(b) Reviewed and discussed on the internal audit reports with respect to the following business processes:

- Procurement, Contractor Management & Payments;
- Revenue Cycle Management;
- Facilities Management & Compliance Management; and
- Information Technology & Cybersecurity Controls;

(c) Reviewed the effectiveness of audit process and the performance of the overall Internal Audit function.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT
(CONT'D)

Related Party Transactions

(a) Reviewed and monitored the related party transactions of the Group and ensured that they were not more favorable to the related parties than those generally available to the public and complied with Bursa Securities AMLR and will not be detrimental to the shareholders or disadvantage to the Group;

(b) Reviewed and ensured the Group has in place adequate procedures and processes to monitor, track and identify RRPTs in a timely and orderly manner;

(c) Reviewed the declaration and relevant documents pertaining to the arrangement for the employee consultants to perform consultations and treatments in other medical centres to ensure that the arrangement is satisfactory, essential and favourable to the Group and not detrimental to the shareholders, and recommended to the Board for approval. As at the date of this report, the employee consultants are in compliance with the said undertakings as the Company was only listed on 18 April 2022 and the expansion of the Group's existing medical centre is yet to be in place; and

(d) Received the update on the draft Circular to Shareholders in relation to the Proposed New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature.

Risk Management

(a) Reviewed the risk management framework, policies and procedures, which include identifying, managing, monitoring, treating and mitigating significant risks of the Group, and recommend for approval by the Board;

(b) Reviewed the adequacy of resources for managing the risk management framework;

(c) Reviewed the content of the Risk Management Standard Operating Procedures;

(d) Reviewed the Balanced Scorecard;

(e) Reviewed the Risk Register and received the updated on the Hospital incident and Case review;

(f) Reviewed the Statement on Risk Management and Internal Control for inclusion in the Company's Annual Report; and

(g) Reviewed and proposed amendments to the Terms of Reference of ARMC and recommended to the Board for approval.

Other activities

(a) Reviewed and recommended to the Board for approval, the Corporate Governance Overview Statement, Corporate Governance Report, Audit and Risk Management Committee Report, and Statement on Risk Management and Internal Control for inclusion in the Annual Report 2023;

(b) Reviewed and recommended to the Board for approval, the draft Corporate Governance Report; and

(c) Discussed on the corporate calendar for FYE 2023.

The ARMC Report was approved by the Board of Directors on 12 October 2023.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

The Board of Directors ("**Board**") of Cengild Medical Berhad ("**Cengild Medical**" or "**the Company**") is pleased to present the Statement on Risk Management and Internal Control ("**Statement**") in compliance with Rule 15.26(b) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"), the relevant principles and practices of the Malaysian Code on Corporate Governance ("**MCCG 2021**") and the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers.

This Statement outlines the nature and scope of risk management and internal control of Cengild Medical and its subsidiary (hereinafter referred to as "**the Group**") for the financial year ended 30 June 2023 ("**FYE 2023**") and up to the date of approval of this Statement for inclusion in the Annual Report.

ROLES AND RESPONSIBILITIES OF THE BOARD

The Board acknowledges its overall responsibility in establishing a sound risk management framework and internal control system. The Board recognises that continuous review of the effectiveness, adequacy and integrity of the risk management framework and internal control system in a dynamic business environment is fundamental to governance framework and would ultimately better safeguard shareholder's investment and the Group's assets.

The Board's focus on effective risk oversight is crucial to setting the tone and culture for effective risk management and internal control. Hence, to discharge its oversight roles and responsibilities more effectively, the Board has authorised the Audit and Risk Management Committee, to review the Company's risk management framework, policies and processes and staff responsibilities and assess whether they provide reasonable assurance that the principal risks can be mitigated with the implementation of appropriate internal controls and / or mitigation measures.

RISK MANAGEMENT FRAMEWORK

Risk management is an integral part of the business strategy and is embedded into the day-to-day operations to both ensure patient safety and to achieve sustainable long-term growth and profitability. Effective risk management remains the responsibility and accountability of the entire Group.

The Board of Cengild Medical Berhad agreed at its meeting on 28 February 2023 that the Audit Committee and Risk Management Committee should be merged into one committee, to be known as the Audit and Risk Management Committee ("ARMC").

The rationale to merge into a single Board committee is primarily due to the overlapping terms of reference between the two committees, and hence having a single entity would enhance the efficiency and effectiveness of the ARMC in discharging its duties and responsibilities.

The key roles and responsibilities of the ARMC are set out in the TOR, as follows:

The ARMC shall:-

i. have oversight of the integrity of the Group's accounting and financial reporting;

ii evaluate the performance of internal auditors and external auditors;

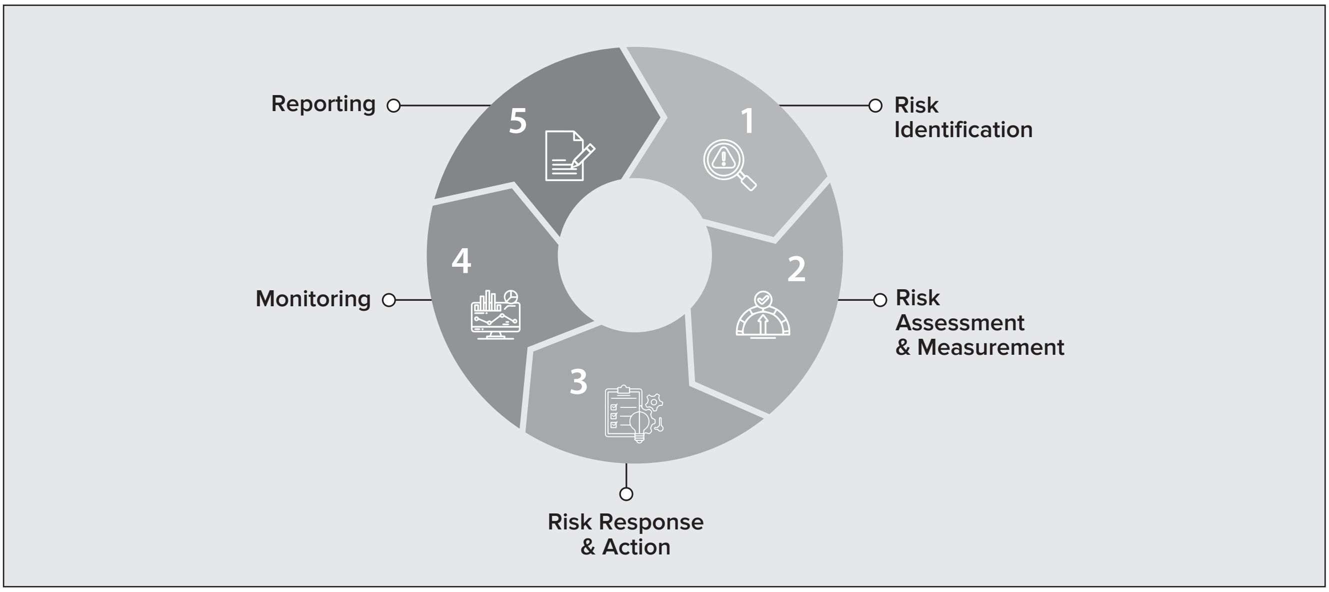
iii. enhance the effectiveness and independence of both the external and internal auditors' functions through active participation in the audit process;

iv. oversee the effectiveness of the systems of internal controls and risk management framework and policies: such policies include the proposal to the Board of the risk appetite of the Group, and ensuring that operating processes operate within this risk appetite threshold; and

v. ensure that proper processes and procedures are in place to comply with relevant laws, rules and regulations, directives and guidelines established by the relevant regulatory bodies of Malaysia.

RISK MANAGEMENT FRAMEWORK (cont'd)

The Senior Manager of Total Quality Management and Clinical Support has been appointed to co-ordinate, facilitate and monitor the implementation of risk management activities across all operations within the Group. The Enterprise Risk Management ("ERM") Framework to be formalised by the Group encompasses the following risk management processes as depicted in the below diagram:



The Group recognises that Enterprise Risk Management (ERM) is proactive management system for anticipating emerging risks and putting in place pre-emptive action plans so that the effect of uncertainties on fulfilling business goals and objectives are minimised.

The Group has in place a Risk Management Standard Operating Procedure which is consistent with the definition of an 'appropriate framework' in Standard ISO 31000:2018 Risk Management – Guidelines.

INTERNAL CONTROL SYSTEM

Internal control system is embedded into various day-to-day operational policies and procedures of business segments across the Group to ensure that the Group's business is being managed effectively and sustainably.

Key elements of the Group's internal control system include:

i) The Board of Directors and the respective Board Committees meet regularly to review business plans and business strategies, and the Group's performance from financial and operational perspectives;

ii) Expected integrity and ethical behaviours from the Directors and employees are incorporated in the Code of Conduct and Ethics. Ethical practices throughout the Group are further enhanced with the formalisation of Anti-Bribery and Anti-Corruption Policy and Whistleblowing Policy to prevent and better manage bribery risks and conflict of interest;

iii) Financial performance is measured against approved annual budgets and financial forecasts of the Group to identify significant variances for prompt actions to be taken;

iv) Formalisation of other high-level Policies such as Personal Data Protection Act Policy, Succession Plan Policy, Emergency Evacuation Policy;

v) A well-defined organisation structure with clear reporting line and appropriate segregation of duties and accountabilities;

INTERNAL CONTROL SYSTEM (cont'd)

vi) Establishment of Discretionary Authority Limits for clear delegation of authority limit that governs decision making powers to act on behalf of the Group and limits to those power;

vii) Formalisation of Standard Operating Procedures ("SOP") on key functions and / or processes to ensure the uniformity, continuity and consistency of business process and practices within the Group;

viii) Establishment of Compliance Monitoring Framework to ensure the Group conducts its business in compliance with the law, regulations; and

ix) Periodic management review meetings to discuss key operational and management issues.

INTERNAL AUDIT FUNCTION

The Board shall ensure and maintain independence of the risk and internal control environment in compliance with Rule 15.27(1) of ACE Market Listing Requirements of Bursa Securities. The Group has appointed BTMHG as the outsourced internal auditors to assist both the Board and Audit and Risk Management Committee ("**ARMC**") by conducting independent internal audit review on the adequacy, efficiency and effectiveness of the Group's internal control system. The Internal Auditors report directly to the ARMC and carry out internal audit work based on a risk-based annual internal audit plan reviewed and approved by the ARMC.

The Internal Auditors use the Committee of Sponsoring Organisation of the Treadway Commission - Internal Control ("**COSO – IC**") Integrated Framework as a basis for evaluating the effectiveness of the internal control system. The Internal Auditors also refer to the International Professional Practices Framework ("**IPPF**") during the audit reviews. The Internal Auditors shall highlight any key area of weakness in the risks and internal control management system of the Group to the ARMC and make recommendation on the remedial action to be taken to address the areas of weaknesses. The internal audit findings which include audit recommendations shall be highlighted for the reviews and recommendations of the ARMC for implementation. In addition, the Internal Auditors shall perform follow-up review on previously reported internal audit findings and provide an update to the ARMC on the status of implementation.

During the FYE 2023, internal audit work was carried out in accordance with the risk assessment based internal audit plan that was reviewed and approved by the ARMC on 25 August 2022. The internal audit during the year reviewed, identified areas of risk and evaluated the efficiency and effectiveness of internal controls that are in place with respect to the following business processes:

- Procurement, Contractor Management & Payments;
- Revenue Cycle Management;
- Facilities Management & Compliance Management; and
- Information Technology & Cybersecurity Controls.

Based on the internal audit reviews conducted, no noted weaknesses resulted in any material losses, contingencies or uncertainties that would require separate disclosure in this report. The total costs incurred for the internal audit function for FYE 2023 was approximately RM50,000.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

This Statement on Risk Management and Internal Control has been reviewed by our external auditors in accordance with Rule 15.23 of ACE Market Listing Requirements of Bursa Securities for FYE 2023.

Their limited assurance review was performed in accordance with the Audit and Assurance Practice Guide ("AAPG") 3 issued by the Malaysian Institute of Accountants. AAPG 3 does not require the external auditors to form an opinion on the adequacy and effectiveness of the risk management and internal control system of the Group.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS (cont'd)

Based on their review, the external auditors have reported to the Board that nothing had come to their attention that causes them to believe that this Statement is not prepared, in all material aspects, in accordance with the disclosures required under Paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers and Practice 10.1 and Practice 10.2 of MCCG 2021, nor that this Statement is factually incorrect.

CONCLUSION

During the financial year under review up to the date of approval of this Statement for inclusion in the Annual Report, the Board remains committed to ensure that risk management is embedded in the Group's activities and the internal controls have been duly assessed throughout the period.

There were no significant internal control deficiencies or weaknesses that have resulted in material losses or contingencies that would require separate disclosure in the Group's Annual Report. The Group's risk management and internal controls systems do not apply to the associate companies and joint ventures.

The Board has also received assurance from the CEO and Senior Manager Total Quality and Clinical Support that the Company's risk management and internal control system is operating adequately and effectively, in all material aspects, based on the risk management and internal control system of the Company.

This Statement has been tabled and approved by the Board on 12 October 2023.

ADDITIONAL COMPLIANCE INFORMATION

1. **Audit and Non-Audit Fees**

During the financial year ended 30 June 2023 ("**FYE 2023**"), the amount for audit and non-audit fees payable by the Group were RM101,500 and RM5,000 respectively.

The non-audit fees paid or payable to the external auditors, or a firm or corporation affiliated to the auditors' firm by the Company during the FYE 2023 were RM5,000. The non-audit fees were in relation to the service rendered for the review of Statement of Risk Management and Internal Control.

2. **Material Contracts**

During the FYE 2023, there was no material contract entered into by the Company or its subsidiaries involving Directors and major shareholders.

3. **Material Contracts relating to Loans**

During the FYE 2023, there was no material contract relating to loans entered into by the Company or its subsidiaries involving Directors and major shareholders.

4. **Recurring Related Parties Transactions**

The RRPTs of the Group have been entered into in the normal course of business. The aggregate value of the RRPTs since date of listing from 18 April 2022 to 19 September 2023 are as follows:

Related Party	**Relationship**	**Nature of transactions**	**RM**
Dato' Dr. Tan Huck Joo	Interested Director and major shareholder	External Consultant Fee	2,797,940
Late Emeritus Professor Dato' Dr. Goh Khean Lee	Interested Director	External Consultant Fee	1,134
Dr. Mohamed Akhtar Bin Mohamed Ditali Qureshi	Interested Director	External Consultant Fee	1,631,688

The Company will seek shareholders' approval for new shareholders' mandate for the recurrent related party transactions at the upcoming 3rd Annual General Meeting to be convened on 29 November 2023.

DIRECTORS' RESPONSIBILITY STATEMENT

DIRECTORS' RESPONSIBILITY STATEMENT

The Board is responsible for ensuring that the financial statements are properly drawn up in accordance with the Malaysia Financial Reporting Standards, International Financial Reporting Standards, and the requirements of the Companies Act 2016 so as to give a true and fair view of the financial position of our Group and of our Company as at the end of the financial year and of the financial performance and cash flows for the financial year then ended.

In preparing these financial statements, the Board has considered the following:

(i) Applied appropriate accounting policies consistently;

(ii) Made judgements and estimations that were reasonable and prudent; and

(iii) Ensured compliance with applicable approved financial reporting standards in Malaysia and the financial statements were prepared on a going concern basis.

The Board is responsible for ensuring that our Group and our Company maintain proper and adequate accounting records which disclose the financial position of our Group and of our Company with reasonable accuracy to ensure compliance with the provisions of the Companies Act 2016.

The Board is also responsible to take reasonable steps to safeguard the assets of our Group and of our Company to prevent and detect fraud and other irregularities.

FINANCIAL STATEMENTS

DIRECTORS' REPORT

The directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 30 June 2023.

PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of investment holding. The principal activities of the subsidiaries are as disclosed in the "Subsidiaries" of this report. There have been no significant changes in the nature of these activities during the financial year.

RESULTS

	The Group RM	The Company RM
Profit after taxation for the financial year	13,288,429	9,982,333
Attributable to:-		
Owners of the Company	13,288,429	9,982,333

DIVIDENDS

Dividends paid or declared by the Company since 30 June 2022 are as follows:-

	RM
In respect of the financial year ended 30 June 2022	
A single-tier interim dividend of 0.37 sen per ordinary share, paid on 27 September 2022	3,029,560
In respect of the financial year ended 30 June 2023	
A single-tier interim dividend of 0.37 sen per ordinary share, paid on 29 March 2023	3,029,560
	6,059,120

On 22 August 2023, the Company declared a single-tier interim dividend of 0.37 sen per ordinary share amounting to RM3,081,634 in respect of the current financial year, paid on 25 September 2023, to shareholders whose names appeared in the record of depositors on 8 September 2023. The financial statements for the current financial year do not reflect this interim dividend. Such dividend will be accounted for in equity as an appropriation of retained profits in the financial year ending 30 June 2024.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than those disclosed in the financial statements.

ISSUES OF SHARES AND DEBENTURES

During the financial year:-

(a) the Company increased its issued and paid-up share capital from RM81,932,561 to RM87,472,106 by way of:-

(i) issuance of 14,046,500 new ordinary shares at an issue price of RM0.40 per share to Bumiputera Investors identified and approved by the Ministry of International Trade and Industry for a total cash consideration of RM5,618,600. The listing expenses arising from the issuance of new ordinary shares amounted to RM89,951 were offset against the share capital; and

(ii) issuance of 27,600 new ordinary shares from the exercise of options under the Company's Long Term Incentive Plan at the exercise price of RM0.33 per share which amounted to RM9,108 and transfer from Long Term Incentive Plan reserve of RM1,788 to share capital.

The new ordinary shares issued rank pari passu in all respects with the existing ordinary shares of the Company.

(b) there were no issues of debentures by the Company.

OPTIONS GRANTED OVER UNISSUED SHARES

During the financial year, no options were granted by the Company to any person to take up any unissued shares in the Company except for the share options granted pursuant to the Company's Long Term Incentive Plan below.

LONG TERM INCENTIVE PLAN

The Long Term Incentive Plan ("LTIP") of the Company is governed by the LTIP By-Laws and was approved by the shareholders on 15 April 2022. The LTIP is to be in force for a period of 5 years effective from 15 April 2022.

The details of the LTIP are disclosed in Note 17(b) to the financial statements.

BAD AND DOUBTFUL DEBTS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for impairment losses on receivables and satisfied themselves that there are no known bad debts and that adequate allowance had been made for impairment losses on receivables.

At the date of this report, the directors are not aware of any circumstances that would require the writing off of bad debts, or the making of additional allowance for impairment losses on receivables in the financial statements of the Group and of the Company.

CURRENT ASSETS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ensure that any current assets, which were unlikely to be realised in the ordinary course of business, including their value as shown in the accounting records of the Group and of the Company, have been written down to an amount which they might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances which would render the values attributed to the current assets in the financial statements misleading.

DIRECTORS' REPORT
(CONT'D)

VALUATION METHODS

At the date of this report, the directors are not aware of any circumstances which have arisen which render adherence to the existing methods of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

CONTINGENT AND OTHER LIABILITIES

At the date of this report, there does not exist:-

(a) any charge on the assets of the Group and of the Company that has arisen since the end of the financial year which secures the liabilities of any other person; or

(b) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

No contingent or other liability of the Group and of the Company has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations when they fall due.

CHANGE OF CIRCUMSTANCES

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

ITEMS OF AN UNUSUAL NATURE

The results of the operations of the Group and of the Company during the financial year were not, in the opinion of the directors, substantially affected by any item, transaction or event of a material and unusual nature.

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

DIRECTORS

The names of directors of the Company who served during the financial year and up to the date of this report are as follows:-

Dato' Dr. Tan Huck Joo
Dr. Mohamed Akhtar Bin Mohamed Ditali Qureshi
Dr. Azrina Binti Abu Bakar
Dr. Chong Su-Lin
Mr. Kua Choo Kai
Emeritus Professor Dato' Dr. Goh Khean Lee (Demised on 5 June 2023)

The names of directors of the Company's subsidiaries who served during the financial year and up to the date of this report, not including those directors mentioned above, are as follows:-

Dr. Mustafa Mohammed Taher (Appointed on 30 May 2023)
Dr. Ong Siew Kuen (Appointed on 30 May 2023)
Dr. Ramesh A/L K Gurunathan (Appointed on 30 May 2023)

DIRECTORS' INTERESTS

According to the register of directors' shareholdings, the interests of directors holding office at the end of the financial year in shares, options over unissued shares or debentures of the Company and its related corporations during the financial year are as follows:-

	Number of Ordinary Shares			
	At 1.7.2022	Bought	Sold	At 30.6.2023
The Company				
Direct Interests				
Dato' Dr. Tan Huck Joo	134,728,570	-	-	134,728,570
Dr. Mohamed Akhtar Bin Mohamed Ditali Qureshi	56,327,438	-	-	56,327,438
Emeritus Professor Dato' Dr. Goh Khean Lee	60,183,121	-	-	60,183,121
Dr. Azrina Binti Abu Bakar	200,000	-	-	200,000
Dr. Chong Su-Lin	100,000	-	(100,000)	-

	Number of Options under LTIP			
	At 1.7.2022	Granted	Exercised	At 30.6.2023
The Company				
Direct Interests				
Dato' Dr. Tan Huck Joo	6,224,400	-	-	6,224,400
Dr. Mohamed Akhtar Bin Mohamed Ditali Qureshi	2,445,300	-	-	2,445,300
Emeritus Professor Dato' Dr. Goh Khean Lee	2,889,900	-	-	2,889,900

The other director holding office at the end of the financial year had no interest in shares, options over unissued shares or debentures of the Company or its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive any benefit (other than directors' remuneration as disclosed in the "Directors' Remuneration" of this report) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest except for any benefits which may be deemed to arise from transactions entered into in the ordinary course of business with directors as disclosed in Note 33(b) to the financial statements.

Neither during nor at the end of the financial year was the Group or the Company a party to any arrangements whose object is to enable the directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate other than the share options granted to certain directors pursuant to the LTIP of the Company.

DIRECTORS' REPORT
(CONT'D)

DIRECTORS' REMUNERATION

The details of the directors' remuneration paid or payable to the directors of the Company during the financial year are as follows:-

	The Group RM	The Company RM
Fees	135,000	135,000
Salaries, bonuses and other benefits	7,984,715	15,200
Defined contribution benefits	820,154	-
LTIP expenses	193,205	-
	9,133,074	150,200

INDEMNITY AND INSURANCE COST

During the financial year, the amount of indemnity coverage and insurance premium paid for the directors and certain officers of the Group were RM10,000,000 and RM15,000 respectively. There was no indemnity given to or insurance effected for the auditors of the Company.

SUBSIDIARIES

The details of the subsidiary name, place of incorporation, principal activities and percentage of issued share capital held by the Company in each subsidiary are as follows:-

Name of Subsidiary	Principal Place of Business/ Country of Incorporation	Percentage of Issued Share Capital Held by Parent 2023 %	2022 %	Principal Activities
Subsidiaries of the Company				
Cengild Sdn. Bhd. ("Cengild")	Malaysia	100	100	Business of healthcare specialising in the diagnosis and treatment of gastrointestinal, liver disease and morbid obesity.
CGI Primary Care Sdn. Bhd. ("CPCSB")	Malaysia	100	-	Business of a private medical clinic. Currently, CPCSB is dormant.
Subsidiary of Cengild				
Galen Primer Sdn. Bhd. ("GPSB")	Malaysia	100	100	Activities of holding companies; specialised medical services; and to set up a specialist medical practice to provide consultancy on the medical treatment that deals with the diagnosis and treatment of cancer. Currently, GPSB is dormant.
Subsidiary of CPCSB				
CGI Polyclinic (Taman Bukit Mayang Emas) Sdn. Bhd. ("CGI Polyclinic")	Malaysia	100	-	Business of a private medical clinic. Currently, CGI Polyclinic is dormant.

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

(a) On 6 March 2023, Bursa Malaysia Securities Berhad ("Bursa Securities") granted the Company the approval on the Proposed Special Issue of up to 118,000,000 new ordinary shares to Bumiputera Investors identified and approved by the Ministry of International Trade and Industry.

(b) On 19 June 2023, a total of 14,046,500 new ordinary shares of the Company were issued at a price of RM0.40 per share and the new shares were listed on the ACE Market of Bursa Securities.

SIGNIFICANT EVENTS OCCURRING AFTER THE REPORTING PERIOD

(a) On 11 July 2023, a wholly-owned subsidiary of the Company, Cengild, entered into a shareholders' agreement with a third party to mutually cooperate and carry out the business and affairs of Urohealth Sdn. Bhd. as a joint venture.

(b) On 31 July 2023, Cengild entered into a joint venture agreement with Curie KL Sdn. Bhd. (formerly known as Curie Oncology Sdn. Bhd.) and Oncocare Holdings Sdn. Bhd. to mutually cooperate and carry out the business and affairs of Curie Oncology KL Sdn. Bhd. as 25% joint venture.

AUDITORS

The auditors, Crowe Malaysia PLT, have expressed their willingness to continue in office.

The details of the auditors' remuneration for the financial year are as follows:-

	The Group RM	**The Company RM**
Audit fees	101,500	25,000
Non-audit fee	5,000	5,000
	106,500	30,000

Signed in accordance with a resolution of the directors dated 12 October 2023.

Dato' Dr. Tan Huck Joo

Dr. Mohamed Akhtar Bin Mohamed Ditali Qureshi

STATEMENT BY DIRECTORS

PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016

We, Dato' Dr. Tan Huck Joo and Dr. Mohamed Akhtar Bin Mohamed Ditali Qureshi, being two of the directors of Cengild Medical Berhad, state that, in the opinion of the directors, the financial statements set out on pages 84 to 138 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 30 June 2023 and of their financial performance and cash flows for the financial year ended on that date.

Signed in accordance with a resolution of the directors dated 12 October 2023.

Dato' Dr. Tan Huck Joo

Dr. Mohamed Akhtar Bin Mohamed Ditali Qureshi

STATUTORY DECLARATION

PURSUANT TO SECTION 251(1)(b) OF THE COMPANIES ACT 2016

I, Cheah Wen Lih, MIA Membership Number: 23700, being the officer primarily responsible for the financial management of Cengild Medical Berhad, do solemnly and sincerely declare that the financial statements set out on pages 84 to 138 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the abovementioned
Cheah Wen Lih, NRIC Number: 700709-08-6006
at Kuala Lumpur
in the Federal Territory
on this 12 October 2023

Before me

Cheah Wen Lih

Shaiful Hilmi Bin Halim
No. W-804
Commissioner For Oaths

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF CENGILD MEDICAL BERHAD

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Cengild Medical Berhad, which comprise the statements of financial position as at 30 June 2023 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 84 to 138.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 30 June 2023, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

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

Independence and Other Ethical Responsibilities

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

<table>
<tr><td colspan="2">Revenue Recognition
Refer to Note 4.21 and Note 23 to the financial statements</td></tr>
<tr><td>Key Audit Matter

The Group's revenue is derived from the provision of medical management and consultant services. The Group generally recognises revenue when the medical services are provided and controls of the medicine and others are transferred to the customers.

We identified the recognition of revenue, specifically on revenue recognised during the period end as a key audit matter due to risk that revenue might be overstated in achieving performance targets as revenue recognition has a direct impact on the results of the Group.

For the financial year ended 30 June 2023, the Group recorded revenue of approximately RM70.3 million.</td><td>How our audit addressed the key audit matter

Our audit procedures included, amongst others, the following:-

• Ascertained compliance with MFRS 15 - Revenue from Contracts with Customers;

• Performed test of details on the occurrence and accuracy of the revenue recorded, based amongst others the inspection on the issuance of billings, and/or posting to the relevant ledger accounts;

• Tested completeness of revenue by tracing samples of billings and/or posting during the financial year and posting subsequent to the year to the relevant ledger accounts; and

• Assessed the risk of management override of controls mainly through the review of journal entries testing.</td></tr>
</table>

Information Other than the Financial Statements and Auditors' Report Thereon

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

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

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 5 to the financial statements.

OTHER MATTER

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Crowe Malaysia PLT
201906000005 (LLP0018817-LCA) & AF 1018
Chartered Accountants

Tan Keng Chiew
03709/01/2025 J
Chartered Accountant

Kuala Lumpur

12 October 2023

STATEMENTS OF FINANCIAL POSITION

AS AT 30 JUNE 2023

The Group		The Company			
		2023	2022	2023	2022
	Note	RM	RM	RM	RM
ASSETS					
NON-CURRENT ASSETS					
Investment in subsidiaries	5	-	-	12,720,047	12,327,698
Investment in associates	6	600	300	-	-
Investment in a joint venture	7	-	-	-	-
Plant and equipment	8	13,661,088	13,406,091	-	-
Right-of-use assets	9	10,231,668	10,943,374	-	-
Deferred tax assets	10	1,669,521	1,450,000	-	-
		25,562,877	25,799,765	12,720,047	12,327,698
CURRENT ASSETS					
Inventories	11	1,380,632	1,152,509	-	-
Trade receivables	12	5,077,314	4,783,123	-	-
Other receivables, deposits and prepayments	13	1,399,525	1,419,158	251,547	390,764
Amount owing by subsidiaries	14	-	-	29,646	-
Fixed deposits with licensed banks	15	97,548,740	80,559,435	76,862,706	70,404,165
Cash and bank balances		759,435	5,830,479	112,768	5,725,273
		106,165,646	93,744,704	77,256,667	76,520,202
TOTAL ASSETS		131,728,523	119,544,469	89,976,714	88,847,900
EQUITY AND LIABILITIES					
EQUITY					
Share capital	16	87,472,106	81,932,561	87,472,106	81,932,561
Reserves	17	2,007,709	1,618,148	477,259	87,698
Retained profits/(Accumulated losses)		16,628,635	9,399,326	1,551,740	(2,371,473)
TOTAL EQUITY		106,108,450	92,950,035	89,501,105	79,648,786

		The Group		The Company	
		2023	2022	2023	2022
	Note	RM	RM	RM	RM
NON-CURRENT LIABILITIES					
Lease liabilities	18	13,602,193	14,933,177	-	-
Provision for restoration costs	19	622,840	-	-	-
		14,225,033	14,933,177	-	-
CURRENT LIABILITIES					
Trade payables	20	2,589,059	3,517,802	-	-
Other payables and accruals	21	7,033,868	6,387,452	201,836	314,165
Amount owing to a subsidiary	14	-	-	141	8,702,149
Amount owing to directors	22	150,200	155,800	150,200	155,800
Lease liabilities	18	1,330,987	1,272,529	-	-
Current tax liabilities		290,926	327,674	123,432	27,000
		11,395,040	11,661,257	475,609	9,199,114
TOTAL LIABILITIES		25,620,073	26,594,434	475,609	9,199,114
TOTAL EQUITY AND LIABILITIES		131,728,523	119,544,469	89,976,714	88,847,900

The annexed notes form an integral part of these financial statements.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

		The Group		The Company	
		2023	**2022**	**2023**	**2022**
	Note	**RM**	**RM**	**RM**	**RM**
REVENUE	23	70,280,026	64,442,372	9,140,754	-
COST OF SALES		(39,554,942)	(38,391,320)	-	-
GROSS PROFIT		30,725,084	26,051,052	9,140,754	-
OTHER INCOME		3,657,283	1,394,875	2,141,800	294,530
		34,382,367	27,445,927	11,282,554	294,530
ADMINISTRATIVE EXPENSES		(16,237,325)	(14,480,877)	(871,597)	(1,756,366)
OTHER EXPENSES		(9,335)	(5,084)	-	-
FINANCE COSTS		(734,317)	(846,355)	(192)	(39)
NET IMPAIRMENT LOSS ON FINANCIAL ASSETS	24	(27,234)	-	-	-
PROFIT/(LOSS) BEFORE TAXATION	25	17,374,156	12,113,611	10,410,765	(1,461,875)
INCOME TAX EXPENSE	26	(4,085,727)	(2,722,566)	(428,432)	(108,000)
PROFIT/(LOSS) AFTER TAXATION		13,288,429	9,391,045	9,982,333	(1,569,875)
OTHER COMPREHENSIVE INCOME		-	-	-	-
TOTAL COMPREHENSIVE INCOME/(EXPENSES) FOR THE FINANCIAL YEAR		13,288,429	9,391,045	9,982,333	(1,569,875)
PROFIT/(LOSS) AFTER TAXATION ATTRIBUTABLE TO:-					
Owners of the Company		13,288,429	9,391,045	9,982,333	(1,569,875)
TOTAL COMPREHENSIVE INCOME/(EXPENSES) ATTRIBUTABLE TO:-					
Owners of the Company		13,288,429	9,391,045	9,982,333	(1,569,875)
EARNINGS PER SHARE (SEN)					
Basic	27	1.62	1.46		
Diluted	27	1.61	1.46		

The annexed notes form an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

			← Non-Distributable	→	Distributable	
	Note	Share Capital RM	Reorganisation Reserve RM	Long Term Incentive Plan Reserve RM	Retained Profits RM	Total Equity RM
The Group						
Balance at 1.7.2021		12,240,001	1,530,450	-	8,281	13,778,732
Profit after taxation/ Total comprehensive income for the financial year		-	-	-	9,391,045	9,391,045
Contribution by owners of the Company:						
- Issuance of shares	16(c)	72,204,000	-	-	-	72,204,000
- Share issuance expenses	16(c)	(2,511,440)	-	-	-	(2,511,440)
- Share options to executives	17(b)	-	-	87,698	-	87,698
Total transactions with owners		69,692,560	-	87,698	-	69,780,258
Balance at 30.6.2022/1.7.2022		81,932,561	1,530,450	87,698	9,399,326	92,950,035
Profit after taxation/Total comprehensive income for the financial year		-	-	-	13,288,429	13,288,429
Contribution by and distributions to owners of the Company:						
- Issuance of shares	16(b)(i)	5,618,600	-	-	-	5,618,600
- Share issuance expenses	16(b)(i)	(89,951)	-	-	-	(89,951)
- Share options exercised	16(b)(ii)	10,896	-	(1,788)	-	9,108
- Share options lapsed	17(b)	-	-	(1,504)	-	(1,504)
- Share options to executives	17(b)	-	-	392,853	-	392,853
- Dividends	29	-	-	-	(6,059,120)	(6,059,120)
Total transactions with owners		5,539,545	-	389,561	(6,059,120)	(130,014)
Balance at 30.6.2023		87,472,106	1,530,450	477,259	16,628,635	106,108,450

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023 (CONT'D)

	Note	Share Capital RM	Long Term Incentive Plan Reserve RM	(Accumulated Losses)/ Retained Profit RM	Total Equity RM
The Company					
Balance at 1.7.2021		12,240,001	-	(801,598)	11,438,403
Loss after taxation/Total comprehensive expenses for the financial year		-	-	(1,569,875)	(1,569,875)
Contribution by owners of the Company:					
- Issuance of shares	16(c)	72,204,000	-	-	72,204,000
- Share issuance expenses	16(c)	(2,511,440)	-	-	(2,511,440)
- Share options to executives	17(b)	-	87,698	-	87,698
Total transactions with owners		69,692,560	87,698	-	69,780,258
Balance at 30.6.2022/1.7.2022		81,932,561	87,698	(2,371,473)	79,648,786
Profit after taxation/Total comprehensive income for the financial year		-	-	9,982,333	9,982,333
Contribution by and distributions to owners of the Company:					
- Issuance of shares	16(b)(i)	5,618,600	-	-	5,618,600
- Share issuance expenses	16(b)(i)	(89,951)	-	-	(89,951)
- Share options exercised	16(b)(ii)	10,896	(1,788)	-	9,108
- Share options lapsed	17(b)	-	(1,504)	-	(1,504)
- Share options to executives	17(b)	-	392,853	-	392,853
- Dividends	29	-	-	(6,059,120)	(6,059,120)
Total transactions with owners		5,539,545	389,561	(6,059,120)	(130,014)
Balance at 30.6.2023		87,472,106	477,259	1,551,740	89,501,105

The annexed notes form an integral part of these financial statements.

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

	Note	The Group 2023 RM	The Group 2022 RM	The Company 2023 RM	The Company 2022 RM
CASH FLOWS FROM/(FOR) OPERATING ACTIVITIES					
Profit/(Loss) before taxation		17,374,156	12,113,611	10,410,765	(1,461,875)
Adjustments for:-					
Bad debt written off		-	374	-	-
Depreciation of plant and equipment		1,865,079	2,994,345	-	-
Depreciation of right-of-use assets		1,304,763	1,414,053	-	-
Impairment loss on:					
- goodwill		-	4,710	-	-
- trade receivables		27,234	-	-	-
Interest expense		704,534	846,355	192	39
Unwinding of discount		29,783	-	-	-
Plant and equipment written off		9,335	-	-	-
Listing expenses		-	1,274,234	-	1,274,234
Special issue on shares expenses		151,157	-	151,157	-
Share options lapsed		(1,504)	-	-	-
Share options to executives		392,853	87,698	-	-
Interest income		(2,783,381)	(497,252)	(2,141,800)	(294,530)
Operating profit/(loss) before working capital changes		19,074,009	18,238,128	8,420,314	(482,132)
Increase in inventories		(228,123)	(208,412)	-	-
(Increase)/Decrease in trade and other receivables		(301,792)	(890,896)	139,217	(390,264)
Increase in amount owing by subsidiaries		-	-	(29,646)	-
(Decrease)/Increase in trade and other payables		(282,327)	2,378,296	(112,329)	289,665
(Decrease)/Increase in amount owing to a subsidiary		-	-	(8,702,008)	7,951,852
(Decrease)/Increase in amount owing to directors		(5,600)	128,500	(5,600)	128,500
CASH FROM/(FOR) OPERATIONS		18,256,167	19,645,616	(290,052)	7,497,621
Income tax paid		(4,341,996)	(4,316,116)	(332,000)	(81,000)
Interest paid		(1,308)	(788)	(192)	(39)
NET CASH FROM/(FOR) OPERATING ACTIVITIES		13,912,863	15,328,712	(622,244)	7,416,582

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023 (CONT'D)

	Note	The Group 2023 RM	The Group 2022 RM	The Company 2023 RM	The Company 2022 RM
CASH FLOWS FROM/(FOR) INVESTING ACTIVITIES					
Acquisition of a subsidiary, net of cash and cash equivalent acquired	28	-	1,953	-	-
Incorporation of a new subsidiary		-	-	(1,000)	-
Interest income received		2,783,381	497,252	2,141,800	294,530
Investment in an associate		(300)	-	-	-
Purchase of plant and equipment	30(a)	(2,129,411)	(427,669)	-	-
Withdrawal/(Placement) of fixed deposits with tenure more than 3 months		50,000,000	(48,000,000)	47,300,000	(47,300,000)
NET CASH FROM/(FOR) INVESTING ACTIVITIES		50,653,670	(47,928,464)	49,440,800	(47,005,470)
CASH FLOWS (FOR)/FROM FINANCING ACTIVITIES					
Dividends paid		(6,059,120)	-	(6,059,120)	-
Interest paid	30(b)	(703,226)	(845,567)	-	-
Payment of share issuance expenses		(241,108)	(3,785,674)	(241,108)	(3,785,674)
Proceeds from issuance of ordinary shares		5,618,600	72,204,000	5,618,600	72,204,000
Proceeds from exercise of share options		9,108	-	9,108	-
Repayment of lease liabilities	30(b)	(1,272,526)	(963,221)	-	-
Repayment of term loan	30(b)	-	(2,018,063)	-	-
Withdrawal of pledged fixed deposits		-	166,166	-	-
NET CASH (FOR)/FROM FINANCING ACTIVITIES		(2,648,272)	64,757,641	(672,520)	68,418,326
NET INCREASE IN CASH AND CASH EQUIVALENTS		61,918,261	32,157,889	48,146,036	28,829,438
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		36,389,914	4,232,025	28,829,438	-
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	30(c)	98,308,175	36,389,914	76,975,474	28,829,438

The annexed notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

1. GENERAL INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia. The registered office and principal place of business are as follows:-

Registered office	:	Unit 30-01, Level 30, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur.
Principal place of business	:	Unit 2-3 & 2-4, Level 2, Nexus @ Bangsar South, No. 7, Jalan Kerinchi, 59200 Kuala Lumpur.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 12 October 2023.

2. PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of investment holding. The principal activities of the subsidiaries are set out in Note 5 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

3. BASIS OF PREPARATION

The financial statements of the Group are prepared under the historical cost convention and modified to include other bases of valuation as disclosed in other sections under significant accounting policies, and in compliance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

3.1 During the current financial year, the Group has adopted the following new accounting standards and/or interpretations (including the consequential amendments, if any):-

MFRSs and/or IC Interpretations (Including The Consequential Amendments)

Amendments to MFRS 3: Reference to the Conceptual Framework

Amendments to MFRS 116: Property, Plant and Equipment – Proceeds before Intended Use

Amendments to MFRS 137: Onerous Contracts – Cost of Fulfilling a Contract

Annual Improvements to MFRS Standards 2018 – 2020

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) did not have any material impact on the Group's financial statements.

3. BASIS OF PREPARATION (CONT'D)

3.2 The Group has not applied in advance the following accounting standards and/or interpretations (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective for the current financial year:-

MFRSs and/or IC Interpretations (Including The Consequential Amendments)	Effective Date
MFRS 17 Insurance Contracts	1 January 2023
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
Amendments to MFRS 16: Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 17 Insurance Contracts	1 January 2023
Amendment to MFRS 17: Initial Application of MFRS 17 and MFRS 9 – Comparative Information	1 January 2023
Amendments to MFRS 101: Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 101: Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to MFRS 101: Non-current Liabilities with Covenants	1 January 2024
Amendments to MFRS 107 and MFRS 7: Supplier Finance Arrangements	1 January 2024
Amendments to MFRS 108: Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to MFRS 112: International Tax Reform – Pillar Two Model Rules	1 January 2023
Amendments to MFRS 121: Lack of Exchangeability	1 January 2025

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) is expected to have no material impact on the financial statements of the Group upon their initial application.

4. SIGNIFICANT ACCOUNTING POLICIES

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Key Sources of Estimation Uncertainty

Management believes that there are no key assumptions made concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year other than as disclosed below:-

(a) Depreciation of Plant and Equipment

The estimates for the residual values, useful lives and related depreciation charges for the plant and equipment are based on commercial factors which could change significantly as a result of technical innovations and competitors' actions in response to the market conditions. The Group anticipates that the residual values of its plant and equipment will be insignificant. As a result, residual values are not being taken into consideration for the computation of the depreciable amount. Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised. The carrying amount of plant and equipment as at the reporting date is disclosed in Note 8 to the financial statements.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

Key Sources of Estimation Uncertainty (Cont'd)

(b) Impairment of Investment in Subsidiaries, Investment in Associates, Investment in a Joint Venture, Plant and Equipment and Right-of-use Assets

The Group determines whether its investment in subsidiaries, investment in associates, investment in a joint venture, an item of its plant and equipment and right-of-use assets is impaired by evaluating the extent to which the recoverable amount of the asset is less than its carrying amount. This evaluation is subject to changes such as market performance, economic and political situation of the country. A variety of methods is used to determine the recoverable amount, such as valuation reports and discounted cash flows. For discounted cash flows, significant judgement is required in the estimation of the present value of future cash flows generated by the assets, which involve uncertainties and are significantly affected by assumptions used and judgements made regarding estimates of future cash flows and discount rates. The carrying amounts of investment in subsidiaries, investment in associates, investment in a joint venture, plant and equipment and right-of-use assets as at the reporting date are disclosed in Notes 5, 6, 7, 8 and 9 to the financial statements.

(c) Write-down of Inventories

Reviews are made periodically by management on damaged, obsolete and slow-moving inventories. These reviews require judgement and estimates. Possible changes in these estimates could result in revisions to the valuation of inventories. The carrying amount of inventories as at the reporting date is disclosed in Note 11 to the financial statements.

(d) Impairment of Trade Receivables

The Group uses the simplified approach to estimate a lifetime expected credit loss allowance for all trade receivables. The Group develops the expected loss rates based on the payment profiles of past sales and the corresponding historical credit losses, and adjusts for qualitative and quantitative reasonable and supportable forward-looking information. If the expectation is different from the estimation, such difference will impact the carrying value of trade receivables. The carrying amount of trade receivables as at the reporting date is disclosed in Note 12 to the financial statements.

(e) Impairment of Non-Trade Receivables

The loss allowances for non-trade receivables are based on assumptions about risk of default (probability of default) and expected loss if a default happens (loss given default). It also requires the Group to assess whether there is a significant increase in credit risk of the non-trade financial asset at the reporting date. The Group uses judgement in making these assumptions and selecting appropriate inputs to the impairment calculation, based on the past payment trends, existing market conditions and forward-looking information. The carrying amount of other receivables as at the reporting date is disclosed in Note 13 to the financial statements.

(f) Income Taxes

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Group recognises tax liabilities based on its understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax expense and deferred tax balances in the period in which such determination is made. The carrying amounts of current tax liabilities of the Group and of the Company as at the reporting date are RM290,926 and RM123,432 (2022 - RM327,674 and RM27,000) respectively.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

Key Sources of Estimation Uncertainty (Cont'd)

(g) Deferred Tax Assets

Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that future taxable profits would be available against which the deductible temporary differences could be utilised. Management judgement is required to determine the amount of deferred tax assets that can be recognised, based on the assessment of the probability of the future taxable profits. The carrying amount of deferred tax assets as at the reporting date is disclosed in Note 10 to the financial statements.

(h) Discount Rates used in Leases

Where the interest rate implicit in the lease cannot be readily determined, the Group uses the incremental borrowing rate to measure the lease liabilities. The incremental borrowing rate is the interest rate that the Group would have to pay to borrow over a similar term, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. Therefore, the incremental borrowing rate requires estimation particularly when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the incremental borrowing rate using observable inputs when available and is required to make certain entity-specific estimates.

Critical Judgements Made in Applying Accounting Policies

Management believes that there are no instances of application of critical judgement in applying the Group's accounting policies which will have a significant effect on the amounts recognised in the financial statements other than as disclosed below:-

(a) Lease Terms

Some leases contain extension options exercisable by the Group before the end of the non-cancellable contract period. In determining the lease term, management considers all facts and circumstances including the past practice and any cost that will be incurred to change the asset if an option to extend is not taken. An extension option is only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

(b) Share-based Payments

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity investments at the date at which they are granted. The estimating of the fair value requires determining the most appropriate valuation model for a grant of equity instruments, which is dependent on the terms and conditions of the grant. This also requires determining the most appropriate inputs to the valuation model including the expected life of the option volatility and dividend yield and making assumptions about them.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.2 BASIS OF CONSOLIDATION

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to the end of the reporting period.

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

Subsidiaries are consolidated from the date on which control is transferred to the Group up to the effective date on which control ceases, as appropriate.

Intragroup transactions, balances, income and expenses are eliminated on consolidation. Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Where necessary, adjustments are made to the financial statements of subsidiaries to ensure consistency of accounting policies with those of the Group.

(a) Business Combinations

Acquisitions of businesses are accounted for using the acquisition method. Under the acquisition method, the consideration transferred for acquisition of a subsidiary is the fair value of the assets transferred, liabilities incurred and the equity interests issued by the Group at the acquisition date. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs, other than the costs to issue debt or equity securities, are recognised in profit or loss when incurred.

In a business combination achieved in stages, previously held equity interests in the acquiree are remeasured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

Non-controlling interests in the acquiree may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets at the date of acquisition. The choice of measurement basis is made on a transaction-by-transaction basis.

(b) Entities under Common Control

Acquisition of entity under a reorganisation scheme does not result in any change in economic substance. Accordingly, the consolidated financial statements of the Company are a continuation of the acquired entity and is accounted for as follows:-

(i) the results of entities are presented as if the reorganisation occurred from the beginning of the earliest period presented in the financial statements;

(ii) the Company will consolidate the assets and liabilities of the acquired entities at their pre-combination carrying amounts. No adjustments are made to reflect fair values, or recognise any new assets or liabilities, at the date of the reorganisation that would otherwise be done under the acquisition method; and

(iii) no new goodwill is recognised as a result of the reorganisation. The only goodwill that is recognised is the existing goodwill relating to the combining entities. Any difference between the consideration paid/ transferred and the equity acquired is reflected within equity as reorganisation reserve or deficit.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.2 BASIS OF CONSOLIDATION (CONT'D)

(c) Non-controlling Interests

Non-controlling interests are presented within equity in the consolidated statement of financial position, separately from the equity attributable to owners of the Company. Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

(d) Changes in Ownership Interests in Subsidiaries Without Change of Control

All changes in the parent's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in the equity of the Group.

(e) Loss of Control

Upon the loss of control of a subsidiary, the Group recognises any gain or loss on disposal in profit or loss which is calculated as the difference between:-

(i) the aggregate of the fair value of the consideration received and the fair value of any retained interest in the former subsidiary; and

(ii) the previous carrying amount of the assets (including goodwill), and liabilities of the former subsidiary and any non-controlling interests.

Amounts previously recognised in other comprehensive income in relation to the former subsidiary are accounted for in the same manner as would be required if the relevant assets or liabilities were disposed of (i.e. reclassified to profit or loss or transferred directly to retained profits). The fair value of any investments retained in the former subsidiary at the date when control is lost is regarded as the fair value of the initial recognition for subsequent accounting under MFRS 9 or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

4.3 GOODWILL

Goodwill is measured at cost less accumulated impairment loses, if any. The carrying value of goodwill is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying amount may be impaired. The impairment value of goodwill is recognised immediately in profit or loss. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Under the acquisition method, any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interests recognised and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities at the date of acquisition is recorded as goodwill.

Where the latter amount exceeds the former, after reassessment, the excess represents a bargain purchase gain and is recognised in profit or loss immediately.

In respect of equity-accounted associates and joint venture, the carrying amount of goodwill is included in the carrying amount of the investment and an impairment loss on such an investment is not allocated to any asset, including goodwill, that forms part of the carrying amount of the equity-accounted associates and joint venture.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.4 FUNCTIONAL AND PRESENTATION CURRENCY

The individual financial statements of each entity in the Group are presented in the currency of the primary economic environment in which the entity operates, which is the functional currency.

The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional and presentation currency.

4.5 FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognised in the statements of financial position when the Group has become a party to the contractual provisions of the instruments.

Financial instruments are classified as financial assets, financial liabilities or equity instruments in accordance with the substance of the contractual arrangement and their definitions in MFRS 132. Interest, dividends, gains and losses relating to a financial instrument classified as liability are reported as an expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity.

Financial instruments are offset when the Group has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

A financial instrument is recognised initially at its fair value (other than trade receivables without significant financing component which are measured at transaction price as defined in MFRS 15 at inception). Transaction costs that are directly attributable to the acquisition or issue of the financial instrument (other than a financial instrument at fair value through profit or loss) are added to/deducted from the fair value on initial recognition, as appropriate. Transaction costs on the financial instrument at fair value through profit or loss are recognised immediately in profit or loss.

Financial instruments recognised in the statements of financial position are disclosed in the individual policy statement associated with each item.

(a) Financial Assets

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value (through profit or loss, or other comprehensive income), depending on the classification of the financial assets.

Debt Instruments

(i) Amortised Cost

The financial asset is held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest. Interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset. When the asset has subsequently become credit-impaired, the interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset.

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts), excluding expected credit losses, through the expected life of the financial asset or a shorter period (where appropriate).

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.5 FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Assets (Cont'd)

Debt Instruments (Cont'd)

(ii) Fair Value through Other Comprehensive Income

The financial asset is held for both collecting contractual cash flows and selling the financial asset, where the asset's cash flows represent solely payments of principal and interest. Movements in the carrying amount are taken through other comprehensive income and accumulated in the fair value reserve, except for the recognition of impairment, interest income and foreign exchange difference which are recognised directly in profit or loss. Interest income is calculated using the effective interest rate method.

(iii) Fair Value through Profit or Loss

All other financial assets that do not meet the criteria for amortised cost or fair value through other comprehensive income are measured at fair value through profit or loss. The fair value changes do not include interest or dividend income.

The Group reclassifies debt instruments when and only when its business model for managing those assets change.

Equity Instruments

All equity investments are subsequently measured at fair value with gains and losses recognised in profit or loss except where the Group has elected to present the subsequent changes in fair value in other comprehensive income and accumulated in the fair value reserve at initial recognition.

The designation at fair value through other comprehensive income is not permitted if the equity investment is either held for trading or is designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise.

Dividend income from this category of financial assets is recognised in profit or loss when the Group's right to receive payment is established unless the dividends clearly represent a recovery of part of the cost of the equity investments.

(b) Financial Liabilities

(i) Financial Liabilities at Fair Value through Profit or Loss

Fair value through profit or loss category comprises financial liabilities that are either held for trading or are designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise. The changes in fair value (excluding interest expense) of these financial liabilities are recognised in profit or loss.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.5 FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial Liabilities (Cont'd)

(ii) Other Financial Liabilities

Other financial liabilities are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts), through the expected life of the financial liability or a shorter period (where appropriate).

(c) Equity Instruments

Equity instruments classified as equity are measured initially at cost and are not remeasured subsequently.

Ordinary shares are classified as equity and recorded at the proceeds received, net of directly attributable transaction costs.

Dividends on ordinary shares are recognised as liabilities when approved for appropriation.

(d) Derecognition

A financial asset or part of it is derecognised when, and only when, the contractual rights to the cash flows from the financial asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. On derecognition of a financial asset measured at amortised cost, the difference between the carrying amount of the asset and the sum of the consideration received and receivable is recognised in profit or loss. In addition, on derecognition of a debt instrument classified as fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the fair value reserve is reclassified from equity to profit or loss. In contrast, there is no subsequent reclassification of the fair value reserve to profit or loss following the derecognition of an equity investment.

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

4.6 INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries (including the share options granted to executives of the subsidiaries) are stated at cost in the statement of financial position of the Company, and are reviewed for impairment at the end of the reporting period if events or changes in circumstances indicate that the carrying values may not be recoverable. The cost of the investments includes transaction costs.

On the disposal of the investments in subsidiaries, the difference between the net disposal proceeds and the carrying amount of the investments is recognised in profit or loss.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.7 INVESTMENTS IN ASSOCIATES

An associate is an entity in which the Group has a long-term equity interest and where it exercises significant influence over the financial and operating policies.

The investment in an associate is accounted for in the consolidated financial statements using the equity method based on the financial statements of the associate made up to the end of reporting period. The Group's share of the post-acquisition profits and other comprehensive income of the associate is included in the consolidated statement of profit or loss and other comprehensive income, after adjustment if any, to align the accounting policies with those of the Group, from the date that significant influence commences up to the effective date on which significant influence ceases or when the investment is classified as held for sale. The Group's investment in the associate is carried in the consolidated statement of financial position at cost plus the Group's share of the post-acquisition retained profits and reserves. The cost of investment includes transaction costs.

When the Group's share of losses exceeds its interest in an associate, the carrying amount of that interest is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation. The interest in the associate is the carrying amount of the investment in the associate determined using the equity method together with any long-term interests that, in substance, form part of the Group's net investment in the associate.

Unrealised gains or losses on transactions between the Group and the associate are eliminated to the extent of the Group's interest in the associate. Unrealised losses are eliminated unless cost cannot be recovered.

When the Group ceases to have significant influence over an associate and the retained interest in the former associate is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as the initial carrying amount of the financial asset in accordance with MFRS 9. Furthermore, the Group also reclassifies its share of the gain or loss previously recognised in other comprehensive income of that associate to profit or loss when the equity method is discontinued.

4.8 JOINT ARRANGEMENTS

Joint arrangements are arrangements of which the Group has joint control, established by contracts requiring unanimous consent for decisions about the activities that significantly affect the arrangements returns.

Investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor. The Group has assessed the nature of its joint arrangements and determined them to be joint ventures.

Joint Ventures

A joint venture is a joint arrangement whereby the Group has rights only to the net assets of the arrangement.

The investment in a joint venture is accounted for in the consolidated financial statements using the equity method, based on the financial statements of the joint venture made up to the end of reporting period. The Group's share of the post-acquisition profits and other comprehensive income of the joint venture is included in the consolidated statement of profit or loss and other comprehensive income, after adjustment if any, to align the accounting policies with those of the Group, from the date that joint control commences up to the effective date when the investment ceases to be a joint venture or when the investment is classified as held for sale. The Group's investment in the joint venture is carried in the consolidated statement of financial position at cost plus the Group's share of the post-acquisition retained profits and reserves. The cost of investment includes transaction costs.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.8 JOINT ARRANGEMENTS (CONT'D)

Joint Ventures (CONT'D)

When the Group's share of losses exceeds its interest in a joint venture, the carrying amount of that interest is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation. The interest in the joint venture is the carrying amount of the investment in the joint venture determined using the equity method together with any long-term interests that, in substance, form part of the Group's net investment in the joint venture.

Unrealised gains on transactions between the Group and the joint venture are eliminated to the extent of the Group's interest in the joint venture. Unrealised losses are eliminated unless cost cannot be recovered.

The Group discontinues the use of the equity method from the date when the investment ceases to be a joint venture or when the investment is classified as held for sale. When the Group retains an interest in the former joint venture and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as the initial carrying amount of the financial asset in accordance with MFRS 9. Furthermore, the Group also reclassifies its share of the gain or loss previously recognised in other comprehensive income of that joint venture to profit or loss when the equity method is discontinued. However, the Group will continue to use the equity method when an investment in a joint venture becomes an investment in an associate. Under such change in ownership interest, the retained investment is not remeasured to fair value but a proportionate share of the amounts previously recognised in other comprehensive income of the joint venture will be reclassified to profit or loss where appropriate. All dilution gains or losses arising in investments in joint ventures are recognised in profit or loss.

4.9 PLANT AND EQUIPMENT

All items of plant and equipment are initially measured at cost. Cost includes expenditure that are directly attributable to the acquisition of the asset and other costs directly attributable to bringing the asset to working condition for its intended use, and the estimated costs of dismantling and removing the items and restoring that site on which they are located.

Subsequent to initial recognition, all plant and equipment are stated at cost less accumulated depreciation and any impairment losses.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when the cost is incurred and it is probable that the future economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably. The carrying amount of parts that are replaced is derecognised. The costs of the day-to-day servicing of plant and equipment are recognised in profit or loss as incurred.

Depreciation on plant and equipment is charged to profit or loss (unless it is included in the carrying amount of another asset) on a straight-line method to write off the depreciable amount of the assets over their estimated useful lives. Depreciation of an asset does not cease when the asset becomes idle or is retired from active use unless the asset is fully depreciated. The principal annual rates used for this purpose are:-

Computer equipment	33.33%
Furniture and fittings	12.5%
Electrical equipment	20%
Medical equipment	20%
Office equipment	20%
Renovation	5%

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.9 PLANT AND EQUIPMENT (CONT'D)

Capital work-in-progress included in plant and equipment are not depreciated as these assets are not yet available for use.

The depreciation method, useful lives and residual values are reviewed, and adjusted if appropriate, at the end of each reporting period to ensure that the amounts, method and periods of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of the plant and equipment. Any changes are accounted for as a change in estimate.

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

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising from derecognition of the asset, being the difference between the net disposal proceeds and the carrying amount, is recognised in profit or loss.

4.10 LEASES

The Group assesses whether a contract is or contains a lease, at the inception of the contract. The Group recognises a right-of-use asset and corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for low-value assets and short-term leases with 12 months or less. For these leases, the Group recognises the lease payments as an operating expense on a straight-line method over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use assets and the associated lease liabilities are presented as a separate line item in the statements of financial position.

The right-of-use asset is initially measured at cost. Cost includes the initial amount of the corresponding lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and the estimated costs of dismantling and restoration costs, less any incentives received.

The right-of-use asset is subsequently measured at cost less accumulated depreciation and any impairment losses, and adjusted for any remeasurement of the lease liability. The depreciation starts from the commencement date of the lease. If the lease transfers ownership of the underlying asset to the Group or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. Otherwise, the Group depreciates the right-of-use asset to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of the right-of-use assets are determined over the lease period.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

The lease liability is subsequently measured at amortised cost using the effective interest method. It is remeasured when there is a change in the future lease payments (other than lease modification that is not accounted for as a separate lease) with the corresponding adjustment is made to the carrying amount of the right-of-use asset or is recognised in profit or loss if the carrying amount has been reduced to zero.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.11 INVENTORIES

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average cost method and comprises the purchase price and incidentals incurred in bringing the inventories to their present location and condition.

Net realisable value represents the estimated selling price less the estimated costs of completion and the estimated costs necessary to make the sale.

4.12 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash in hand, bank balances, demand deposits, and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value with original maturity periods of three months or less.

4.13 IMPAIRMENT

(a) Impairment of Financial Assets

The Group recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost and trade receivables.

The expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument. The Group always recognises lifetime expected credit losses for trade receivables using the simplified approach. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience and are adjusted for forward-looking information (including time value of money where appropriate).

For all other financial instruments, the Group recognises lifetime expected credit losses when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at fair value through other comprehensive income, for which the loss allowance is recognised in other comprehensive income and accumulated in the fair value reserve, and does not reduce the carrying amount of the financial asset in the statement of financial position.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.13 IMPAIRMENT (CONT'D)

(b) Impairment of Non-financial Assets

The carrying values of assets, other than those to which MFRS 136 - Impairment of Assets does not apply, are reviewed at the end of each reporting period for impairment when there is an indication that the assets might be impaired. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts. When the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount and an impairment loss shall be recognised. The recoverable amount of an asset is the higher of the asset's fair value less costs to sell and its value-in-use, which is measured by reference to discounted future cash flows using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

An impairment loss is recognised in profit or loss.

When there is a change in the estimates used to determine the recoverable amount, a subsequent increase in the recoverable amount of an asset is treated as a reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in profit or loss immediately.

4.14 PROVISIONS

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of past events, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and when a reliable estimate of the amount can be made. Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the provision is the present value of the estimated expenditure required to settle the obligation. The discount rate shall be a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as interest expense in profit or loss.

Dismantling, Removal and Restoration Costs

A provision is recognised when the Group has an obligation to dismantle and remove structures on identified sites and restore these sites to an acceptable condition. The provision is measured at the present value of the compounded future expenditure at current prices and is recognised as part of the cost of the relevant asset. The capitalised cost is depreciated over the expected life of the asset.

4.15 EMPLOYEE BENEFITS

(a) Short-term Benefits

Wages, salaries, paid annual leave and bonuses are measured on an undiscounted basis and are recognised in profit or loss in the period in which the associated services are rendered by employees of the Group.

(b) Defined Contribution Plan

The Group's contributions to defined contribution plan are recognised in profit or loss in the period to which they relate. Once the contributions have been paid, the Group has no further liability in respect of the defined contribution plan.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.15 EMPLOYEE BENEFITS (CONT'D)

(c) Share-based Payment Transactions

The Group operates an equity-settled share-based compensation plan, under which the Group receives services from employees as consideration for equity instruments of the Company (known as "share options").

At grant date, the fair value of the share options is recognised as an expense on a straight-line method over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding credit to long term incentive plan reserve in equity. The amount recognised as an expense is adjusted to reflect the actual number of the share options that are expected to vest. Service and non-market performance conditions attached to the transaction are not taken into account in determining the fair value.

In the Company's separate financial statements, the grant of the share options to the subsidiaries' employees is not recognised as an expense. Instead, the fair value of the share options measured at the grant date is accounted for as an increase to the investment in subsidiary undertaking with a corresponding credit to the long term incentive plan reserve.

Upon expiry of the share option, the long term incentive plan reserve is transferred to retained profits.

When the share options are exercised, the long term incentive plan reserve is transferred to share capital if new ordinary shares are issued.

4.16 INCOME TAXES

(a) Current Tax

Current tax assets and liabilities are the expected amount of income tax recoverable or payable to the taxation authorities.

Current taxes are measured using tax rates and tax laws that have been enacted or substantively enacted at the end of the reporting period and are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss (either in other comprehensive income or directly in equity).

(b) Deferred Tax

Deferred tax is recognised using the liability method for all temporary differences other than those that arise from goodwill or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on the tax rates that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. The carrying amounts of deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that the related tax benefits will be realised.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.16 INCOME TAXES (CONT'D)

Current and deferred tax items are recognised in correlation to the underlying transactions either in profit or loss, other comprehensive income or directly in equity.

Current tax assets and liabilities or deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same taxable entity (or on different tax entities but they intend to settle current tax assets and liabilities on a net basis) and the same taxation authority.

4.17 OPERATING SEGMENTS

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

4.18 EARNINGS PER ORDINARY SHARE

Basic earnings per ordinary share is calculated by dividing the consolidated profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the reporting period, adjusted for own shares held.

Diluted earnings per ordinary share is determined by adjusting the consolidated profit or loss attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive ordinary shares, which comprise share options granted to executives.

4.19 BORROWING COSTS

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

4.20 FAIR VALUE MEASUREMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using a valuation technique. In estimating the fair value of an asset or a liability, the Group take into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. The measurement assumes that the transaction takes place either in the principal market or in the absence of a principal market, in the most advantageous market. For non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.20 FAIR VALUE MEASUREMENTS (CONT'D)

For financial reporting purposes, the fair value measurements are analysed into level 1 to level 3 as follows:-

Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liability that the entity can access at the measurement date;

Level 2: Inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3: Inputs are unobservable inputs for the asset or liability.

The transfer of fair value between levels is determined as of the date of the event or change in circumstances that caused the transfer.

The fair value for measurement and disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions (MFRS 2), leasing transactions (MFRS 16) and measurement that have some similarities to fair value but not are fair value, such as net realisable value (MFRS 102) or value in use (MFRS 136).

4.21 REVENUE FROM CONTRACTS WITH CUSTOMERS

Revenue is recognised by reference to each distinct performance obligation in the contract with customer and is measured at the consideration specified in the contract of which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, net of sales and service tax, returns, rebates and discounts.

The Group recognises revenue when (or as) it transfers control over a product or service to customer. An asset is transferred when (or as) the customer obtains control of that asset.

The Group transfers control of a good or service at a point in time unless one of the following overtime criteria is met:-

- The customer simultaneously receives and consumes the benefits provided as the Group performs.

- The Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.

- The Group's performance does not create an asset with an alternative use and the Group has an enforceable right to payment for performance completed to date.

(a) Consultant Services

Consultant services represent consultation and treatment services provided to patients. Consultant services are recognised at a point in time when the services are rendered.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023 (CONT'D)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.21 REVENUE FROM CONTRACTS WITH CUSTOMERS (CONT'D)

(b) Medical Management Services

Medical management services generally relate to contracts with patients in which performance obligations are to provide nursing and clinical support services. The performance obligations for inpatient services are generally satisfied over a short period, and revenue from inpatients is recorded when the healthcare services is performed. The performance obligations for outpatient and day care services are generally satisfied over a period of less than one day, and revenue is also recorded when the healthcare services is performed. The Group has a range of credit terms which are typically short-term, in line with market practice, and without any financing component. There are no variable considerations, and no obligation for returns or refunds or warranties for healthcare-related services.

(c) Others

Others represent contribution by certain resident consultants whereby a fixed percentage of the consultation and treatment fees earned by them in other medical centre is contributed to the Group. Other services are recognised at a point in time on a monthly basis when the medical consultants received their income from other medical centres.

4.22 REVENUE FROM OTHER SOURCES AND OTHER OPERATING INCOME

(a) Dividend Income

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

(b) Interest Income

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

(c) Management Fee

Management fee charged to a joint venture for the provision of management and administrative services. Management fee is recognised on a monthly basis.

(d) External Consultancy Fee

External consultancy fee represents a portion of consultation and treatment fees earned by employee consultants in other medical centre to be contributed to the Group. External consultancy fee is recognised when the employee consultants received their income from other medical centres.

5. INVESTMENT IN SUBSIDIARIES

	The Company 2023 RM	The Company 2022 RM
At 1 July 2022/2021	12,327,698	12,240,000
Addition during the financial year	1,000	-
Share options granted to executives of a subsidiary	391,349	87,698
At 30 June	12,720,047	12,327,698

The details of the subsidiaries are as follows:-

Name of Subsidiary	Principal Place of Business/ Country of Incorporation	Percentage of Issued Share Capital Held by Parent 2023 %	2022 %	Principal Activities
Subsidiaries of the Company				
Cengild Sdn. Bhd. ("Cengild")	Malaysia	100	100	Business of healthcare specialising in the diagnosis and treatment of gastrointestinal, liver disease and morbid obesity.
CGI Primary Care Sdn. Bhd. ("CPCSB") *	Malaysia	100	-	Business of a private medical clinic. Currently, CPCSB is dormant.
Subsidiary of Cengild				
Galen Primer Sdn. Bhd. ("GPSB") ^	Malaysia	100	100	Activities of holding companies; specialised medical services; and to set up a specialist medical practice to provide consultancy on the medical treatment that deals with the diagnosis and treatment of cancer. Currently, GPSB is dormant.
Subsidiary of CPCSB				
CGI Polyclinic (Taman Bukit Mayang Emas) Sdn. Bhd. ("CGI Polyclinic") *	Malaysia	100	-	Business of a private medical clinic. Currently, CGI Polyclinic is dormant.

^ The subsidiary was audited by other firm of chartered accountants.
* These subsidiaries were not audited due to newly incorporated during the financial year.

(a) On 30 May 2023, the Company incorporated CPCSB with 100% equity interest comprising 1,000 units of ordinary shares for RM1 each.

(b) On 1 June 2023, a wholly-owned subsidiary of the Company, CPCSB, incorporated CGI Polyclinic with 100% equity interest comprising 1,000 units of ordinary shares for RM1 each.

(c) In the previous financial year, Cengild had acquired an additional 80% equity interests in GPSB from its non-controlling interests for a total consideration of RM800. Following the completion of the acquisition, GPSB became a wholly-owned subsidiary of Cengild. The details of the acquisition are disclosed in Note 28 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023 (CONT'D)

6. INVESTMENT IN ASSOCIATES

	The Group 2023 RM	The Group 2022 RM
Unquoted shares, at cost	600	300

The details of the associates are as follows:-

Name of Associate	Principal Place of Business / Country of Incorporation	Percentage of Ownership 2023 %	Percentage of Ownership 2022 %	Principal Activities
UNCKL Sdn. Bhd. ("UNCKL")	Malaysia	30	30	Activities of holding companies; specialised medical services; and to set up a specialist medical practice to provide consultancy on the medical treatment relating to the function and disorders of urinary system. Currently, UNCKL is dormant.
Urohealth Sdn. Bhd. ("USB")	Malaysia	30	-	To provide medical, urology services and other services in relation to the running of a medical practice and medical consultancy services. Currently, USB is dormant.

(a) On 12 April 2023, a wholly-owned subsidiary of the Company, Cengild, subscribed for 300 ordinary shares of RM1 each in USB for a total cash consideration of RM300, representing 30% of the entire issued and paid-up capital of USB.

(b) The share of results in associates and summarised financial information has not been presented as the associates are not individually material to the Group.

7. INVESTMENT IN A JOINT VENTURE

	The Group 2023 RM	The Group 2022 RM
Unquoted shares, at cost	300	300
Share of post-acquisition loss	(300)	(300)
	-	-

7. INVESTMENT IN A JOINT VENTURE (CONT'D)

The details of the joint venture are as follows:-

Name of Joint Venture	Principal Place of Business / Country of Incorporation	Percentage of Ownership 2023 %	Percentage of Ownership 2022 %	Principal Activities
Cardiac Care Centre Sdn, Bhd. ("CCCSB")	Malaysia	30	30	Activities of holding companies; specialised medical services; and to set up a specialist medical practice and to provide consultancy on the medical treatment in treating heart-related disorder and issues.

(a) The Group's involvement in joint arrangement is structured through a separate vehicle which provides the Group rights to the net assets of the entity. Accordingly, the Group has classified this investment as joint venture.

(b) Although the Group holds less than 50% of the voting power in CCCSB, the Group has determined that the strategic and financial decisions of the relevant activities of the investee require unanimous consent by all shareholders.

(c) The Group has not recognised further losses of CCCSB, where its share of losses exceeded the Group's interest in this joint venture. The Group's cumulative share of unrecognised loss at the end of the reporting period is Nil (2022 - RM6,315).

(d) The summarised financial information has not been presented as the joint venture is not individually material to the Group.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023 (CONT'D)

8. PLANT AND EQUIPMENT

	Capital work-in-progress RM	Computer equipment RM	Furniture and fittings RM	Electrical equipment RM	Medical equipment RM	Office equipment RM	Renovation RM	Total RM
The Group								
Carrying amount as at								
1 July 2021	-	140,631	244,295	58,342	3,846,935	1,150	11,681,414	15,972,767
Additions	178,600	30,183	19,306	4,500	166,057	5,023	24,000	427,669
Depreciation charges	-	(108,392)	(57,355)	(25,759)	(2,081,152)	(2,068)	(719,619)	(2,994,345)
Carrying amount as at 30 June 2022/1 July 2022	178,600	62,422	206,246	37,083	1,931,840	4,105	10,985,795	13,406,091
Additions	1,071,305	73,166	34,743	8,881	810,173	2,489	128,654	2,129,411
Transfer between categories	(703,000)	-	-	-	-	-	703,000	-
Written off	-	(1)	-	(1)	-	-	(9,333)	(9,335)
Depreciation charges	-	(50,792)	(61,631)	(16,049)	(987,761)	(1,207)	(747,639)	(1,865,079)
Carrying amount as at 30 June 2023	546,905	84,795	179,358	29,914	1,754,252	5,387	11,060,477	13,661,088
As at 30 June 2022								
At cost	178,600	1,284,034	472,789	132,584	10,518,241	10,774	14,408,377	27,005,399
Accumulated depreciation	-	(1,221,612)	(266,543)	(95,501)	(8,586,401)	(6,669)	(3,422,582)	(13,599,308)
Carrying Amount	178,600	62,422	206,246	37,083	1,931,840	4,105	10,985,795	13,406,091
As at 30 June 2023								
At cost	546,905	1,356,071	507,532	139,450	11,328,414	13,263	15,230,032	29,121,667
Accumulated depreciation	-	(1,271,276)	(328,174)	(109,536)	(9,574,162)	(7,876)	(4,169,555)	(15,460,579)
Carrying Amount	546,905	84,795	179,358	29,914	1,754,252	5,387	11,060,477	13,661,088

9. RIGHT-OF-USE ASSETS

	At 1.7.2022 RM	Addition (Note 30(a)) RM	Depreciation Charge RM	At 30.6.2023 RM
The Group				
2023				
Carrying Amount				
Premises	10,943,374	593,057	(1,304,763)	10,231,668

	At 1.7.2021 RM	Depreciation Charge RM	Modification of Lease Liabilities RM	At 30.6.2022 RM
The Group				
2022				
Carrying Amount				
Premises	17,350,080	(1,414,053)	(4,992,653)	10,943,374

The Group has leased premises that run for 3 (2022 - 3) years, with an option to renew the lease for a further of 6 (2022 - 6) years. Lease payments are increased every 3 years at the revised rent rate to be based on the prevailing market rate.

10. DEFERRED TAX ASSETS

The components of deferred tax (liabilities)/assets are as follows:-

	At 1.7.2022 RM	Recognised in Profit or Loss (Note 26) RM	At 30.6.2023 RM
The Group			
2023			
Plant and equipment	(249,000)	(7,383)	(256,383)
Right-of-use assets	1,263,000	(134,637)	1,128,363
Provisions	436,000	361,541	797,541
	1,450,000	219,521	1,669,521

	At 1.7.2021 RM	Recognised in Profit or Loss (Note 26) RM	At 30.6.2022 RM
2022			
Plant and equipment	-	(249,000)	(249,000)
Right-of-use assets	-	1,263,000	1,263,000
Provisions	-	436,000	436,000
	-	1,450,000	1,450,000

The deferred tax assets have been recognised by a subsidiary on the basis of its previous history of recording profits and to the extent that it is probable that future profits will be available against which the temporary differences can be utilised.

11. INVENTORIES

	The Group 2023 RM	2022 RM
Medical supplies and consumable goods	1,380,632	1,152,509
Recognised in profit or loss:-		
Inventories recognised as cost of sales	6,713,065	6,370,470

12. TRADE RECEIVABLES

	The Group	
	2023	2022
	RM	RM
Third parties	4,731,824	4,783,123
Unbilled receivables	372,724	-
	5,104,548	4,783,123
Allowance for impairment losses	(27,234)	-
	5,077,314	4,783,123
Allowance for impairment losses:-		
At 1 July 2022/2021	-	-
Addition during the financial year (Note 24)	27,234	-
At 30 June	27,234	-

The Group's normal trade credit terms range from 15 to 60 (2022 - 15 to 60) days. Other credit terms are assessed and approved on a case-by-case basis.

13. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	The Group		The Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Other receivables:				
- third parties	349,183	275,310	249,729	209,842
- an associate	-	162	-	-
- a joint venture	64,911	55,939	-	-
	414,094	331,411	249,729	209,842
Deposits	725,357	682,813	1,500	1,500
Prepayments	260,074	404,934	318	179,422
	1,399,525	1,419,158	251,547	390,764

The amount owing by an associate and a joint venture are unsecured, interest-free and repayable on demand. The amounts owing are to be settled in cash.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023 (CONT'D)

14. AMOUNTS OWING BY/(TO) SUBSIDIARIES

The amounts owing are non-trade in nature, unsecured, interest-free and repayable on demand. The amounts owing are to be settled in cash.

15. FIXED DEPOSITS WITH LICENSED BANKS

The fixed deposits with licensed banks of the Group and of the Company at the end of the reporting period bore effective interest rates ranging from 2.20% to 4.00% (2022 - 1.60% to 2.55%) per annum and 3.40% to 4.00% (2022 - 2.25% to 2.55%) per annum respectively. The fixed deposits have maturity periods ranging from 14 to 92 (2022 - 13 to 186) days and 30 to 92 (2022 - 92 to 186) days for the Group and the Company respectively.

16. SHARE CAPITAL

	The Group/The Company			
	2023		2022	
	Number of Shares	RM	Number of Shares	RM
Issued and Fully Paid-Up:				
Ordinary Shares				
At 1 July 2022/2021	818,800,000	81,932,561	600,000,000	12,240,001
Issuance of new shares:				
- public issue	14,046,500	5,618,600	218,800,000	72,204,000
- share options exercised	27,600	9,108	-	-
- share option reserve	-	1,788	-	-
Share issuance expenses	-	(89,951)	-	(2,511,440)
At 30 June	832,874,100	87,472,106	818,800,000	81,932,561

(a) The holders of ordinary shares are entitled to receive dividends as and when declared by the Company and are entitled to one vote per ordinary share at meetings of the Company. The ordinary shares have no par value.

(b) During the financial year, the Company increased its issued and paid-up share capital from RM81,932,561 to RM87,472,106 by way of:-

(i) issuance of 14,046,500 new ordinary shares at an issue price of RM0.40 per share to Bumiputera Investors identified and approved by the Ministry of International Trade and Industry for a total cash consideration of RM5,618,600. The listing expenses arising from the issuance of new ordinary shares amounted to RM89,951 were offset against the share capital and the remaining listing expenses of RM151,157 was expensed off to profit or loss; and

(ii) issuance of 27,600 new ordinary shares from the exercise of options under the Company's Long Term Incentive Plan at the exercise price of RM0.33 per share which amounted to RM9,108 and transfer from Long Term Incentive Plan reserve of RM1,788 to share capital.

The new ordinary shares issued rank pari passu in all respects with the existing ordinary shares of the Company.

16. SHARE CAPITAL (CONT'D)

(c) In the previous financial year, the Company increased its issued and paid-up share capital from RM12,240,001 to RM81,932,561 by way of issuance of 218,800,000 new ordinary shares at an issue price of RM0.33 per share pursuant to the listing of the Company on the ACE Market of Bursa Malaysia Securities Berhad for a total cash consideration of RM72,204,000. The listing expenses arising from the issuance of new ordinary shares amounted to RM2,511,440 were offset against the share capital and the remaining listing expenses of RM1,274,234 was expensed off to profit or loss.

The new ordinary shares issued rank pari passu in all respects with the existing ordinary shares of the Company.

17. RESERVES

		The Group		The Company	
		2023	2022	2023	2022
	Note	RM	RM	RM	RM
Reorganisation reserve	(a)	1,530,450	1,530,450	-	-
Long Term Incentive Plan reserve	(b)	477,259	87,698	477,259	87,698
		2,007,709	1,618,148	477,259	87,698

(a) Reorganisation Reserve

The reorganisation reserve arises from the difference between the carrying value of the investment and the nominal value of shares of a direct subsidiary upon consolidation under the pooling-of-interests method of accounting.

(b) Long Term Incentive Plan Reserve

	The Group/The Company	
	2023	2022
	RM	RM
At 1 July 2022/2021	87,698	-
Addition during the financial year	392,853	87,698
Share options exercised	(1,788)	-
Share options lapsed	(1,504)	-
At 30 June	477,259	87,698

This represents the equity-settled share options granted to executives. The reserve is made up of the cumulative value of services received from executives recorded over the vesting period commencing from the grant date of equity-settled share options, and is reduced by the expiry or exercise of the share options.

The Long Term Incentive Plan ("LTIP") of the Company is governed by the LTIP By-Laws and was approved by shareholders on 15 April 2022. The LTIP is to be in force for a period of 5 years effective from 15 April 2022.

17. RESERVES (CONT'D)

(b) Long Term Incentive Plan Reserve (Cont'd)

The main features of the LTIP are as follows:-

(i) Eligible persons are employees and/or directors of the Group, save for companies which are dormant, who have been confirmed in the employment of the Group;

(ii) The maximum number of new ordinary shares of the Company, which may be available under the scheme, shall not exceed in aggregate 10%, or any such amount or percentage as may be permitted by the relevant authorities of the issued and paid-up share capital of the Company at any one time during the existence of the LTIP;

(iii) The option price shall be determined by the Option Committee based on the 5-day weighted average market price of ordinary shares of the Company immediately preceding the offer date of the option, with a discount of not more than 10%;

(iv) The option may be exercised by the grantee by notice in writing to the Company in the prescribed form during the option period in respect of all or any part of the new ordinary shares of the Company comprised in the LTIP; and

(v) All new ordinary shares issued upon exercise of the options granted under the LTIP will rank pari passu in all respects with the existing ordinary shares of the Company, provided always that new ordinary shares so allotted and issued, will not be entitled to any dividends, rights, allotments and/or other distributions declared, where the entitlement date of which is prior to date of allotment and issuance of the new ordinary shares.

The option prices and the details in the movement of the options granted are as follows:-

			← Number of Options over Ordinary Shares →				
Date of Offer	Exercise Price	Remaining Contractual Life of Options	At 1 July 2022	Granted	Exercised	Lapsed	At 30 June 2023
2023							
15 April 2022	RM0.33	3.80 Years	23,400,000	-	(27,600)	(73,500)	23,298,900
20 March 2023	RM0.40	3.80 Years	-	73,500	-	-	73,500
			23,400,000	73,500	(27,600)	(73,500)	23,372,400

			← Number of Options over Ordinary Shares →		
Date of Offer	Exercise Price	Remaining Contractual Life of Options	At 1 July 2021	Granted	At 30 June 2022
2022					
15 April 2022	RM0.33	4.80 Years	-	23,400,000	23,400,000

17. RESERVES (CONT'D)

(b) Long Term Incentive Plan Reserve (Cont'd)

No person to whom the share option has been granted above has any right to participate by virtue of the option in any share issue of any other company.

The share options which lapsed during the financial year were due to the resignation of employees.

For options exercised during the financial year, the weighted average share price at the date of exercise was RM0.46.

During the financial year, the Company has granted 73,500 (2022 - 23,400,000) share options under the LTIP. These options expire on 14 April 2027, may subject to an extension of up to a maximum of 10 years.

The number of options vested and exercisable as at 30 June 2023 was 2,308,725 (2022 - Nil) and have exercise prices in the range of RM0.33 to RM0.40 and a weighted average contractual life of 3.8 years.

The fair values of the share options granted were estimated using a black-scholes model, taking into account the terms and conditions upon which the options were granted. The fair value of the share options measured at grant date and the assumptions used are as follows:-

	Grant Date	
	20 March 2023	**15 April 2022**
Fair value of share options (RM)		
- First tranche, which vests on 18 April 2023	0.16	0.06
- Second tranche, which vests on 18 April 2024	0.15	0.06
- Third tranche, which vests on 18 April 2025	0.12	0.04
- Fourth tranche, which vests on 18 April 2026	0.09	0.03
Weighted average ordinary share price (RM)	0.46	0.42
Exercise price of share option (RM)	0.40	0.33
Expected volatility (%)	45.00	20.00
Expected life (years)	4.07	4.80
Risk free rate (%)	3.45	3.57
Expected dividend yield (%)	1.70	1.00

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023 (CONT'D)

18. LEASE LIABILITIES

	The Group	
	2023	2022
	RM	RM
At 1 July 2022/2021	16,205,706	22,161,580
Interest expense recognised in profit or loss (Note 25)	703,226	829,591
Changes due to lease modification (Note 30(b))	-	(4,992,653)
Repayment of principal	(1,272,526)	(963,221)
Repayment of interest expense	(703,226)	(829,591)
At 30 June	14,933,180	16,205,706
Analysed by:-		
Current liabilities	1,330,987	1,272,529
Non-current liabilities	13,602,193	14,933,177
	14,933,180	16,205,706

The lease term is 7.8 years (2022 - 8.8 years) and bear an effective interest rate of 4.50% (2022 - 4.50%) per annum.

19. PROVISION FOR RESTORATION COSTS

	The Group	
	2023	2022
	RM	RM
At 1 July 2022	-	-
Provision made during the financial year	593,057	-
Unwinding of discount factor (Note 25)	29,783	-
At 30 June	622,840	-

Under the lease arrangements, the Group has an obligation to dismantle and remove structures on certain sites and restore the premises to its original condition at the end of the lease terms to an acceptable condition consistent with the lease agreements.

The provisions are estimated using the assumption that decommissioning, removal and restoration will only take place upon expiry of the lease terms (inclusive of option to renew terms) of 9 years. The discount rate and inflation rate used to determine the obligation as at the reporting date were 4.91% and 3.20% respectively.

While the provisions are based on the best estimate future costs and the economic lives of the affected assets, there is uncertainty regarding both the amount and timing of incurring these costs. All the estimates are reviewed on an annual basis or more frequently, where there is indication of a material change.

20. TRADE PAYABLES

	The Group	
	2023	2022
	RM	RM
Trade payables:		
- consultant payables	1,094,289	1,194,400
- third parties	1,494,770	2,323,402
	2,589,059	3,517,802

(a) The normal trade credit terms granted to the Group is 30 to 60 (2022 - 30 to 60) days.

(b) Included in trade payables of the Group is an amount of RM913 (2022 - RM4,565) owing to the directors of the Company. The amount is unsecured, interest-free and repayable on demand. The amount owing is to be settled in cash.

21. OTHER PAYABLES AND ACCRUALS

	The Group		The Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Other payables:				
- third parties	2,482,056	2,668,033	9,380	153,164
- an associate	2,050	-	-	-
Deposit from customers	499,464	402,350	-	-
Accruals	4,050,298	3,317,069	192,456	161,001
	7,033,868	6,387,452	201,836	314,165

The amount owing to an associate is unsecured, interest-free and repayable on demand. The amount owing is to be settled in cash.

22. AMOUNT OWING TO DIRECTORS

The amount owing is non-trade in nature, unsecured, interest-free and repayable on demand. The amount owing is to be settled in cash.

23. REVENUE

	The Group		The Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Revenue from Contracts with Customers				
Recognised at a point in time:-				
Medical management services	44,321,673	40,124,789	-	-
Consultant services	25,958,353	24,117,339	-	-
Others	-	200,244	-	-
	70,280,026	64,442,372	-	-
Revenue from Other Sources				
Dividend income	-	-	9,140,754	-
	70,280,026	64,442,372	9,140,754	-

The revenue is derived solely from local sales.

24. NET IMPAIRMENT LOSS ON FINANCIAL ASSETS

	The Group	
	2023	2022
	RM	RM
Impairment loss on trade receivables (Note 12)	27,234	-

25. PROFIT/(LOSS) BEFORE TAXATION

	The Group		The Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Profit/(Loss) before taxation is arrived at after charging/(crediting):-				
Auditors' remuneration:				
- audit fees:				
- current financial year	101,500	82,250	25,000	20,000
- overprovision in the previous financial year	(750)	-	-	-
- non-audit-fees	5,000	82,800	5,000	82,800
Directors' remuneration (Note 31(a))	9,133,074	7,927,172	150,200	155,800
Material Expenses/(Income)				
Bad debt written off	-	374	-	-
Depreciation of:				
- plant and equipment	1,865,079	2,994,345	-	-
- right-of-use assets	1,304,763	1,414,053	-	-
Impairment loss on goodwill	-	4,710	-	-
Interest expense on lease liabilities	703,226	829,591	-	-
Unwinding of discount (Note 19)	29,783	-	-	-
Plant and equipment written off	9,335	-	-	-
Listing expenses	-	1,274,234	-	1,274,234
Special issue on shares expenses	151,157	-	151,157	-
Professional fees	319,848	218,109	301,300	158,812
Staff costs (including other key management personnel as disclosed in Note 31(b)):				
- short-term employee benefits	17,596,114	13,692,305	-	-
- defined contribution benefits	1,902,068	1,611,705	-	-
- LTIP expenses	198,144	44,375	-	-
Interest expense on financial liabilities that are not at fair value through profit or loss:				
- term loan	-	15,976	-	-
- others	1,308	788	192	39
Total interest income on financial assets measured at amortised cost	(2,783,381)	(497,252)	(2,141,800)	(294,530)

26. INCOME TAX EXPENSE

	The Group		The Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Current tax expense:				
- for the financial year	4,671,141	3,716,000	510,432	108,000
- (over)/underprovision in the previous financial year	(365,893)	456,566	(82,000)	-
	4,305,248	4,172,566	428,432	108,000
Deferred tax (Note 10):				
- origination and reversal of temporary differences	(133,236)	(308,788)	-	-
- underprovision in the previous financial year	(86,285)	(1,141,212)	-	-
	(219,521)	(1,450,000)	-	-
	4,085,727	2,722,566	428,432	108,000

A reconciliation of income tax expense applicable to the profit/(loss) before taxation at the statutory tax rate to income tax expense at the effective tax rate of the Group and of the Company is as follows:-

	The Group		The Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Profit/(Loss) before taxation	17,374,156	12,113,611	10,410,765	(1,461,875)
Tax at the statutory tax rate of 24% (2022 - 24%)	4,169,797	2,907,267	2,498,584	(350,850)
Tax effects of:-				
Non-deductible expenses	368,108	499,945	205,629	458,850
Non-taxable income	-	-	(2,193,781)	-
(Over)/Underprovision of current tax in the previous financial year	(365,893)	456,566	(82,000)	-
Underprovision of deferred taxation in the previous financial year	(86,285)	(1,141,212)	-	-
	4,085,727	2,722,566	428,432	108,000

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (2022 - 24%) of the estimated assessable profit for the financial year.

27. EARNINGS PER SHARE

(a) The reconciliation of earnings used in calculating earnings per share is as below:-

	The Group 2023 RM	2022 RM
Profit attributable to owners of the Company	13,288,429	9,391,045

(b) The weighted average number of ordinary shares used in calculating earnings per share is as below:-

	The Group 2023	2022
Weighted average number of ordinary sharesin issue (Basic)	819,265,886	644,359,452
Effect of LTIP	6,383,262	983,398
Weighted average number of ordinary shares in issue (Diluted)	825,649,148	645,342,850

(c)

	The Group 2023	2022
Basic earnings per share (sen)	1.62	1.46
Diluted earnings per share (sen)	1.61	1.46

(d) There have been no other transactions involving ordinary shares between the reporting date and the date of completion of these financial statements except for the conversion of share options arising from LTIP into 38,500 ordinary shares by certain senior executive for a total cash consideration of RM12,705.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023 (CONT'D)

28. ACQUISITION OF A SUBSIDIARY

In the previous financial year, Cengild had acquired an additional 80% equity interests in GPSB from its non-controlling interests for a total cash consideration of RM800. Following the completion of the acquisition, GPSB became a wholly-owned subsidiary of Cengild.

The following summarises the major classes of consideration transferred, and the recognised amounts of assets acquired and liabilities assumed at the date of acquisition:-

	The Group 2022 RM
Bank balance	2,753
Other payables and accruals	(6,463)
Net identifiable liabilities acquired	(3,710)
Less: Non-controlling interest	(200)
Add: Goodwill on acquisition	4,710
Total purchase consideration	800
Less: Bank balance of subsidiary acquired	(2,753)
Net cash inflow from the acquisition of a subsidiary	(1,953)

29. DIVIDENDS

	The Company 2023 RM	The Company 2022 RM
- Interim dividend of 0.37 sen per ordinary share in respect of the previous financial year	3,029,560	-
- Interim dividend of 0.37 sen per ordinary share in respect of the current financial year	3,029,560	-
	6,059,120	-

Subsequent to the end of the financial year, the Company has declared a single-tier interim dividend of 0.37 sen per ordinary share in respect of the current financial year, paid on 25 September 2023.

30. CASH FLOW INFORMATION

(a) The cash disbursed for the purchase of plant and equipment and the addition of right-of-use assets is as follows:-

	The Group	
	2023	**2022**
	RM	**RM**
Plant and equipment		
Cost of plant and equipment purchased (Note 8)	2,129,411	427,669
Right-of-use assets		
Addition of premises (Note 9)	593,057	-
Less: Provision for restoration costs (Note 19)	(593,057)	-
	-	-

(b) The reconciliations of liabilities arising from financing activities are as follows:-

	Lease Liabilities RM
The Group	
2023	
At 1 July 2022	16,205,706
Changes in Financing Cash Flows	
Repayment of principal	(1,272,526)
Repayment of interest	(703,226)
	(1,975,752)
Other Changes	
Interest expense recognised in profit or loss (Note 25)	703,226
At 30 June	14,933,180

30. CASH FLOW INFORMATION (CONT'D)

(b) The reconciliations of liabilities arising from financing activities are as follows (Cont'd):-

	Term Loan RM	Lease Liabilities RM	Total RM
The Group			
2022			
At 1 July 2021	2,018,063	22,161,580	24,179,643
Changes in Financing Cash Flows			
Repayment of principal	(2,018,063)	(963,221)	(2,981,284)
Repayment of interests	(15,976)	(829,591)	(845,567)
	(2,034,039)	(1,792,812)	(3,826,851)
Other Changes			
Interest expense recognised in profit or loss (Note 25)	15,976	829,591	845,567
Modification of lease liabilities	-	(4,992,653)	(4,992,653)
At 30 June	-	16,205,706	16,205,706

(c) The cash and cash equivalents comprise the following:-

	The Group 2023 RM	The Group 2022 RM	The Company 2023 RM	The Company 2022 RM
Cash and bank balances	759,435	5,830,479	112,768	5,725,273
Fixed deposits with licensed banks	97,548,740	80,559,435	76,862,706	70,404,165
	98,308,175	86,389,914	76,975,474	76,129,438
Less:				
- Deposits with tenure of more than 3 months	-	(50,000,000)	-	(47,300,000)
	98,308,175	36,389,914	76,975,474	28,829,438

31. KEY MANAGEMENT PERSONNEL

The key management personnel of the Group and of the Company includes executive directors and non-executive directors of the Company and certain members of senior management of the Group and of the Company.

The key management personnel compensation during the financial year are as follows:

(a) Directors

	The Group		The Company	
	2023	**2022**	**2023**	**2022**
	RM	**RM**	**RM**	**RM**
Directors of the Company				
Short-term employee benefits:				
- fee	135,000	135,000	135,000	135,000
- salaries, bonuses and other benefits	7,984,715	7,099,241	15,200	20,800
	8,119,715	7,234,241	150,200	155,800
Defined contribution benefits	820,154	649,608	-	-
LTIP expenses	193,205	43,323	-	-
Total directors' remuneration (Note 25)	9,133,074	7,927,172	150,200	155,800

(b) Other Key Management Personnel

	The Group	
	2023	**2022**
	RM	**RM**
Short-term employee benefits	9,104,102	7,298,643
Defined contribution benefits	1,160,859	900,486
Share options expenses	198,144	44,375
Total compensation for other key management personnel	10,463,105	8,243,504

32. CAPITAL COMMITMENTS

	The Group	
	2023	**2022**
	RM	**RM**
Renovation and expansion of hospital	1,019,385	589,000

33. RELATED PARTY DISCLOSURES

(a) Identities of Related Parties

Parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control or jointly control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control.

In addition to the information detailed elsewhere in the financial statements, the Group has related party relationships with its directors, associates, joint venture, key management personnel and entities within the same group of companies.

(b) Significant Related Party Transactions and Balances

Other than those disclosed elsewhere in the financial statements, the Group also carried out the following significant transactions with the related parties during the financial year:-

	The Group	
	2023 RM	2022 RM
Administrative fee contributed by directors	-	(146,056)
Administrative fee contributed by other key management personnel	-	(54,188)
Consultant fee paid to directors	-	787,648
Consultant fee paid to other key management personnel	-	1,221,044
External consultant fee contributed by directors	(582,553)	(654,230)
External consultant fee contributed by other key management personnel	(277,003)	(224,767)
Consultant fee paid to a joint venture	135,789	93,430
Hospital cost paid to a joint venture	208,316	174,805
Management fee charge to a joint venture	(13,579)	(9,343)

The significant outstanding balances of the related parties together with their terms and conditions are disclosed in the respective notes to the financial statements.

34. OPERATING SEGMENTS

The Group operates predominantly in one business segment in Malaysia. Accordingly, the information by business and geographical segments is not presented.

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

35. FINANCIAL INSTRUMENTS

The Group’s activities are exposed to a variety of market risk (including foreign currency risk, interest rate risk and equity price risk), credit risk and liquidity risk. The Group’s overall financial risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group’s financial performance.

35. FINANCIAL INSTRUMENTS (CONT'D)

35.1 FINANCIAL RISK MANAGEMENT POLICIES

The Group's policies in respect of the major areas of treasury activity are as follows:-

(a) Market Risk

(i) Foreign Currency Risk

The Group does not have any transactions or balances denominated in foreign currencies and hence, is not exposed to foreign currency risk.

(ii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Group's fixed deposits with licensed banks are carried at amortised cost. Therefore, there are not subject to interest rate risk as defined in MFRS 7 since neither carrying amounts nor the future cash flows will fluctuate because of a change in market interest rates.

The Group does not have any interest-bearing borrowings and hence, is not exposed to interest rate risk.

(iii) Equity Price Risk

The Group does not have any quoted investments and hence, is not exposed to equity price risk.

(b) Credit Risk

The Group's exposure to credit risk, or the risk of counterparties defaulting, arises mainly from trade and other receivables. The Group manages its exposure to credit risk by the application of credit approvals, credit limits and monitoring procedures on an ongoing basis. For other financial assets (including cash and bank balances and fixed deposits), the Group minimises credit risk by dealing exclusively with high credit rating counterparties.

(i) Credit Risk Concentration Profile

The Group does not have any major concentration of credit risk related to any individual customer or counterparty.

(ii) Maximum Exposure to Credit Risk

At the end of the reporting period, the maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statements of financial position of the Group and of the Company after deducting any allowance for impairment losses (where applicable).

(iii) Assessment of Impairment Losses

At each reporting date, the Group assesses whether any of the financial assets at amortised cost are credit impaired.

The gross carrying amounts of financial assets are written off against the associated impairment, if any, when there is no reasonable expectation of recovery despite the fact that they are still subject to enforcement activities.

35. FINANCIAL INSTRUMENTS (CONT'D)

35.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

A financial asset is credit impaired when any of following events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred:

- Significant financial difficulty of the receivable;
- A breach of contract, such as a default or past due event;
- Restructuring of a debt in relation to the receivable's financial difficulty; or
- It is becoming probable that the receivable will enter bankruptcy or other financial reorganisation.

The Group considers a receivable to be in default when the receivable is unlikely to repay its debt to the Group in full or is more than one year past due.

Trade Receivables

The Group applies the simplified approach to measure expected credit losses using a lifetime expected credit loss allowance for all trade receivables.

Inputs, Assumptions and Techniques used for Estimating Impairment Losses

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

The Group measures the expected credit losses of certain major customers, trade receivables that are credit impaired and trade receivables with a high risk of default on individual basis.

The expected loss rates are based on the payment profiles of sales over a period of 12 (2022 - 12) months before the reporting date and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the trade receivables to settle their debts.

There are no significant changes in the estimation techniques and assumptions as compared to the previous financial year.

35. FINANCIAL INSTRUMENTS (CONT'D)

35.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Trade Receivables Cont'd)

Allowance for Impairment Losses

	Gross Amount RM	Individual Impairment RM	Collective Impairment RM	Carrying Amount RM
The Group				
2023				
Current (not past due)	4,068,822	-	-	4,068,822
1 to 30 days past due	276,738	-	-	276,738
31 to 120 days past due	237,309	-	-	237,309
More than 120 days past due	121,721	-	-	121,721
Credit impaired	27,234	(27,234)	-	-
Trade receivables	4,731,824	(27,234)	-	4,704,590
Unbilled receivables	372,724	-	-	372,724
	5,104,548	(27,234)	-	5,077,314
2022				
Current (not past due)	4,480,035	-	-	4,480,035
1 to 30 days past due	136,451	-	-	136,451
31 to 120 days past due	130,032	-	-	130,032
More than 120 days past due	36,605	-	-	36,605
	4,783,123	-	-	4,783,123

The movement in the loss allowances of trade receivables is disclosed in Note 12 to the financial statements.

Other Receivables

The Group applies the 3-stage general approach to measure expected credit losses for its other receivables.

Under this approach, loss allowance is measured on either 12-month expected credit losses or lifetime expected credit losses, by considering the likelihood that the receivable would not be able to repay during the contractual period (probability of default, PD), the percentage of contractual cash flows that will not be collected if default happens (loss given default, LGD) and the outstanding amount that is exposed to default risk (exposure at default, EAD).

35. FINANCIAL INSTRUMENTS (CONT'D)

35.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Other Receivables (Cont'd)

In deriving the PD and LGD, the Group considers the receivable's past payment status and its financial condition as at the reporting date. The PD is adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the receivable to settle its debts.

Allowance for Impairment Losses

No expected credit loss is recognised on other receivables as it is negligible.

Amount Owing by Subsidiaries

The Company applies the 3-stage general approach to measure expected credit losses for all inter-company balances.

Inputs, Assumptions and Techniques used for Estimating Impairment Losses

The Company measures the expected credit losses on individual basis, which is aligned with its credit risk management practices on the inter-company balances.

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

For advances that are repayable on demand, impairment loss is assessed based on the assumption that repayment of the outstanding balances is demanded at the reporting date. If the subsidiary does not have sufficient highly liquid resources when the advances are demanded, the Company will consider the expected manner of recovery to measure the impairment loss; the recovery manner could be either through 'repayable over time' or a fire sale of less liquid assets by the subsidiary.

For advances that are not repayable on demand, impairment loss is measured using techniques that are similar for estimating the impairment losses of other receivables as disclosed above.

There are no significant changes in the estimation techniques and assumptions as compared to the previous financial year.

Allowance for Impairment Losses

No expected credit loss is recognised on amount owing by subsidiaries as it is negligible and there was no indication that the amount owing is not recoverable.

Fixed Deposits with Licensed Banks, Cash and Bank Balances

The Group considers the licensed banks have low credit risks. In addition, some of the bank balances are insured by Government agencies. Therefore, the Group is of the view that the loss allowance is immaterial and hence, it is not provided for.

35. FINANCIAL INSTRUMENTS (CONT'D)

35.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk

Liquidity risk arises mainly from general funding and business activities. The Group practises prudent risk management by maintaining sufficient cash balances and the availability of funding through certain committed credit facilities.

Maturity Analysis

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period):-

	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM	1 - 5 Year RM	Over 5 Year RM
The Group					
2023					
Non-derivative Financial Liabilities					
Trade payables	2,589,059	2,589,059	2,589,059	-	-
Other payables and accruals	7,033,868	7,033,868	7,033,868	-	-
Amount owing to directors	150,200	150,200	150,200	-	-
	9,773,127	9,773,127	9,773,127	-	-
Other liability					
Lease liabilities	14,933,180	17,847,627	1,975,752	9,154,318	6,717,557
	24,706,307	27,620,754	11,748,879	9,154,318	6,717,557
2022					
Non-derivative Financial Liabilities					
Trade payables	3,517,802	3,517,802	3,517,802	-	-
Other payables and accruals	6,387,452	6,387,452	6,387,452	-	-
Amount owing to directors	155,800	155,800	155,800	-	-
	10,061,054	10,061,054	10,061,054	-	-
Other liability					
Lease liabilities	16,205,706	19,823,378	1,975,752	8,759,167	9,088,459
	26,266,760	29,884,432	12,036,806	8,759,167	9,088,459

35. FINANCIAL INSTRUMENTS (CONT'D)

35.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk (Cont'd)

Maturity Analysis (Cont'd)

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period) (Cont'd):-

	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM
The Company			
2023			
Non-derivative Financial Liabilities			
Other payables and accruals	201,836	201,836	201,836
Amount owing to a subsidiary	141	141	141
Amount owing to directors	150,200	150,200	150,200
	352,177	352,177	352,177
2022			
Non-derivative Financial Liabilities			
Other payables and accruals	314,165	314,165	314,165
Amount owing to a subsidiary	8,702,149	8,702,149	8,702,149
Amount owing to directors	155,800	155,800	155,800
	9,172,114	9,172,114	9,172,114

35.2 CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities within the Group will be able to maintain an optimal capital structure so as to support its businesses and maximise shareholders' value. To achieve this objective, the Group may make adjustments to the capital structure in view of changes in economic conditions, such as adjusting the amount of dividend payment, returning of capital to shareholders or issuing new shares.

The Group manages its capital based on debt-to-equity ratio. The debt-to-equity ratio of the Group at the end of the reporting period is not presented as its cash and cash equivalents exceeded the total external borrowings.

There was no change in the Group's approach to capital management during the financial year.

35. FINANCIAL INSTRUMENTS (CONT'D)

35.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS

	The Group		The Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Financial Assets				
Amortised Cost				
Trade receivables	5,077,314	4,783,123	-	-
Other receivables (Note 13)	414,094	331,411	249,729	209,842
Amount owing by subsidiaries	-	-	29,646	-
Fixed deposits with licensed banks	97,548,740	80,559,435	76,862,706	70,404,165
Cash and bank balances	759,435	5,830,479	112,768	5,725,273
	103,799,583	91,504,448	77,254,849	76,339,280
Financial Liabilities				
Amortised Cost				
Trade payables	2,589,059	3,517,802	-	-
Other payables and accruals	7,033,868	6,387,452	201,836	314,165
Amount owing to a subsidiary	-	-	141	8,702,149
Amount owing to directors	150,200	155,800	150,200	155,800
	9,773,127	10,061,054	352,177	9,172,114

35.4 GAINS AND LOSSES ARISING FROM FINANCIAL INSTRUMENTS

	The Group		The Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Financial Assets				
Amortised Cost				
Net gain recognised in profit or loss	2,756,147	496,878	2,141,800	294,530
Financial Liabilities				
Amortised Cost				
Losses recognised in profit or loss	(1,308)	(16,764)	(192)	(39)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023 (CONT'D)

35. FINANCIAL INSTRUMENTS (CONT'D)

35.5 FAIR VALUE INFORMATION

At the end of the reporting period, there were no financial instruments carried at fair values in the statements of financial position.

The fair values of the financial assets and financial liabilities of the Group and of the Company that maturing within the next 12 months approximated their carrying amounts due to the relatively short-term maturity of the financial instruments or repayable on demand terms.

36. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

(a) On 6 March 2023, Bursa Malaysia Securities Berhad ("Bursa Securities") granted the Company the approval on the Proposed Special Issue of up to 118,000,000 new ordinary shares to Bumiputera Investors identified and approved by the Ministry of International Trade and Industry.

(b) On 19 June 2023, a total of 14,046,500 new ordinary shares of the Company were issued at a price of RM0.40 per share and the new shares were listed on the ACE Market of Bursa Securities.

37. SIGNIFICANT EVENTS OCCURRING AFTER THE REPORTING PERIOD

(a) On 11 July 2023, a wholly-owned subsidiary of the Company, Cengild, entered into a shareholders' agreement with a third party to mutually cooperate and carry out the business and affairs of Urohealth Sdn. Bhd. as a joint venture.

(b) On 31 July 2023, Cengild entered into a joint venture agreement with Curie KL Sdn. Bhd. (formerly known as Curie Oncology Sdn. Bhd.) and Oncocare Holdings Sdn. Bhd. to mutually cooperate and carry out the business and affairs of Curie Oncology KL Sdn. Bhd. as a 25% joint venture.

38. COMPARATIVE FIGURES

The following figures have been reclassified to conform with the presentation of the current financial year:-

	The Group		The Company	
	As Previously Reported RM	As Restated RM	As Previously Reported RM	As Restated RM
Statements of Cash Flows (Extract):-				
Net cash from operating activities	14,054,478	15,328,712	6,142,348	7,416,582
Net cash from financing activities	66,031,875	64,757,641	69,692,560	68,418,326

ANALYSIS OF SHAREHOLDINGS

AS AT 2 OCTOBER 2023

STATISTICS OF ORDINARY SHAREHOLDINGS

Class of Shares	:	Ordinary Shares
Total Number of Issued Shares	:	832,912,600
Voting Rights	:	One vote for each ordinary share held

DISTRIBUTION OF SHAREHOLDINGS

Size of Holding	No. of shareholders	%	No. of shares	%
1 - 99	8	0.18	117	0.00
100 – 1,000	398	8.90	208,000	0.02
1,001 – 10,000	1,758	39.34	11,268,708	1.35
10,001 – 100,000	1,915	42.85	70,430,800	8.46
100,001 to less than 5% of issued shares	386	8.64	419,471,142	50.36
5% and above of issued shares	4	0.09	331,533,833	39.81
Total	**4,469**	**100.00**	**832,912,600**	**100.00**

SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS BASED ON REGISTER OF SUBSTANTIAL SHAREHOLDERS

	No. of ordinary shares held			
Name of Substantial Shareholders	Direct	%	Indirect	%
Dato' Dr. Tan Huck Joo	134,728,570	16.18	-	-
Anne Marie Loh Foong Han	80,294,704	9.64	-	-
Emeritus Professor Dato' Dr. Goh Khean Lee	60,183,121	7.23	-	-
Dr. Mohamed Akhtar Bin Mohamed Ditali Qureshi	56,327,438	6.76	-	-

DIRECTORS' SHAREHOLDINGS BASED ON REGISTER OF DIRECTORS' SHAREHOLDINGS

	No. of ordinary shares held			
Name of Directors	Direct	%	Indirect	%
Dato' Dr. Tan Huck Joo	134,728,570	16.18	-	-
Emeritus Professor Dato' Dr. Goh Khean Lee	60,183,121	7.23	-	-
Dr. Mohamed Akhtar Bin Mohamed Ditali Qureshi	56,327,438	6.76	-	-
Kua Choo Kai	-	-	-	-
Dr. Azrina Binti Abu Bakar	200,000	0.02	-	-
Dr. Chong Su-Lin	-	-	-	-

ANALYSIS OF SHAREHOLDINGS
AS AT 2 OCTOBER 2023
(CONT'D)

LIST OF TOP 30 HOLDERS

No.	Name of Shareholders	No. of Shares	%
1.	Dato' Dr. Tan Huck Joo	134,728,570	16.18
2.	Anne Marie Loh Foong Han	80,294,704	9.64
3.	Emeritus Professor Dato' Dr. Goh Khean Lee	60,183,121	7.23
4.	Dr. Mohamed Akhtar Bin Mohamed Ditali Qureshi	56,327,438	6.76
5.	HLIB Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Tan Kar Tek	40,256,463	4.83
6.	Ramesh A/L K Gurunathan	39,357,756	4.73
7.	Ong Siew Kuen	32,195,253	3.87
8.	Medic Quest Sdn. Bhd.	28,952,500	3.48
9.	HLIB Nominees (Asing) Sdn. Bhd. Pledged Securities Account for Tony Tan Choon Keat (CCTS)	27,300,092	3.28
10.	Transmetro Sdn. Bhd.	23,424,636	2.81
11.	Tan Soon Wah	13,231,017	1.59
12.	Koon Poh Keong	13,000,000	1.56
13.	Lai Kwong Choy	12,882,619	1.55
14.	Amanahraya Trustees Berhad Amanah Saham Sarawak	11,000,000	1.32
15.	CGS-CIMB Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Tang Vee Mun (Datuk) (MY4553)	9,243,610	1.11
16.	Citigroup Nominees (Tempatan) Sdn. Bhd. Great Eastern Life Assurance (Malaysia) Berhad (LEEF)	7,366,400	0.88
17.	Amir Azlan Zain	5,614,302	0.67
18.	Tan Lim Tneah Kooi	3,932,777	0.47
19.	Affin Hwang Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Tang Vee Mun (Datuk)	3,855,500	0.46
20.	Wang Phaik Mear	3,832,800	0.46
21.	Kuok Su Sim	3,492,803	0.42
22.	IFAST Nominees (Tempatan) Sdn. Bhd. Yong Wan Yee	3,400,000	0.41
23.	Citigroup Nominees (Tempatan) Sdn. Bhd. Great Eastern Life Assurance (Malaysia) Berhad (LGF)	2,824,700	0.34
24.	CIMB Group Nominees (Tempatan) Sdn. Bhd. CIMB Islamic Trustee Berhad for PMB Shariah Equity Fund	2,800,000	0.34
25.	Kang Hoo Chong	2,657,810	0.32
26.	HLIB Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Foong Siew Ee (CCTS)	2,561,900	0.31
27.	Lim Ban Hock	2,265,600	0.27
28.	Citigroup Nominees (Tempatan) Sdn. Bhd. Exempt an for AIA Public Takaful Bhd.	2,189,600	0.26
29.	Wong Phooi Kheong	2,126,546	0.26
30.	Cartaban Nominees (Asing) Sdn. Bhd. Exempt an for Barclays Capital Securities Ltd (SBL/PB)	2,047,100	0.25

NOTICE OF THIRD ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Third Annual General Meeting of CENGILD MEDICAL BERHAD will be conducted virtually through live streaming from the broadcast venue at Tricor Business Centre, Manuka 2 & 3, Unit 29.01, Level 29, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur ("Broadcast Venue") on Wednesday, 29 November 2023 at 3.00 p.m. to transact the following business:-

AGENDA

Ordinary Business

1. To receive the Audited Financial Statements for the financial year ended 30 June 2023 and the Reports of the Directors and Auditors thereon. **(Please refer to Explanatory Note 1)**

2. To re-elect the following Directors who retire by rotation pursuant to Clause 76(3) of the Constitution of the Company:-

   i. Mr. Kua Choo Kai **(Resolution 1)**
   ii. Dr. Azrina Binti Abu Bakar **(Resolution 2)**

3. To approve the payment of Directors' fees and benefits for an amount not exceeding RM201,640.00 for the period commencing from the date immediately after the Third Annual General Meeting until the next Annual General Meeting of the Company. **(Resolution 3)**

4. To re-appoint Crowe Malaysia PLT as Auditors of the Company and authorise the Directors to fix their remuneration. **(Resolution 4)**

Special Business

To consider and, if thought fit, to pass with or without modifications, the following Ordinary Resolutions:-

5. **Authority to issue and allot shares of the Company pursuant to Sections 75 and 76 of the Companies Act 2016** **(Resolution 5)**

   "THAT pursuant to Sections 75 and 76 of the Companies Act 2016, ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") ("Listing Requirements") and the approval of the relevant regulatory authorities, where such approval is required, the Directors of the Company be and are hereby authorised to issue and allot shares in the capital of the Company, grant rights to subscribe for shares in the Company, convert any securities into shares in the Company, or allot shares under an agreement or option of offer ("New Shares") from time to time, at such price, to such persons and for such purposes and upon such terms and conditions as the Directors may in their absolute deem fit, provided that the aggregate number of such New Shares to be issued, to be subscribed under any rights granted, to be issued from conversion of any security, or to be issued and allotted under an agreement or option or offer, pursuant to this resolution, when aggregated with the total number of any such New Shares issued during the preceding 12 months does not exceed 10% of the total number of issued shares (excluding any treasury shares) of the Company for the time being ("Proposed General Mandate").

   THAT such approval on the Proposed General Mandate shall continue to be in force until:

   a. the conclusion of the next Annual General Meeting of the Company held after the approval was given;
   b. the expiration of the period within which the next Annual General Meeting of the Company is required to be held after the approval was given; or
   c. revoked or varied by resolution passed by the shareholders of the Company in a general meeting,

   whichever is the earlier.

   THAT pursuant to Section 85 of the Companies Act, read together with Clause 12(3) of the Constitution of the Company, approval be and is given to waive the statutory pre-emptive rights of the shareholders of the Company to be offered new shares ranking equally to the existing issued shares of the Company arising from issuance of New Shares pursuant to the Proposed General Mandate.

NOTICE OF THIRD ANNUAL GENERAL MEETING
(CONT'D)

THAT the Directors of the Company be and are hereby empowered to obtain the approval from Bursa Securities for the listing of and quotation for such New Shares on the ACE Market of Bursa Securities.

THAT authority be and is hereby given to the Directors of the Company, to give effect to the Proposed General Mandate with full powers to assent to any conditions, modifications, variations and/or amendments as they may deem fit in the best interest of the Company and/or as may be imposed by the relevant authorities.

AND THAT the Directors of the Company be and are hereby authorised to implement, finalise, complete and take all necessary steps and do all acts (including execute such documents as may be required), deeds and things in relation to the Proposed General Mandate."

6. **Proposed Renewal of Existing Shareholders' Mandate for Recurrent Related Party Transactions of A Revenue or Trading Nature** **(Resolution 6)**

"THAT pursuant to Rule 10.09 of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, the Company and its subsidiaries ("the Group") be and are hereby authorised to enter into and give effect to the recurrent related party transactions of a revenue or trading nature with the related party as set out in Section 2.3 of the Circular to Shareholders dated 31 October 2023 provided that such transactions and/or arrangements are:-

a. necessary for the day-to-day operations;
b. undertaken in the ordinary course of business at arm's length basis and on normal commercial terms which are not more favorable to the related parties than those generally available to the public; and
c. not detrimental to the minority shareholders of the Company.

(collectively known as "Proposed Renewal of Existing Shareholders' Mandate").

THAT such approval, shall continue to be in force until:-

a. the conclusion of the next Annual General Meeting ("AGM") of the Company at which such mandate was passed, at which time it will lapse, unless by a resolution passed at such AGM, the authority is renewed; or
b. the expiration of the period within which the next AGM of the Company after that date is required to be held pursuant to Sections 340(2) of the Companies Act 2016 ("the Act") (but must not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
c. revoked or varied by ordinary resolution passed by the shareholders of the Company in general meeting,

whichever is the earlier;

AND THAT the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to the Proposed Renewal of Existing Shareholders' Mandate."

7. To transact any other business of which due notice shall have been given in accordance with the Companies Act 2016 and the Constitution of the Company.

BY ORDER OF THE BOARD
Wong Siew Yeen (MAICSA 7018749) (SSM PC No. 202008001471)
Tee Thiam Chai (MAICSA 7066679) (SSM PC No. 202008002297)
Company Secretaries

Kuala Lumpur
31 October 2023

Notes:

1. **IMPORTANT NOTICE**

   The Broadcast Venue is **strictly for the purpose of complying with Section 327(2) of the Companies Act 2016** which requires the Chairperson of the meeting to be present at the main venue of the meeting.

   Shareholders **will not be allowed** to attend the Third Annual General Meeting ("3rd AGM") in person at the Broadcast Venue on the day of the meeting.

   Shareholders are to attend, speak (including posing questions to the Board via real time submission of typed texts) and vote (collectively, "participate") remotely at the 3rd AGM using the Remote Participation and Voting facilities ("RPV") provided by Tricor Investor & Issuing House Services Sdn. Bhd. via its **TIIH Online** website at https://tiih.online.

   Please read these Notes carefully and follow the procedures in the Administrative Details for the 3rd AGM in order to participate remotely via RPV.

2. For the purpose of determining who shall be entitled to participate in this General Meeting via RPV, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to make available to the Company, the Record of Depositors as at **22 November 2023**. Only a member whose name appears on this Record of Depositors shall be entitled to participate in this General Meeting via RPV.

3. A member who is entitled to participate in this General Meeting via RPV is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to participate in his/her place. A proxy may but need not be a member of the Company.

4. A member of the Company who is entitled to attend and vote at a General Meeting of the Company may appoint not more than two (2) proxies to participate instead of the member at the General Meeting.

5. If two (2) proxies are appointed, the entitlement of those proxies to vote on a show of hands shall be in accordance with the listing requirements of the stock exchange.

6. Where a member of the Company is an authorised nominees as defined in the Securities Industry (Central Depositories) Act 1991 ("Central Depositories Act"), it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.

7. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominees refers to an authorised nominee defined under the Central Depositories Act which is exempted from compliance with the provisions of Sections 25A(1) of the Central Depositors Act.

8. Where a member appoints more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.

9. A member who has appointed a proxy or attorney or authorised representative to participate at the 3rd AGM via RPV must request his/her proxy or attorney or authorised representative to register himself/herself for RPV via TIIH Online website at https://tiih.online. Procedures for RPV can be found in the Administrative Guide for the 3rd AGM.

10. The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the General Meeting or adjourned general meeting at which the person named in the appointment proposes to vote:

    (i) In hard copy form

    In the case of an appointment made in hard copy form, the proxy form must be deposited with the Share Registrar of the Company at Tricor Investor & Issuing House Services Sdn. Bhd., Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8 Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia.

    (ii) By electronic means

    The proxy form can be electronically lodged with the Share Registrar of the Company via TIIH Online at https://tiih.online. Please follow the procedures set out in the Administrative Guide.

11. Please ensure ALL the particulars as required in the proxy form are complete, signed and dated accordingly.

12. Last date and time for lodging the proxy form is Monday, 27 November 2023 at 3.00 p.m.

NOTICE OF THIRD ANNUAL GENERAL MEETING
(CONT'D)

13. Any authority pursuant to which such an appointment is made by a power of attorney must be deposited with the Share Registrar of the Company at Tricor Investor & Issuing House Services Sdn. Bhd., Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8 Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8 Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia not less than forty-eight (48) hours before the time appointed for holding the General Meeting or adjourned general meeting at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.

14. For a corporate member who has appointed an authorised representative, please deposit the **ORIGINAL** certificate of appointment of authorised representative with the Share Registrar of the Company at Tricor Investor & Issuing House Services Sdn. Bhd., Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8 Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8 Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia. The certificate of appointment of authorised representative should be executed in the following manner:

    (i) If the corporate member has a common seal, the certificate of appointment of authorised representative should be executed under seal in accordance with the constitution of the corporate member.

    (ii) If the corporate member does not have a common seal, the certificate of appointment of authorised representative should be affixed with the rubber stamp of the corporate member (if any) and executed by:

        (a) at least two (2) authorised officers, of whom one shall be a director; or
        (b) any director and/or authorised officers in accordance with the laws of the country under which the corporate member is incorporated.

15. Shareholders are advised to check the Company's website at www.cengild.com and announcements from time to time for any changes to the administration of the Third Annual General Meeting that may be necessitated by changes to the directives, safety and precautionary requirements and guidelines prescribed by the Government of Malaysia, the Ministry of Health, the Malaysian National Security Council, Securities Commission Malaysia and/or other relevant authorities.

Explanatory Notes on Ordinary Business:

1. **Agenda Item No. 1 - Audited Financial Statements for the financial year ended 30 June 2023**

    The Audited Financial Statements is meant for discussion only as an approval from shareholders is not required pursuant to the provision of Section 340(1) of the Companies Act 2016. Hence, this item on the Agenda is not put forward for voting by shareholders of the Company.

2. **Agenda Item No. 2 (i) and (ii) – Re-election of Directors**

    Mr. Kua Choo Kai and Dr. Azrina Binti Abu Bakar are standing for re-election as Directors of the Company and being eligible, have offered themselves for re-election at the Third Annual General Meeting.

    The Board has through the Nominating Committee ("NC"), considered the assessment of the aforesaid Directors and agreed that they met the criteria as prescribed under Rule 2.20A of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("Listing Requirement") on character, experience, integrity, competence and time to effectively discharge their roles as Directors. Both Directors have also met the relevant requirements under the fit and proper assessment.

    The NC and the Board had undertaken an annual assessment on the independence of Mr. Kua Choo Kai and Dr. Azrina Binti Abu Bakar and are satisfied that both have met the criteria of independence as prescribed in the Listing Requirements.

3. **Agenda Item No. 3 – Payment of Directors' Fees and Benefits**

    Pursuant to Section 230(1) of the Companies Act 2016, the fees of the directors and any benefits payable to the directors of a listed company and its subsidiaries shall be approved at a general meeting.

    Proposed Resolution 3 is calculated based on the current board size and the number of scheduled Board and Committee meetings for the period commencing from the date immediately after the Third Annual General Meeting until the next Annual General Meeting of the Company. In the event the proposed amount is insufficient, (due to enlarged Board size or more meetings), approval will be sought at the next Annual General Meeting for the shortfall.

4. **Agenda Item No. 4 – Re-appointment of Auditors**

    The Board has through the Audit and Risk Management Committee, considered the re-appointment of Crowe Malaysia PLT as Auditors of the Company. The factors considered by the Audit and Risk Management Committee in making the recommendation to the Board to table the resolution on re-appointment of the Auditors at the 3rd AGM are disclosed in the Corporate Governance Overview Statement of this Annual Report.

Explanatory Note on Special Business:

5. **Agenda Item No. 5 - Authority to issue and allot shares of the Company pursuant to Sections 75 and 76 of the Companies Act 2016**

   The proposed ordinary resolution, if passed, will empower the Directors of the Company to issue and allot ordinary shares of the Company from time to time and grant rights to subscribe for shares in the Company, convert any securities into shares in the Company, or allot shares under an agreement or option or offer, provided that the aggregate number of shares allotted pursuant to this resolution does not exceed 10% of the total number of issued shares (excluding treasury shares) of the Company for the time being ("Proposed General Mandate").

   The authority for the Proposed General Mandate will, unless revoked or varied by the Company in a general meeting, expire at the conclusion of the next Annual General Meeting ("AGM") or the expiration of the period within which the next AGM is required by law to be held, whichever is earlier.

   This proposed Resolution is a renewal of the previous year's mandate. The mandate is to provide flexibility to the Company to issue new securities without the need to convene separate general meeting to obtain its shareholders' approval so as to avoid incurring additional costs and time.

   By voting in favour of the Proposed General Mandate, the shareholders of the Company would be waving their statutory pre-emptive right. The Proposed General Mandate, if passed, will enable the Directors to take swift action in case of a need to issue and allot new shares in the Company to any person under the Proposed General Mandate without having to offer the new Company shares to be equally to all existing shareholders of the Company prior to issuance, for fund raising exercise including but not limited to further placement of shares for purpose of funding current and/or future investment projects, working capital, acquisitions and/or for issuance of shares as settlement of purchase consideration, or other circumstances arise which involve grant of rights to subscribe for shares, conversion of any securities into shares, or allotment of shares under an agreement or option or offer, or such other application as the Directors may deem fit in the best interest of the Company.

   As at the date of this notice, the Company did not implement its proposal for new allotment of shares under the general mandate pursuant to Section 75 and 76 of the Companies Act 2016 which was approved by shareholders at the 2nd AGM held on 30 November 2022 and lapse at the conclusion of the 3rd AGM to be held on 29 November 2023. As at the date of this notice, there is no decision to issue new shares. Should there be a decision to issue new shares after the general mandate is sought, the Company will make an announcement of the actual purpose and utilisation of proceeds arising from such issuance of shares.

6. **Agenda Item No. 6 – Proposed Renewal of Existing Shareholders' Mandate for Recurrent Related Party Transactions of A Revenue or Trading Nature**

   The Ordinary Resolution 6 if passed, will enable the Company and/or its subsidiary companies to enter into recurrent transactions involving the interest of Related Parties, which are necessary for the Group's day-to-day operations and undertaken at arm's length, subject to the transactions being carried out in the ordinary course of business and on terms not to the detriment of minority shareholders of the Company.

   Please refer to the Circular to Shareholders dated 31 October 2023 for further details.

STATEMENT ACCOMPANYING NOTICE OF THIRD ANNUAL GENERAL MEETING

Pursuant to Rule 8.29(2) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad

There are no individuals standing for election as Directors at the Third Annual General Meeting.

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CENGILD G. I. MEDICAL CENTRE
Centre for Gastrointestinal and Liver Diseases

CENGILD MEDICAL BERHAD
(Registration No.: 202101004143 (1404442-P))
(Incorporated in Malaysia under the Companies Act 2016)

PROXY FORM

CDS Account No.

No. of shares held

*I/We____ Tel:____________________
(Full name in block, NRIC/Passport/Company No)

of____

____

being member(s) of **CENGILD MEDICAL BERHAD**, hereby appoint:

Full Name (in Block as per NRIC / Passport)	**NRIC/Passport No.**	**Proportion of Shareholdings**	
		No. of Shares	**%**
Address			

and / or (*delete as appropriate)

Full Name (in Block as per NRIC / Passport)	**NRIC/Passport No.**	**Proportion of Shareholdings**	
		No. of Shares	**%**
Address			

or failing him/her, the Chairman of the Meeting, as *my/our proxy/proxies to vote for *me/us and on *my/our behalf at the Third Annual General Meeting ("3rd AGM") of the Company which will be conducted virtually through live streaming from the broadcast venue at Tricor Business Centre, Manuka 2 & 3, Unit 29.01, Level 29, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur ("Broadcast Venue") on **Wednesday, 29 November 2023 at 3.00 p.m.** or any adjournment thereof, and to vote as indicated below:

No.	Description of Resolution	Resolution	For	Against
1.	Re-election of Mr. Kua Choo Kai as Director	1		
2.	Re-election of Dr. Azrina Binti Abu Bakar as Director	2		
3.	Approval of Directors' fees and benefits	3		
4.	Re-appointment of Crowe Malaysia PLT as Auditors of the Company and authorising the Directors to fix their remuneration	4		
5.	Authority to issue and allot shares	5		
6.	Proposed Renewal of Existing Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature	6		

Please indicate with an "*X*" in the space provided whether you wish your votes to be cast for or against the resolutions. In the absence of specific direction, your proxy will vote or abstain as he/she thinks fit.

Signed this __________ day of _____________ 2023

____
Signature/Common Seal of Shareholder(s)

* Delete whichever is inapplicable

Notes:

1. IMPORTANT NOTICE

   The Broadcast Venue is **strictly for the purpose of complying with Section 327(2) of the Companies Act 2016** which requires the Chairperson of the meeting to be present at the main venue of the meeting.

   Shareholders **will not be allowed** to attend the Third Annual General Meeting ("3rd AGM") in person at the Broadcast Venue on the day of the meeting.

   Please read these Notes carefully and follow the procedures in the Administrative Details for the 3rd AGM in order to participate remotely via RPV.

2. For the purpose of determining who shall be entitled to participate in this General Meeting via RPV, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to make available to the Company, the Record of Depositors as at **22 November 2023**. Only a member whose name appears on this Record of Depositors shall be entitled to participate in this General Meeting via RPV.

3. A member who is entitled to participate in this General Meeting via RPV is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to participate in his/her place. A proxy may but need not be a member of the Company.

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4. A member of the Company who is entitled to attend and vote at a General Meeting of the Company may appoint not more than two (2) proxies to participate instead of the member at the General Meeting.
5. If two (2) proxies are appointed, the entitlement of those proxies to vote on a show of hands shall be in accordance with the listing requirements of the stock exchange.
6. Where a member of the Company is an authorised nominees as defined in the Securities Industry (Central Depositories) Act 1991 ("Central Depositories Act"), it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.
7. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominees refers to an authorised nominee defined under the Central Depositories Act which is exempted from compliance with the provisions of Sections 25A(1) of the Central Depositors Act.
8. Where a member appoints more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.
9. A member who has appointed a proxy or attorney or authorised representative to participate at the 3rd AGM via RPV must request his/her proxy or attorney or authorised representative to register himself/herself for RPV via TIIH Online website at https://tiih.online. Procedures for RPV can be found in the Administrative Guide for the 3rd AGM.
10. The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the General Meeting or adjourned general meeting at which the person named in the appointment proposes to vote.

    (i) In hard copy form

    In the case of an appointment made in hard copy form, the proxy form must be deposited with the Share Registrar of the Company at Tricor Investor & Issuing House Services Sdn. Bhd., Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8 Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia.

    (ii) By electronic means

    The proxy form can be electronically lodged with the Share Registrar of the Company via TIIH Online at https://tiih.online. Please follow the procedures set out in the Administrative Guide

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Stamp
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CENGILD MEDICAL BERHAD
2021010041413 (1404442-P)

c/o Tricor Investor & Issuing House Services Sdn Bhd
Unit 32-01, Level 32, Tower A
Vertical Business Suite, Avenue 3
Bangsar South, No. 8 Jalan Kerinchi
59200 Kuala Lumpur

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11. Please ensure ALL the particulars as required in the proxy form are complete, signed and dated accordingly
12. Last date and time for lodging the proxy form is Monday, 27 November 2023 at 3.00 p.m.
13. Any authority pursuant to which such an appointment is made by a power of attorney must be deposited with the Share Registrar of the Company at Tricor Investor & Issuing House Services Sdn. Bhd., Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8 Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8 Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia not less than forty-eight (48) hours before the time appointed for holding the General Meeting or adjourned general meeting at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.
14. For a corporate member who has appointed an authorised representative, please deposit the **ORIGINAL** certificate of appointment of authorised representative with the Share Registrar of the Company at Tricor Investor & Issuing House Services Sdn. Bhd., Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8 Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8 Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia. The certificate of appointment of authorised representative should be executed in the following manner:
    (i) If the corporate member has a common seal, the certificate of appointment of authorised representative should be executed under seal in accordance with the constitution of the corporate member.
    (ii) If the corporate member does not have a common seal, the certificate of appointment of authorised representative should be affixed with the rubber stamp of the corporate member (if any) and executed by:
        (a) at least two (2) authorised officers, of whom one shall be a director; or
        (b) any director and/or authorised officers in accordance with the laws of the country under which the corporate member is incorporated.
15. Shareholders are advised to check the Company's website at www.cengild.com and announcements from time to time for any changes to the administration of the Second Annual General Meeting that may be necessitated by changes to the directives, safety and precautionary requirements and guidelines prescribed by the Government of Malaysia, the Ministry of Health, the Malaysian National Security Council, Securities Commission Malaysia and/or other relevant authorities.

www.cengild.com

CENGILD MEDICAL BERHAD
[Registration No.: 202101004143 (1404442-P)]
(Incorporated in Malaysia under the Companies Act 2016)

Unit 2-3 & 2-4, Level 2, Nexus @ Bangsar South
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