

CENGILD MEDICAL BERHAD
202101004143 (1404442-P)
(Incorporated in Malaysia)

**MINUTES OF THE THIRD ANNUAL GENERAL MEETING (“3RD AGM”) OF THE COMPANY
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 ON THURSDAY, 29 NOVEMBER 2023 AT 3.00 P.M.**

Present at Broadcast Venue	:	Dato’ Dr. Tan Huck Joo	-	Executive Chairman
		Dr. Mohamed Akhtar Bin	-	Executive Director
		Mohamed Ditali Qureshi		
		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
		Mr. Micheal Bong Enn Chung	-	Group Chief
		@ Micheal Wong Enn Chung	-	Executive Officer
		Ms. Cheah Wen Lih	-	Financial Controller
		(video conferencing via Zoom)		
		Ms. Wong Siew Yeen	-	Company Secretary
In Attendance (as per Attendance List)	:	Mr. Joe Tan Keng Chiew	-	Representative from Crowe Malaysia PLT
		(video conferencing via Zoom)		

The attendance of members, corporate representatives and proxies is as per the Summary of Attendance List via Remote Participation and Voting facilities provided by Tricor Investor & Issuing House Services Sdn Bhd.

CHAIRMAN

The Chairman welcomed the members and attendees to the Company’s 3rd AGM. The Chairman informed that the 3rd AGM would be convened virtually through live streaming from Tricor Business Centre. The Chairman then introduced the Board members, Senior Management, Company Secretary and Auditors to the shareholders.

NOTICE

The notice convening the meeting, having been circulated earlier to all members of the Company and advertised in the New Straits Times within the prescribed period, was taken as read.

QUORUM

The Chairman informed the meeting that the Constitution of the Company requires the presence of at least two members or proxies or corporate representatives to form a quorum. For a general meeting conducted virtually, the quorum shall be determined by the number of members who logged-in at commencement of the meeting.

The Chairman informed that the quorum requirement had been met at the start of the meeting and called the meeting to order.

ANNOUNCEMENT ON ADMINISTRATIVE MATTERS

The Chairman informed that pursuant to Rule 8.31A of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in the notice of a general meeting must be voted by poll. Pursuant to the Constitution of the Company, the Chairman declared that Ordinary Resolutions 1 to 6 stated in the Notice of the 3rd AGM shall be voted by poll. The poll would be conducted after all items on the agenda have been deliberated.

The Chairman then briefed the shareholders on the flow of the meeting.

The poll administrator was Tricor Investor & Issuing House Services Sdn Bhd and the independent scrutineer was Asia Securities Sdn Bhd.

At the invitation of the Chairman, Dr. Mohamed Akhtar Bin Mohamed Ditali Qureshi, the Executive Director of the Company, presented the business operation updates and Mr. Micheal Bong Enn Chung @ Micheal Wong Enn Chung, the Group Chief Executive Officer, presented the financial performance of the Group for the financial year ended 30 June 2023.

1. AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023 (“AFS 2023”) AND THE REPORTS OF THE DIRECTORS AND AUDITORS THEREON

The Chairman informed that the AFS 2023 and Reports of the Directors and Auditors thereon were meant for discussion only as the Companies Act 2016 did not require a formal approval of the shareholders for the AFS 2023. Therefore, the item was not put forward for voting.

The Chairman declared that the AFS 2023 together with the Directors' and the Auditors' Reports thereon be received.

**2. ORDINARY RESOLUTION 1
RE-ELECTION OF MR. KUA CHOO KAI WHO RETIRES BY ROTATION PURSUANT TO
CLAUSE 76(3) OF THE CONSTITUTION OF THE COMPANY**

The Chairman put the following motion to the meeting for consideration:-

“THAT Mr. Kua Choo Kai retiring pursuant to Clause 76(3) of the Company's Constitution and who being eligible, be re-elected as Director of the Company.”

**3. ORDINARY RESOLUTION 2
RE-ELECTION OF DR. AZRINA BINTI ABU BAKAR WHO RETIRES BY ROTATION
PURSUANT TO CLAUSE 76(3) OF THE CONSTITUTION OF THE COMPANY**

The Chairman proceeded to the next item on the agenda which was on the re-election of Dr. Azrina Binti Abu Bakar. He put the following motion to the meeting for consideration:

“THAT Dr. Azrina Binti Abu Bakar retiring pursuant to Clause 76(3) of the Company's Constitution, be elected as a Director of the Company.”

**4. ORDINARY RESOLUTION 3
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

The Chairman put the following motion to the meeting for consideration:

“THAT 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 3^d Annual General Meeting until the next Annual General Meeting of the Company, be hereby approved.”

5. ORDINARY RESOLUTION 4
RE-APPOINTMENT OF CROWE MALAYSIA PLT AS AUDITORS OF THE COMPANY

The Chairman moved on to Ordinary Resolution 4 on the re-appointment of Auditors.

He put the following motion to the meeting for consideration:

“THAT Crowe Malaysia PLT, be hereby re-appointed as Auditors of the Company and to hold office until the conclusion of the next Annual General Meeting and that the Directors be authorised to fix their remuneration.”

6. ORDINARY RESOLUTION 5
AUTHORITY TO ISSUE AND ALLOT SHARES OF THE COMPANY PURSUANT TO SECTIONS 75 & 76 OF THE COMPANIES ACT 2016

The Chairman moved on to the Ordinary Resolution 5 on the authority for Directors to issue and allot shares pursuant to Sections 75 and 76 of the Companies Act 2016.

He put the following motion to the meeting for consideration:

“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 discretion 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 2016, 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.

THAT the Directors of the Company be and are hereby also 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.”

7. ORDINARY RESOLUTION 6
PROPOSED RENEWAL OF EXISTING SHAREHOLDERS’ MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

The Chairman informed that the details on the Proposed New Shareholders’ Mandate were set out in Section 2.3 of the Circular to Shareholders dated 31 October 2023.

The Chairman put the following motion to the meeting for consideration:

“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 favourable 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 Section 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."

ANY OTHER BUSINESS

The Chairman informed that no notice for other business pursuant to the Companies Act 2016 and the Constitution of the Company had been received.

QUESTIONS AND ANSWER ("Q&A") SESSION

The Chairman, Dr. Mohamed Akhtar Bin Mohamed Ditali Qureshi, the Executive Director and Mr. Micheal Bong Enn Chung @ Micheal Wong Enn Chung, the Group Chief Executive Officer of the Company addressed the questions submitted prior and during the 3rd AGM.

The Chairman informed that questions that were not been able to be addressed during Q&A session due to time constraint would be posted on the Company's website.

The Q&A Session is attached hereto as "Appendix A", shall form part of these minutes.

CONDUCT OF POLL

Having dealt with all the items on the agenda, the meeting then proceeded to vote on the Resolutions by poll. The Chairman adjourned the meeting at 3.50 p.m. for the counting of votes.

DECLARATION OF POLLING RESULTS

CENGILD MEDICAL BERHAD [202101004143 (1404442-P)]
MINUTES OF THE 3RD ANNUAL GENERAL MEETING HELD ON 29 NOVEMBER 2023

Upon completion of the counting of votes by the poll administrator and verification of the results by the scrutineer, the Chairman resumed the meeting at 4.15 p.m. for the declaration of the results of the poll.

Based on the poll results attached hereto as "Appendix B", the Chairman declared ALL Ordinary Resolutions carried.

CLOSURE

The Chairman thanked those present for their attendance and closed the meeting at 4.20 p.m.

CENGILD MEDICAL BERHAD [202101004143 (1404442-P)]

QUESTION AND ANSWER SESSION OF THE 3RD ANNUAL GENERAL MEETING OF THE COMPANY HELD ON 29 NOVEMBER 2022

Questions	The Company's response
<u>Share Price</u>	
<p>1. With its shrinking earnings and data breach, its share price is at the lowest since its IPO in April 2022. The company have high risk issue related to data security framework, data policies, data systems, and data procedures that do not meet a minimum standard. Would there be a risk of getting fines and penalties due to this data privacy violation. The biggest spill over effect is the loss of reputation and clients. Please advise on this.</p>	<p>The fluctuation in share price is beyond the control of the management. There is no material event that specifically caused the decline in share price over the past few months. The Board of Directors are unable to speculate on the share price movement.</p> <p>the Chairman confirmed that there has been no significant selling down of shares among the Board of Directors' and none of the doctors have sold their shares. The doctors remain fully confident in the Company's business.</p>
<p>2. The falling share price of 36% is a warranted concern to shareholders. Any material adverse information affecting the Group aside from resignation of the CEO and data breaches? Or is it the Group is experiencing slow growth amid competition from other bigger tertiary healthcare setups even ambulatory care centres as it only focused on diagnosis and treatment of gastrointestinal and liver diseases, and obesity. Furthermore, it only has 1 centre and only covered within Klang Valley?</p>	<p>The Chairman further replied that the Company is unable to share any unannounced plan for time being.</p>
<p>3. Any loss of its top consultants that negatively affect its business operations and future prospects? Because of its short operating history since 2017 and operating under single medical centre, the Group may lack of reputation, ability and track record to retain these consultants. Furthermore, the recent data breaches have exacerbated the reputation. This has resulted the decrease of 41% of its share price year to date. Kindly address the concerns by the shareholders.</p>	
<p>4. What was the reasons behind the sell down from 52 cents to 30.5 cents, a 41%</p>	

<p>decline in its share price. This is a warranted worry due to an isolated decline when other healthcare companies share prices are not declining? Any corporate governance or investigation by MOH or other competent authorities on the leaked date? Or departure of reputable and experienced consultants of its practices. With this decline, this is the first time that it is trading below its IPO price.</p>	
<p>5. YTD, KPY share price has increased 26%, no change IHH share price while TMC has decreased marginally to 6%. However, Cengild shareholders experienced 41% declined in value from 52 cents to 30.5 cents. This decline has nothing to do with negative sentiment overall as the healthcare players are performing well. What are the steps taken by the management to improve its business performance, investor relations and risk management policy and add more value to its shareholders?</p>	
<p>6. What's the reason behind the sell-down of shares by the shareholders. It becomes the worst performing healthcare share price in KLCI. It is the disappointment by the IPO shareholders of the traction, growth and recent issues affecting the Group.</p>	
<p>7. The shareholdings of Cengild highly concentrated of doctors, staff and retail investors. Is the recent sell down caused by the dissatisfaction with the performance of its share price since its IPO? Any plan to broaden its shareholders so that its share price would be less erratic than now?</p>	
<p>8. Is the significant drop in share price alarming for the Company as it has nothing to do with the general sentiment. All the listed healthcare peers are doing well despite weak sentiment. Is there a major sell-down of shares by the doctors of the Group due to loss of confidence due to various issues affecting the Group. With erratic movement of share price and financial performance, the aim to transfer</p>	

<p>to the main market may not be materialised. Kindly elaborate on this.</p>	
<p><u>Dividend</u></p>	
<p>9. The Company targets a dividend payout ratio of at least 25%. Is it fine but with the recent subdued growth and contraction of its Q4 2023 earnings, it seems like its investment into growth is no longer lucrative. Kindly reconsider to increase its dividend payout ratio.</p>	<p>The Board of Directors believe in a balanced approach in rewarding shareholders and setting aside funds for growth. In the Company's prospectus, the Company's dividend payout ratio is at least 25% from the consolidated net profit attributable to the owners of the Company, excluding exceptional items, for each financial year, after taking into account the financial performance, cash flow requirements and capital expenditure plans, subject to confirmation of the Board.</p>
<p>10. Any plans to increase its dividend payout policy from 25% to 40%?</p>	<p>Dividend payout ratio for the year ended 30 June 2023 was 46%.</p> <p>The Board would evaluate its distributable profits from year to year, and shall prioritise the maximisation of shareholders' returns.</p>
<p><u>Volume</u></p>	
<p>11. From the Q4 2023 results, we can lower in patients volume, coupled with the decrease in number of endoscopic procedures and surgeries performs. What were the reasons behind this adverse performance? Is it due to intense competition from the tertiary healthcare settings and ambulatory care centres. How is the recovery plan of the Group, especially to broaden its healthcare offerings amid compression of margins?</p>	<p>The quarterly results may not be a proper or good indicator for medium to long-term prospect of the business. Based on the first quarter of 2024 results announced, the performance was significantly better than the fourth quarter of 2023 results.</p> <p>For financial year 2023, there were over 7,700 endoscopic procedures and over 1,500 surgeries performed. The outpatient visits were over 7,000 cases; meanwhile there were over 1,800 inpatient visits.</p>
<p>12. What is the action plan for spending IPO money RM65 million. Mind to share some feasibility analysis for new medical centre such as new machine and bed will increase. Suggest to disclose some of the KPI such as how many surgeries performed, number of patients etc.</p>	<p>During the financial year 2023, the bed occupancy rate was 65% to 90%.</p>
<p>13. Patient load for the last quarter</p>	
<p>14. What is the inpatient beds occupancy rate?</p>	
<p><u>Expansion plans</u></p>	

<p>15. What is the status of its expansion plan of establishing two (2) medical centres in other major cities in Malaysia?</p>	<p>The Company had explored a number of opportunities and proposals, unfortunately they did not eventuate for different reasons. Management would continue to explore opportunities in the market in Klang Valley, as well as in Johor Bahru and Ipoh, and would make the necessary announcement where it has a high probability of such commitments.</p>
<p>16. As a new specialist centre set-up in 2017, with focus on diagnosis and treatment of gastrointestinal and liver diseases, and obesity, what is the plan of the management to continue to drive growth and expanding its product and service offerings?</p>	<p>As for the business, the Company continues to focus on the core competencies and the supporting services</p>
<p>17. What's the plan of the Group to broaden its service offerings? It seems that since IPO, the Group has difficulty to make this business more scalable with the IPO proceeds raised. Is it an issue with its current business model?</p>	<p>Regarding the number of day care beds, the Company now have 20 inpatient beds, 11 endoscopic beds and 5 day care beds.</p> <p>The Company is unable to share any feasibility analysis that is not announced to Bursa Securities.</p>
<p>18. Why still do not have any progress for establishing of 2 new medical centre? Facing any problems?</p>	<p>The Chairman further shared that each model of medical centres has their own cost, margin and risk factors to be considered. While ACC and outpatients centre are cheaper and faster to build, the margins could be lower. Similarly for doctors, ACC is a platform to perform screening and simple procedures, but not complex cases, this makes it a less attractive option for doctors to join.</p>
<p>19. After addition of 8 day care beds Cengild Medical having total of the bed?</p>	
<p>20. Cengild currently had how many inpatient beds and day care beds?</p>	
<p>21. What is the action plan for spending IPO money RM65 million. Mind to share some feasibility analysis for new medical centre such as new machine and bed will increase.</p>	<p>The Company does have its own internal criteria to evaluate all opportunities. Ministry of Health has set strict criteria and regulations in terms of introduction of new services. The management is diligently working on this and is unable to share any information for time being.</p>
<p>22. As per the prospectus, instead of building 2 full-fledged medical centres, in major cities, providing a range of comprehensive specialist and surgical services, why not building and outpatient or day care centre i.e., ACC with lower fixed overhead and CAPEX? Building a full-fledged medical centre requires a lot of cost, time and long gestation period before it can recoup its investment. This can help the Group to vary its income at much lower initial investment cost. Kindly clarify on this.</p>	<p>The Chairman informed that the Board is not able to comment on any project prospects.</p>

<p>23. Does the Company have a systematic approach when it comes to expansion and to scale its business aside from working with different new consultants in its JV endeavours, with 30:70 split. What are the set of regulations and requirements by MOH that limits its business from turning scalable? In addition, how does the plan of other players i.e., KL Wellness City is going to affect its prospects going forward?</p>	
<p><u>Data Breach</u></p>	
<p>24. Please relook with IT Team service provider to avoid the data breaches from happening. Due to the nature of its healthcare industry, this incident could result to hefty fines by the regulators and loss of its customers. These negative developments have significantly affected its share price to all time low.</p>	<p>The announcement made on 20th October 2023 was precautionary in nature.</p> <p>The Company had reported the incident to all relevant authorities and regulatory bodies such as Police, PDPA Commissioner, Mycert/Cybersecurity Malaysia, CKAPS/MOH and APHM. There were minimum disruption to patient care and operations, and medical processes and administrative operations were restored within the same day.</p>
<p>25. What is the impact of IT information leakage of the Company?</p>	<p>There was a ransomware notice, but no direct demand for specific amount was mentioned.</p>
<p>26. Data Breach incident – Any legal or financial cost due to action taken by patients?</p>	<p>As cyberattacks are on the rise, and the healthcare industry is not immune to it. The Company have adequate protection in place, and have also updated and enhanced the risk management policies and practices to prevent future incidents.</p> <p>No legal actions were taken by the patients to date.</p>
<p><u>Risk Management</u></p>	
<p>27. Cengild Medical Centre may not be well known to the general public as it is only established in 2017. Hence, any adverse events may disrupt its license, reputation and growth going forward. What are the steps taken by the management to improve on its risk management policy?</p>	<p>The hospital does have a risk management team which maintains a risk register; this register is reviewed on an ongoing basis at Board level; any new risks are identified and updated into the register together with the appropriate risk management strategies.</p>

<u>Foreign Patients</u>	
28. What's the plan of the Group to attract more for foreign patients as currently only 3-45 of its patients are foreigners?	The bulk of foreign patients usually go to Penang, Melaka and to some extent to Johor.
29. What's the plan to build the Group's referral network to expand its presence in countries like Singapore, Thailand and Indonesia for its services due to relative healthcare cost as an advantage.	The Company currently sees less than 5% of foreign patients, mainly from Indonesia. The Company will continue to work closely with agents and Indonesia insurance companies to increase market awareness the market in order to increase the number of foreign patients.
30. Looking from the sales breakdown of local and foreigners, the sales contributed from foreign patients is negligible. The most common procedures that medical tourists seek in Malaysia are cardiology, orthopaedics, oncology, fertility treatments, and cosmetic surgery. Aside from extension to oncology, Cengild is not in the other procedures. What are the efforts by the Group to increase volume of its medical tourists?	It was also informed that the Company is in the midst of applying to be a member of Malaysian Healthcare Travel Council (MHTC). As a member of MHTC, the Company would be able to get strong support to increase the brand awareness in the targeted countries.
<u>Oncology Business</u>	
31. Kindly provide the expected contribution of revenue and shared profits per annum from its first oncology centre at Cengild G.I. Medical Centre?	The Company had announced the joint venture with Curie KL Sdn Bhd to undertake oncology services. It is too early for the Company to give an estimate on the performance of oncology service.
<u>Investor Relation</u>	
32. The Group should improve its investor relations activities. With recent concerns i.e., data breaches, falling share price, contraction of earnings and slow growth. We as the shareholders were unable to find any channels to communicate with any representatives of the Company to seek a clarification. Kindly relook into this as the Group is a PLC now.	The Company took note of the suggestion and have added a submission page to receive investors' questions at any time. All parties are encouraged the post questions via the platform and the questions will be forwarded to relevant department to answer accordingly.
33. The Group is weak in its investor relations activities. It doesn't even have an email to communicate with the management on concerns and issues affecting the Group. Continued weakness in these activities would have issue to attract the institutional Investors & fund managers that this is a viable investment. What's the plan of the Company to improve on this?	

<p>34. As a public listed company, its imperative to build its investor relations activities. I do not see that the management actively communicating the issues and concerns to the shareholders, fund managers, analysts and investors. Even the annual report and website do not have any or contact to the finance head or investor relations team. Kindly clarify on this.</p>	
<p>35. Any plan to hire a person with corporate finance and investors relations background that able to liaise with the shareholders, investors, analysts and fund managers. This person also able to give a fresh perspective to the team by giving the valuable insights of the numbers, business and prospects.</p>	
<p>36. As a listed companies, it is a fiduciary duty for the management to manage its investors and shareholders, to improve its corporate communication and regularly update the shareholders on its concerns and issues that have impact to its share price and financials. Else, no point to list. Since early Jan 23, its share price has dropped while its peers are doing well i.e., TMC up 25%, KPJ up 28% and IHH unchanged. This is warranted worry as we have no idea what is happening? Please explain.</p>	
<p><u>Management Personnel</u></p>	
<p>37. Any other reasons behind the recent retirement of Ms Yap Soh Kim as the CEO of the Group? Any replacement for this vacancy?</p>	<p>Ms Yap Soh Kim has reached the retirement age and the new Group CEO, Michael has taken over the operational leadership role for the Company.</p> <p>The Chairman shared that Ms. Yap continues to support the Company as a valued consultant, offering her expertise as and when needed.</p>
<p><u>Rental Rate</u></p>	
<p>38. Kindly shed the light of its average rental rate for its leasing space at Nexus Bangsar South?</p>	<p>The rental rate at Bangsar south ranging from RM5 to RM18 per square feet.</p>

<u>Cost Increase</u>	
<p>39. Please provide the impact of strengthening USD of 12% since early 2023 to the business of the Group and its margins, especially on the purchase of medical equipment and consumables. How much increase of costs with this adverse fluctuation in USD in FYE2023? What are the steps taken by the management to minimise the impact?</p>	<p>The cost of consumable items and medical equipment is indeed on the rise. The best strategy is to monitor the gross margin and driving up volume will help in negotiating better prices.</p> <p>Overall, the Company did not experience significant impact due to the strengthening of USD. during the year, the Company did not acquire major medical equipment. However, the Company will monitor closely the price increase of consumables and drugs. The increase in price will then be passed on to the patients.</p>
<u>Employee Consultant</u>	
<p>40. The previous count during the IPO, the Group had six (6) employee consultants and five (5) resident consultants. To date, what is the count? Any loss of the original 6 employee consultants? What are the specialties added by the Group and CAPEX incurred since the IPO?</p>	<p>The Company currently has a total of 34 employee consultants, resident and visiting consultants. Employee consultant stood at 5, with the recent sad demise of Prof. Dato' Dr. Goh Khean Lee. Total capex incurred since IPO was RM3.09 million.</p> <p>LTIP that were exercised in the financial year ended 2023 was RM10,900.00.</p>
<p>41. There is business risk of highly dependent on 5 employee consultants. What is the progress of LTIP?</p>	<p>The Company experienced minimal impact from the demise of Prof. Dato' Dr. Goh as his patients were handled by gastroenterologist and hepatologists at the Company.</p>
<p>42. Demise of Dato Dr. Goh got effect how many percent of the Company's revenue and profit?</p>	
<u>ACE Market Listing</u>	
<p>43. The Company is the sole healthcare player that listed in the ACE market of Bursa Securities. Any plan to migrate to Main Market to seek more diverse investors and shareholders in the Company such as institutional investors and mutual funds. Currently, from the top 30 shareholders, we can only see the ownership structure highly concentrated on the doctors, staff and retail investors. We need to broaden its investors to gain new perspective in the Company.</p>	<p>The Board will consider all corporate proposals which benefit the stakeholders of the Company, including but not limited to the potential transfer to Main Market. The Company will make necessary announcements to the Bursa Malaysia Securities Berhad whenever such proposals are approved and adopted by the Board.</p>
<u>Growth Pillar</u>	
<p>44. Please provide the breakdown of revenue and gross profits by specialties and services? In the view of the management,</p>	<p>The management is unable to share the detailed operational data which are not announced to the Bursa Securities. The</p>

<p>kindly elaborate which services are the growth pillar going forward.</p>	<p>growth services areas are any that involves procedures such as endoscopy, surgical procedures, surgeries, chemotherapy etc.</p>
<p><u>Earnings</u></p>	
<p>45. The Group achieved a significant contraction of earnings of 41% in Q4 2023. This is the first YoY decrease of its earnings due to lower in patients volume, coupled with the decrease in number of endoscopic procedures and surgeries performed. Is it the start of the negative growth or stagnation in earnings? It is an area of concern as the Company is trading at a lofty P/E valuation of above 21x. What are the steps taken by the management to sustain its growth?</p>	<p>The volume of patients is affected by seasonal factors such as long weekends, school holidays and fasting months, as well as consultants taking a long leave.</p> <p>As mentioned earlier, financial performances for the first quarter of year 2024 was significantly better than fourth quarter of year 2023. Investors are advised to look at the overall trend of earnings rather than a quarterly view.</p>
<p><u>Gross Margin</u></p>	
<p>46. Kindly provide the breakdown of revenue and gross profit margins by types of healthcare specialty for the last 3 years. Going forward, which specialties are in focus and the business plan to make them scalable.</p>	<p>The gross profit margin of the Company for the past 3 years recorded at 42%, 40.4% and 43.7% for the financial year 2021, 2022 and 2023 respectively.</p>
<p><u>Digitalization</u></p>	
<p>47. How much is the CAPEX is allocated to digitalise its operations for FYE 2024 and 2025 to reduce its overhead and ensure less human interventions in its operations?</p>	<p>The majority operations are digitalized, especially on medical side.</p>
<p>48. Any investment made to scale up its patient acquisitions and tech data capabilities?</p>	<p>The spending on CAPEX would be minimal as most technology solutions are subscription based, to retain flexibility so that the Company is not tied to legacy technologies.</p>
<p><u>E-Voucher</u></p>	
<p>49. Please provide an e-voucher for the shareholders that attend this AGM?</p>	<p>The Company does not have a gift policy and the Board believes in rewarding all shareholders equally and meaningfully.</p> <p>To achieve this, available funds would be channelled back to shareholders in terms of dividend.</p>
<p><u>4th Quarter results</u></p>	
<p>50. Based on Q1 2024 results announced on 24/11, revenue decreased slightly but admin expenses increased tremendous RM900,000 YoY. It indicates that new specialties added in via 30:70 JVs haven't contributed to the top line. Is the</p>	<p>The results may fluctuate as new services would take time to contribute revenue to the business. Management will monitor the any rise in administration costs closely to support the Company's growth agenda previously planned for.</p>

<p>management facing difficulty in growing its topline and bottom line? And what is the business plan to build its topline and subsequently to facilitate its transfer to the Main Market of Bursa Malaysia. Any measure to put a halt on its high admin cost? Kindly advise.</p>	
<p>51. In the prospectus of Cengild IPO titled "Future Plans and Strategies", there is mention of expansion of services. When can we expect the expansion announcement to be made?</p>	<p>The relevant announcement would be made when it is confirmed and finalized.</p> <p>As for the business, the Company continues to focus on the core competencies of gastrointestinal related services and the supporting services such as cardiology, urology, gynaecology, ENT, oncology, & internal medicine.</p>
<p>52. When is Cengild going to transfer to main board and did Cengild had a dividend policy going forward?</p>	<p>The question addressed earlier under the similar question raised above.</p>
<p>53. With your cash holdings, what is the plan about it, any plan to expand or pay us dividend. Please brief us.</p>	<p>The question addressed earlier under the similar question raised above.</p>
<p>54. Any comments or update on the usage if IPO raised? Other than the RM4.5 million or listing expense, only RM3 million used for expansion, after 1.5 years listed?</p>	<p>The question addressed earlier under the similar question raised above.</p>
<p>55. Can you share what is the demographic of your patients? How many percent of your patient are from foreign countries?</p>	<p>Foreign patients may come from China, Indonesia, UK, Singapore and Yemen. Generally, there are less than 5% of foreign patients.</p>
<p>56. How do you compete with Hospitals and bigger medical centres that are more well-known? Do you offer more economical, or more premium rates?</p>	<p>Bigger hospitals have smaller GI centres. The Company offers more economical rates and this leads to better financial results.</p>
<p>57. (1) The remuneration of two EDs amounted to more than 5m in FY 23, excluding external consultant fee. This seems to be not in line with industry norm, especially given that Cengild made only about 15m profit a year. I think the board should look into this to boost shareholder value. (2) Why is Senior management Dr Mustafa Mohd Taher remuneration so high, at 6.6m?</p>	<p>The 2 Executive Directors are doctors for the hospital. Remunerations include the doctors and procedure fees. It is paid according to the number of procedures done.</p>

<p>(3) The impact of the demise of Dr Goh in May on the prospect of Cengild expansion plan</p>	
<p>58. The overall financial performance, revenue has not been growing and somewhat related, the share price performance has been lacklustre. What's the management view on the underperformance in financial side as well as the capital market?</p>	<p>As explained during the financial presentation, in 2023, the Company was constrained by the number of beds even after expanding the number of beds by 5 day care beds and 3 endoscopic beds.</p>
<p>59. Please update us 2nd half outlook 2024</p>	<p>The Company is not allowed to provide forecast numbers that have not been announced.</p>
<p>60. Why in management's view, Cengild can open how many centres in total in Malaysia? 10 or 20 centres? How many such specialist centre like Cengild currently in Malaysia, that specialised in gastro?</p>	<p>Currently, there is no similar centre like Cengild in Malaysia and Asia. The similar medical centre specialising in gastrointestinal and liver diseases, and obesity is in India and United Kingdom, called Asian Institute of Gastroenterology.</p>
<p>61. Why don't the company initiate share buy-back plan now that the share price is below IPO price?</p>	<p>The Company is not allowed to perform share buy-back within two years of the Initial Public Offering.</p> <p>in addition, the Company is reserving the funds for business expansion. Hence, share buy-back exercise is not in priority now.</p>
<p>62. How will the recent breakthrough in weight loss or obesity drug affect the company?</p>	<p>The Company has a clinical strategy for obesity, and is therefore not affected by the introduction of these new obesity drugs.</p>
<p>63. What is the board's view on getting the weight loss medications e.g., Wegovy, Ozempic which is 'hot' in current trend especially in U.S.? Since this might add to the revenue</p>	<p>The question addressed earlier under the similar question raised above.</p>

CENGILD MEDICAL BERHAD
(202101004143)

Third Annual General Meeting

Tricor Business Centre, Manuka 2 & 3 Meeting Room, Unit 29-01, Level 29, Tower A, Vertical Business Suite,
Avenue 3, Bangsar South City, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia
On 29-November-2023 at 03:00PM

Result On Voting By Poll

Resolution(s)	Vote For				Vote Against				Total Votes			
	No of Units	%	No of P/S	%	No of Units	%	No of P/S	%	No of Units	%	No of P/S	%
Resolution 1	452,616,672	99.9484	63	82.8947	233,504	0.0516	13	17.1053	452,850,176	100.0000	76	100.0000
Resolution 2	452,424,872	99.9502	64	85.3333	225,304	0.0498	11	14.6667	452,650,176	100.0000	75	100.0000
Resolution 3	452,406,672	99.9462	61	81.3333	243,504	0.0538	14	18.6667	452,650,176	100.0000	75	100.0000
Resolution 4	452,653,672	99.9566	65	85.5263	196,504	0.0434	11	14.4737	452,850,176	100.0000	76	100.0000
Resolution 5	452,572,222	99.9386	56	73.6842	277,954	0.0614	20	26.3158	452,850,176	100.0000	76	100.0000
Resolution 6	261,556,514	99.9119	59	80.8219	230,654	0.0881	14	19.1781	261,787,168	100.0000	73	100.0000



Resolution(s)	Pre-determined Abstain *		Abstain / Spoilt #	
	No of Units	No of P/S	No of Units	No of P/S
Resolution 1	0	0	240,000	1
Resolution 2	0	0	440,000	2
Resolution 3	200,000	1	240,000	1
Resolution 4	0	0	240,000	1
Resolution 5	0	0	240,000	1
Resolution 6	191,056,008	2	247,000	2

* These votes refer to holders who have pre-determined abstain from voting in proxy forms or holders refrained from voting due to conflict of interest.

These refer to:

- 1) Holders who have chosen not to vote (e-voting) or
- 2) Abstain / Spoilt votes as reflected in poll slips (poll slip voting)

