

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

**MINUTES OF THE FOURTH ANNUAL GENERAL MEETING (“4TH 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 FRIDAY, 29 NOVEMBER 2024 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
		Ms. Stephanie Lee Wai Fern	Group Chief Executive Officer
		Mr. Tee Thiam Chai	Company Secretary
In Attendance (as per Attendance List)	:	Mr. John Lian Yoon Ahn (via video conference)	Financial Controller
	:	Mr. Joe Tan Keng Chiew (via video conference)	Representative from Crowe Malaysia PLT

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 4th AGM. He informed that the 4th AGM would be conducted through live streaming from Tricor Business Centre. The Chairman then introduced the Board members, Company Secretary, Senior Management 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 National Daily newspaper within the prescribed period, was taken as read.

QUORUM

The Chairman informed the meeting that the Constitution of the Company required the presence of at least two (2) members or proxies or corporate representatives to form a quorum. For a virtual general meeting, 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. The poll would be conducted after the items on the agenda have been dealt with.

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

The poll administrator was Tricor Investor & issuing House Services Sdn Bhd ("Poll Administrator") and the independent scrutineer was Scrutineer Solutions Sdn Bhd ("Scrutineer").

At the invitation of the Chairman, Dr. Mohamed Akhtar Bin Mohamed Ditali Qureshi ("Dr. Mohamed Akhtar"), the Executive Director of the Company, presented the business operation updates and Ms. Stephanie Lee Wai Fern, the Group Chief Executive Officer, presented the financial performance of the Group for the financial year ended 30 June 2024.

1. **AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 ("AFS 2024") AND THE REPORTS OF THE DIRECTORS AND AUDITORS THEREON**

The Chairman informed that the AFS 2024 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 2024. Therefore, the item was not put forward for voting.

The Chairman declared that the AFS 2024 together with the Reports of the Directors and the Auditors thereon be received.

2. **ORDINARY RESOLUTION 1
RE-ELECTION OF DATO' DR. TAN HUCK JOO WHO SHALL RETIRE BY ROTATION
PURSUANT TO CLAUSE 76(3) OF THE CONSTITUTION OF THE COMPANY**

The Chairman handed over the chairmanship of the meeting to Dr. Mohamed Akhtar to chair the meeting for Ordinary Resolution 1, which related to the re-election of the Chairman as Director of the Company.

Dr. Mohamed Akhtar proceeded to the next item on the agenda, which was on the re-election of the Executive Chairman of the Company, Dato' Dr. Tan Huck Joo.

He put the following motion to the meeting for consideration:-

"THAT Dato' Dr. Tan Huck Joo, retiring pursuant to Clause 76(3) of the Company's Constitution, be elected as a Director of the Company."

Dr. Mohamed Akhtar then returned the chairmanship to the Executive Chairman of the Company, Dato' Dr. Tan Huck Joo.

3. **ORDINARY RESOLUTION 2**
RE-ELECTION OF DR. MOHAMED AKHTAR BIN MOHAMED DITALI QURESHI WHO SHALL RETIRE 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. Mohamed Akhtar Bin Mohamed Ditali Qureshi. He put the following motion to the meeting for consideration:

“THAT Dr. Mohamed Akhtar Bin Mohamed Ditali Qureshi, 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 RM201,600.00 FOR THE PERIOD COMMENCING FROM THE DATE IMMEDIATELY AFTER THE FOURTH ANNUAL GENERAL MEETING UNTIL THE NEXT ANNUAL GENERAL MEETING OF THE COMPANY

The Chairman proceeded to the next item on the agenda which was on the payment of Directors’ Fees and Benefits. He put the following motion to the meeting for consideration:

“THAT the payment of Directors’ Fees and Benefits for an amount not exceeding RM201,600.00 for the period commencing from the date immediately after the Fourth 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 AND AUTHORISE THE DIRECTORS TO FIX THEIR REMUNERATION

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

Moving on to the next item on the agenda, the Chairman informed that Ordinary Resolution 5 was to seek authority for Directors to issue and allot shares pursuant to Sections 75 and 76 of the Companies Act 2016. The mandate would allow the Directors to undertake fund raising activities by way of issuance of new securities as they deem fit in the best interest of the Company.

He then 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”) and subject to the approval of the relevant regulatory authorities, 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 ten per centum (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 an ordinary resolution passed by the shareholders of the Company at a general meeting,*

whichever is earlier.

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 Renewal of Existing Shareholders' Mandate were set out in the Circular to Shareholders dated 30 October 2024.

He further informed that the Directors who were deemed interested in the Proposed Renewal of Existing Shareholders' Mandate and persons connected with them had abstained and would continue to abstain from all deliberations and voting on this resolution.

He then 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 30 October 2024 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 "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 the Shareholders' 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 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 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 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, the Executive Director of the Company and Ms. Stephanie Lee Wai Fern, the Group Chief Executive Officer addressed the questions submitted prior and during the 4th AGM.

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

CONDUCT OF POLL

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

ANNOUNCEMENT OF POLLING RESULTS

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 4.18 p.m. for the declaration of the results of the poll.

Based on the poll results, attached hereto as ‘Appendix B’ and forming part of these minutes, the Chairman declared all the 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)

QUESTIONS AND ANSWERS SESSION OF THE 4th AGM OF THE COMPANY HELD ON 29 NOVEMBER 2024

Questions	The Company's response
<u>Business Performance</u>	
<p>1. I demand the Management to actively work to restore investor confidence through cost-cutting measures and streamlining the business portfolio. Currently, the Group is wobbling around with high operating expenses, especially its corporate costs (with high management team packages) while its revenue is not growing. Same reason has been given on reduced no. of procedures every quarter. Business is not doing well for the Group and yet it still proceeds with highly sceptical Proposed Acquisition.</p>	<p>Despite a marginal revenue contraction of about 5% from the financial year ended 2023 to 2024, Cengild's profit before tax ("PBT") margin remained above 20%. The Group would continue to expand the talent pool in anticipation of growing demand in the healthcare sector. Maintaining a healthy clinical and medical team would be a key factor in ensuring the service continuity of the centre.</p>
<p>2. As for Q4 2024 results, it is horrendous. Despite slight increase of revenue of 2.3% but the admin costs have increased 8.5% as for full year FYE2024, the revenue has decreased 4.8% and the admin costs have increased 15.5%. As for the free cash flow for FYE2024, it is at negative RM2.4 million vs prior year of positive RM11.8 million. The Group has a bad capital management and allocations. Over a year, many managements left the Group i.e. the CEO, FC. Please improve the performance of the Group immediately.</p>	
<p>3. Please shed a light on what are activities in the consultant and medical management services. It was stated that reduction in revenue for consultant services was due to lower patient no & lower no. of procedures/surgeries. Moreover, pls explain the following:- (i) reason for declining GP margin from 16.2% to 14.4% for FYE24 for its consultant services</p>	<p>The decline in gross profit margin was due to promotional packages to promote certain medical services. However, there is an observed recovery in patient numbers and number of procedures and surgeries.</p> <p>Cengild had a good start from 1st quarter of the financial year ending 2025. Please refer to the unaudited financial results of the Company for the 1st quarter ended 30 September 2024 ("Q1</p>

<p>(ii) moving forward, can we see a recovery in patient no. & no. of procedures/surgeries.</p>	<p>2025 Financial Results”), which were recently announced.</p>
<p>4. Please provide the industry, operational and financial “headwinds” affecting the Group? It seems that the Group is facing difficulty to grow its revenue, control costs and generate free cash flow.</p>	
<p>5. Please shed some light on the lower revenue for FYE2024 that was due to lower patient volume, coupled with the decrease in number of endoscopic procedures and surgeries performed. The no. of procedures reduced significantly. 10% from 7,680 to 6,929 procedures. Please provide the reasons for the significant decrease of no. of procedures i.e. intense competitions, reputable consultants left the Group etc.</p>	
<p>6. From the last EGM on 13 May 2024, the management stated that the passing of Professor Goh has not affected the overall volume of endoscopic procedures performed. In the hindsight, we see 10% decline in the no. of procedures. Can the management explain on this & based on the Q1 2025, are we seeing the improvement in the no. of procedures?</p>	
<p>7. Kindly provide the guidance for FYE25 of the Group, in terms of revenue and profits margins. Can we see the recovery in the revenue?</p>	
<p>8. Can the shareholders expect upward trajectory in the Group’s financial performance, traction and business going forward? This is crucial for a newly listed.</p>	<p>The management is positive with future trajectory, with encouraging results in the first quarter of 2025.</p>
<p>9. Do you see a strong recovery in patient visit after adding many new medical specialists since early this year? What’s CENGILD competitive advantages against other similar size medical centers in Klang Valley? May I know the latest progress on the new hospital building?</p>	<p>Yes, there is an observed recovery in patient numbers. For details on the Group’s competitive advantages, please refer to page 12 of the Annual Report 2024, under the section titled ‘Defining our Distinction’.</p>

	<p>Please refer to item 2.1.3 of the Circular for the Extraordinary General Meeting (“EGM”) held on 13 May 2024. Cengild is at the stage of ‘reinforced concrete framework and floor slab of the Property’.</p>
<p><u>Business and Marketing Strategies</u></p>	
<p>10. Many shareholders are mostly unhappy with the Group’s strategy to move its business model from asset light to heavy. As set-up a hospital is costly with gestation period of between 3 to 5 years upon completion. It is a risky move as the Group is still relatively new as compared to the more established healthcare Groups. It is already down 52% since its IPO and YTD down 24%. It is well below its IPO price and the worst performing healthcare stocks. What’s the steps taken to improve on this.</p>	<p>The Company has proven that the business model is effective by turning profitable in three (3) years and achieving all its corporate milestones in such a short time since incorporation. Despite operating in a very focused area of specialty, specialising in gastrointestinal and liver care has positioned Cengild as one of the gastrointestinal and liver centres of the region. Leveraging its existing focus specialty in gastrointestinal and liver area, the centre will continue to build into this captive area of sub-specialty, with the vision of becoming the comprehensive, top of mind gastrointestinal and liver centre.</p> <p>Hence, it is not uncalculated risk to shift from light to heavy asset, and such gestation period does not apply to our situation.</p> <p>It would be more cost-efficient to own the existing building, as demonstrated by the management during the last EGM held on 13 May 2024.</p>
<p>11. Are we seeing the increased capacity in Cengild G.I. Medical Centre and rebound of no. of procedures and surgeries in the Q4 2024. The Group needs to focus on diversifying customer base including international market expansion to reduce the volatility evolving global economic and competitive landscapes, changed in policies i.e. co-payment.</p>	<p>As the market recognised the Company as a leader in the gastrointestinal and liver field, there was pent-up demand in the oncology area. The Group expanded into oncology area to provide a one-stop centre for patients with gastrointestinal and liver-related issues.</p>
<p>12. Please provide the details of the expansion activities of the Group in FYE 2024 (i.e. Jul 23- June 24) namely on</p> <ul style="list-style-type: none"> (i) service offerings, especially the new specialties & subspecialties introduced (ii) no. of outlets (iii) no. of medical consultants (iv) geographical markets 	<p>Please refer to the Annual Report 2024.</p>

(v) medical tourism.	
<p>13. Pg. 11 of the Annual Report – The Company stated “we embraced agility and innovation. Additionally, we have invested in fostering collaborations and partnerships that enhance our capabilities and resilience. Our data-driven approach has enabled us to anticipate trends and make informed decisions, allowing us to remain competitive in this ever-evolving industry”. Please provide examples of collaborations, partnerships and innovations that the Group has done for the last one year?</p>	<p>The examples include the Group’s investments in joint ventures (Cardiac Care Centre Sdn. Bhd. and Urohealth Sdn. Bhd.) and associates (UNCKL Sdn. Bhd. and Curie Oncology KL Sdn. Bhd.).</p>
<p>14. Any plan to add more complementary services like rehabilitation and dietary plan in the Group.</p>	<p>To address the growing and extended demand from patients, the Group proposed an expansion plan aimed at further enhancing its focus on gastrointestinal and liver-related areas. Supporting services such as Magnetic Resonance Imaging (MRI), oncology and dietary treatments, would be included in the services planned for the new hospital.</p>
<p>15. What are the marketing efforts to boost local and international branding of the Group?</p>	<p>The Group would continue to build relationship with the insurance companies and third-party administrators (TPA) on the local front. Preparations were underway to enter the promising foreign markets in the near future.</p>
<p>16. Please provide whether the Group has embarked on a few strategic initiatives that are crucial to the healthcare industry, namely:- (i) asset and cost optimisation (ii) bed expansion; and (iii) talent acquisition</p>	<p>The Group was constrained by the limited space of the existing building. Hence, this limitation was precisely why the Group is moving from asset light to asset heavy to implement the strategic initiatives outlined in the Annual Report 2024.</p>
<p>17. What are the Group assets optimisations, bed expansion and talent acquisition strategies? Please elaborate</p>	
<p>18. Why the Group are not into endocrinology and diabetology complementary services as diabetes has long been a pressing health issue in Malaysia, especially with the younger generations like Gen Z.</p>	<p>The management took note of the suggestion.</p>

<p>19. Dear director,</p> <p>I have 4 questions as below, hope that will pick up my questions during AGM, thanks.:</p> <ol style="list-style-type: none"> 1. Next month will be year 2025, any progress of establishment of 2 new medical centre for geographical expansion? 2. Any expansion plan for Poliklinik CGI? 3. So far had recruit how many consultants by using the 12M (Annual Report 2024, Pg49) from IPO fund? 4. When will get panel Prudential Malaysia? 	<p>The Group had conducted several discussions with potential investors and would provide updates once the deal is secured.</p> <p>Currently, the primary focus was on expanding the six (6) polyclinics.</p> <p>Two (2) doctors had been selected under the Guaranteed Minimum Income program, and one (1) consultant under the same program was still ongoing.</p> <p>The Group had engaged with corporate partners and aimed to include insurance companies in the panel.</p>
<p>20. Hi, thanks management for all the effort you had done, appreciate it. I have 3 questions here:</p> <ol style="list-style-type: none"> (i) How many residents Dr & how many visiting Dr in CENGILD now, compared to our IPO time at 2022? (ii) May I know what is the right things that our management did to have significant growth of around 30% revenue from past quarters around 17M to 22M our latest QR? Because QR report just mentioned increasing number of patients only, not mentioned what management did to have such increment. 	<p>The question on the number of resident doctors was addressed earlier under the similar question raised.</p> <p>The growth was primarily driven by the recruitment of additional consultants. The clinics were shared among all consultants, and this arrangement enabled the Company to accommodate a larger number of consultants.</p>
<p>21. When will Penang branch start?</p>	<p>The Company would update once the deal is secured.</p>
<p>22.</p> <ol style="list-style-type: none"> (i) What is the competitive advantage of CENGILD against other competitors? (ii) Will board of director (BOD) consider to establish branched in other state? (iii) What is the CENGILD market capitalisation target in the next 5 years? (iv) Will the Group benefit from strengthening of RM against USD? (v) What is the major challenges faced by the Group currently? (vi) How to attract reputable doctors to join CENGILD? 	<p>Cengild is small yet focused, which allows it to benefit from economies of scales, resulting in significantly lower costs compared to competitors. This enabled the Company to attract top-tier doctors.</p> <p>Please refer to the recent announcement available on Bursa Malaysia Securities Berhad' website.</p> <p>The market capitalisation is beyond the management's control. The Group is currently focused on expanding the business and its speciality.</p>

	<p>The Group is not significantly affected by foreign exchange fluctuations.</p> <p>The biggest challenge of the Group was the limitation of space, which would be addressed by the move to the new building.</p> <p>Reputable doctors were offered a Guaranteed Minimum Income, along with access to quality facilities and opportunities for collaboration with other doctors.</p>
<p><u>Subsidiary Business</u></p>	
<p>23. What was the contribution of revenue from the complementary medical services in urology, oncology, cardiology and gynaecology to the Group in FYE24? Any expansion plans on these services.</p>	<p>These services supported the Group's core discipline. Hence, the expansion plan focused on the core discipline.</p>
<p>24. For FYE25, how much the Group earmarks for to grow its Primary Care business under CGI brand. How many outlets that it intends to increase?</p>	<p>The Group had recently opened the outlets with the focus on growing them.</p>
<p>25. We have investments in JVs (i.e. CCCSB & USB) and associates (i.e. UNCKL & COKL) of RM920,663 & RM2,905 respectively. What are differences in both structures for its complementary medical centres? To date, these complementary services as a whole are still loss-making. What were the reasons behind this loss-making? It is due to initial set-up costs & what is the estimate cost to set-up each medical services. Do we foresee more significant contribution in FYE25?</p>	<p>The loss incurred from the joint venture/associate was mainly due to Curie Oncology KL Sdn. Bhd. ("COKL")'s first year operations, which involved initial costs. However, the Group anticipate a more significant contribution in the financial year ending 30 June 2025.</p>
<p>26. In FYE2024, how many % of revenue was from referrals from its primary health care centers. Going forward, what is the plan to increase its referral activities.</p>	<p>The management was unable to share the detailed information and plan. The first polyclinic commenced operation in May 2024, and it is premature to assess it at that stage.</p>
<p><u>Acquisition of Building</u></p>	
<p>27. Please explain on Pg. 115 of the AR on the "Capital-work-in-progress" and its nature as there was an incremental of RM12.2mil. As for the ensuing FYE i.e. 25-27, how much Capex spending are we expecting from each of the FYE?</p>	<p>Please refer to item 2.1.3 of the Circular for the EGM held on 13 May 2024.</p>

<p>28. Please provide the breakdown of Capex of the Acquisition i.e. RM122.34mil and renovations, fit-out and medical equipment i.e. RM60 mil by FYE25, 26 and 27? Moreover, please update the status of the financing of the property with the financial institutions as well as provide the pertinent terms requested by them?</p>	<p>The property was financed through a combination of the Initial Public Offering (IPO) proceeds, asset financing term loan from RHB Bank Berhad with a tenure of up to fifteen (15) years, and existing cash reserve. The allocated funds would be utilised over the next two (2) years.</p>
<p>29. Kindly update on the financing with the banks on the Acquisition? What are the patient terms and conditions that have been proposed by them? What are the pro forma gearing ratio and debt service based on the proposals by these banks? Moreover, how this financing will impact the >50% dividend distribution of the Group.</p>	<p>Please refer to the Circular for the EGM held on 13 May 2024. There should be no impact on the usual dividend pay-out quantum.</p>
<p><u>Investor Relation</u></p>	
<p>30. As stated in the minutes for the EGM dated 13 May 2024, the shareholders can address any questions directly to the acting CEO and improvement will be done on its investor relations. However, after so long my questions haven't been addressed by the acting CEO. Please act and improve on this. Remember this a listed company.</p>	<p>The management took note of the suggestions and added a submission page to receive investors' questions at any time. The questions would be addressed within a fair and reasonable timeline. If any questions remained unanswered, they would be posted on the Company's website.</p> <p>The Board would continue to engage with investors and appreciate their time and effort in contributing their views. The Company looked forward to having further sessions with the relevant interested parties involved.</p>
<p>31. 5 consecutive quarters of contraction in earnings. Please concentrate to build the business, reduce and optimise costs. Please listen to the shareholders as we are the contributor of financing since listing. Improve on your investor relations and communication. As for the management team, please be down-to-earth especially in addressing the questions by the shareholders in the AGM and EGM. This is the worst performing healthcare stocks in Bursa.</p>	
<p>32. Please improve on the Group corporate and investor relations activities. It is almost non-existence at all. No avenues for communications and no communications with the analysts, fund houses and institution investors. Not even attending to talk like BFM89.9 Breakfast Grille. It is acting like it's a private</p>	

<p>company with the decision-making policies concentrated on a few key figures. No e-mail and the query box is redundant as no one will reply to your queries. Pls remember this is PLC.</p>	
<p>33. The Group needs to do corporate profile building and build its investor relations activities as a listed company. Engage with BFM, retail and institutional shareholders, fund managers and analysts. We are the capital funders of the Group since its IPO but the Group never communicate of the concerns, financials and outlook of business with us. No avenue pf engagement with these stakeholders. We have seen many institutional shareholders sold their stakes in the Company.</p>	
<p>34. Hope the Group could take the questions by the shareholders seriously (unlike the last EGM where certain director was answering with sarcasm the questions by the shareholders). Don't belittled our questions especially those were concerning warranted issues. Remember this is a PLC.</p>	<p>The management had always taken every question with seriousness.</p>
<p>35. Appreciate if the BOD able to post summary of Q&A in CENGILD official website.</p>	<p>The Minutes would be posted at the Company's website within thirty (30) days from the date of the 4th AGM.</p>
<p><u>E-Voucher and Door Gift</u></p>	
<p>36. Please provide an e-voucher for the shareholders that attended this meeting. Or at least provide a medical screening check for the shareholders. At least we can experience the services by the Group.</p>	<p>The Group did not have a gift policy, and the Company believed in rewarding all shareholders equally and meaningfully in dividend pay-outs.</p>
<p>37. Kindly distribute door gift to delight the shareholders.</p>	
<p>38. Appreciate the Board give door gifts or e-wallet credits as tokens of appreciation for shareholders attending our Annual General Meeting ("AGM")</p>	

<p>39. Good afternoon Mr. Chairman and board of directors. Kindly give us rm30 Touch-n-Go e-wallet for being loyal shareholders and attending this Agm. Thank you.</p>	
<p><u>Insurance Coverage</u></p>	
<p>40. Please provide the impact co-payment clause in medical insurance by Bank Negara Malaysia. Moreover, please provide the breakdown of patients that under the medical insurance coverage from FYE2022 – 2024?</p>	<p>Please refer to page 11 of the Annual Report 2024 for further details.</p>
<p>41. 2024 revenue around 66.9M. May I know around how many percent is using insurance GL? How many percent from corporate, and how many percent cash, breakdown, thanks</p>	<p>Approximately 60% of the patients at the centre are self-paying, while the remaining 40% are covered by personal or corporate insurance.</p>
<p>42. How many percentage of your patients are insurance covered? Would the current firestorm of patients not renewing their insurance impact Cengild business? There are many new hospitals mushrooming up lately in Klang Valley. Would there be any saturation of private hospitals? Where is the location of the new hospital that you are going to build?</p>	<p>40% patient are covered under insurance. There could be a shift towards more cost-effective or conservative treatments as individual seek to minimise out-of-pocket expenses. Patients may also reassess and adjust their insurance plan to opt for those with lower co-payment requirements, which will influence their choice of medical services, and we anticipate a growing preference for generic medications over brand-name drugs as a way to reduce medication costs.</p> <p>There is a growth in patient population every year in which there is a demand for additional private hospital.</p> <p>The new hospital will be built at Bangsar South, Kuala Lumpur.</p>
<p><u>Dividend</u></p>	
<p>43. Please maintain a minimum payout ratio of 25% of Net Profit. Always monitor the operating cash flow and free cash flow of the Group as part of the core operating metrics of the Group. The dividend policy needs to be maintained to ensure that we are as shareholders can recoup our losses in the Company. The share price has not been doing well & now at all-time low.</p>	<p>The pay-out ratio exceeded 25% of net profit. Operating cash flow experienced only a slight decline, amounting to RM1 million. Free cash flow decreased due to the first milestone payment under the signed sales and purchase agreement for the construction of the new building, which was in progress. Despite these changes, the annual dividend pay-out was maintained at RM6 million.</p>

	The share price is beyond the control of management.
44. Please continue with the historical payout ratio >50% of dividend for the ensuing financial years. This is a value proposition & will ensure the financial discipline for the Group.	The Group had demonstrated a consistent trend of dividend pay-outs, and aimed to continue enhancing its value.
<u>Foreign Patients</u>	
45. Despite the Group is the first of its kind in Malaysia, specialised in the Diagnosis and Treatment for Gastrointestinal & Liver Disease, and Obesity but it is unable to tap into medical tourism. The revenue from foreigners only contributed less than 5% of its revenue as opposed with other healthcare providers like Alpha IVF Group with 47%. We have many healthcare travellers in Malaysia. What are the steps taken to attract them in midst of declining no. of procedures? Every patient counts.	The Company is a member of the Malaysian Healthcare Travel Council and actively working toward further collaboration within the industry, while enhancing brand awareness abroad. Despite medical tourism not being the Company's primary focus, there had been significant progress in attracting foreign patients.
<u>Employee Consultants</u>	
46. As at end of Oct 2024, please provide the headcount of its consultants and medical officers by Employee Consultants, Residence Consultants, Visiting Consultants and 4 medical officers.	As of October 2024, the Company had five (5) employee consultants, eleven (11) resident consultants, thirty-four (34) visiting consultants and ten (10) medical officers.
47. Please provide the update on the Group expansion of medical team, especially in attracting and recurring consultants and surgeons in the areas of gastroenterology and hepatology since its IPO. What is the increase as compared to its listing?	The Company had a team of eight (8) consultants specialising in gastroenterology and hepatology.
<u>Management Personnel</u>	
48. What are the steps taken by the Group to reduce the key management team turnover? Since listing we have seen a few changes to the CEO and FC of the Company.	The Company is growing as usual with no disruption. Please refer to the Q1 2025 Financial Results.
<u>Share Price and Listing</u>	
49. Pg. 142 – List of 30 top shareholders @ 30/90/2024, the total shareholdings has decreased 76.1% to 72.4% y-o-y. The	Share price is beyond the control of the management.

<p>funds like AIA Takaful, PMB, Great Eastern and Amanah Saham Sarawak already fully sold their investments. Even the Group partners like MEDIC QUEST SDN. BHD. already halved their investments. This is a negative development as now the Company has narrow base of shareholders of doctors and retail investors. This sell-down may due poor results for the last 5 quarters. Pls comment.</p>	<p>Some of the patients of the late Emeritus Professor Dato' Dr. Goh Khean Lee had been referred to other consultants. The majority of his patients were allocated to Dr. Sooi Choong Yeong, the new consultant. Hence, the financial impact on the Company had been cushioned.</p>
<p>50. The share price @8/11/2024 was the lowest since its IPO. In fact, it is 53% lower than its debut. The biggest culprit is the Proposed Acquisition as the business model has changed from light to heavy with long gestation period while the revenue is declining. Till now, the Group has not addressed the concerns of the shareholders on how to build and grow revenue in sustainable manner. And the corporate and investor relations activities were almost non existence.</p>	
<p>51. The Group faced with 5 consecutive quarters of earnings contraction. It is bad track record especially for a new healthcare group and the plan for transfer listing. Kindly brief on steps taken to turnaround the business.</p>	
<p>52. The demise of Dato Dr. Goh Kean Lee has significantly impacted the Group's financials for the last few quarters. Since his demise, how many new consultants joined the Group to replace the loss of contribution of revenue from Dr Goh.</p>	
<p>53. The Securities Commission Malaysia (SC) had in Dec2023 introduced an accelerated transfer process to facilitate the promotion of eligible ACE Market public listed companies (PLCs) to the Main Market of Bursa Malaysia. The framework will take effect on 1 January 2024 through amendments to the Equity Guidelines. Is the transfer listing plan in the pipeline? Please provide the transfer listing plan of the Group.</p>	

54. The Company has a narrow Investor Base as mostly are doctors. Increasing the investor base especially the institutional brings forth a plethora of benefits to the financial markets to mitigate concentrated risks and reduces the potential impact of market shocks. It will also help when the Company plans for transfer listing. Currently, the Company is not appealing for both the institutional and retail investors. This may partly due to its poor Investor relations. It is as a good as none.

55. The share price already halved since its listing 2022, contributed by various issues including declining earnings, changes of key management team and the Proposed Acquisition. It is now at all-time low. What are the steps taken by the management team to regain market confidence of the Group and its share price.

56. What is the Group's market share of treatment for Gastrointestinal & Liver Disease, and Obesity in Malaysia. How it fares as compared to its initial listing in 2022?

57. The share price is at all-time low of 25 cents now & it's worst performing healthcare stocks in Bursa. While the management can say that they have no control on the share price, but the share price declined in tandem with poor financials for the last 5 Quarters and poor investor relations activities. There are little to none engagements with the shareholders and research houses. If the management can improve on these shortcomings, it will be reflected on the share price . Please comment on this.

APPENDIX B

CENGILD MEDICAL BERHAD
(202101004143)

4th Annual General Meeting
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 29-November-2024 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	%
Ordinary Resolution 1	417,607,579	99.9824	64	87.6712	73,558	0.0176	9	12.3288	417,681,137	100.0000	73	100.0000
Ordinary Resolution 2	417,608,779	99.9827	65	89.0411	72,358	0.0173	8	10.9589	417,681,137	100.0000	73	100.0000
Ordinary Resolution 3	417,405,479	99.9819	61	85.9155	75,558	0.0181	10	14.0845	417,481,037	100.0000	71	100.0000
Ordinary Resolution 4	417,567,579	99.9728	63	86.3014	113,558	0.0272	10	13.6986	417,681,137	100.0000	73	100.0000
Ordinary Resolution 5	417,563,479	99.9786	60	83.3333	89,458	0.0214	12	16.6667	417,652,937	100.0000	72	100.0000
Ordinary Resolution 6	226,548,471	99.9662	60	85.7143	76,558	0.0338	10	14.2857	226,625,029	100.0000	70	100.0000



Resolution(s)	Pre-determined Abstain *		Abstain / Spoilt #	
	No of Units	No of P/S	No of Units	No of P/S
Ordinary Resolution 1	0	0	11,900	1
Ordinary Resolution 2	0	0	11,900	1
Ordinary Resolution 3	200,000	1	12,000	2
Ordinary Resolution 4	0	0	11,900	1
Ordinary Resolution 5	0	0	40,100	2
Ordinary Resolution 6	191,056,008	2	12,000	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)



29/11/2024

