

Cengild Medical Berhad

Registration No.: 202101004143 (1404442-P)
(Incorporated in Malaysia)

**Unaudited Condensed Consolidated
Interim Financial Report
for the Third Quarter Ended
31 March 2023**

Cengild Medical Berhad

Registration No.: 202101004143 (1404442-P)

(Incorporated in Malaysia)

Unaudited condensed consolidated statement of financial position as at 31 March 2023

	Note	Unaudited As at 31 March 2023 RM'000	Audited As at 30 June 2022 RM'000
Assets			
Non-current assets			
Investment in associate		-	-
Plant and equipment	A13	13,881	13,406
Right-of-use assets		10,014	10,943
Deferred tax assets		1,362	1,450
Total non-current assets		25,257	25,799
Current assets			
Inventories		1,506	1,153
Trade receivables		6,709	4,783
Other receivables, deposits and prepayments		1,519	1,419
Fixed deposits with licensed banks		87,644	80,559
Cash and bank balances		2,028	5,831
Total current assets		99,406	93,745
Total assets		124,663	119,544
Equity			
Share capital		81,933	81,933
Reserves		1,912	1,618
Retained profits		14,391	9,399
Total equity		98,236	92,950
Liabilities			
Non-current liability			
Lease liabilities	B7	13,941	14,933
Total non-current liability		13,941	14,933

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Unaudited condensed consolidated statement of financial position as at 31 March 2023 (cont'd)

		Unaudited As at 31 March 2023 RM'000	Audited As at 30 June 2022 RM'000
	Note		
Current liabilities			
Trade payables		3,863	3,518
Other payables and accruals		6,494	6,386
Amount owing to directors		114	156
Lease liabilities	B7	1,316	1,273
Current tax liabilities		699	328
Total current liabilities		12,486	11,661
Total liabilities		26,427	26,594
Total equity and liabilities		124,663	119,544

The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 30 June 2022 and the accompanying explanatory notes attached to the condensed consolidated interim financial report.

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Unaudited condensed consolidated statement of profit or loss and other comprehensive income for the third quarter ended 31 March 2023

	Note	← Unaudited →			
		Individual quarter ended 31 March		Cumulative quarter ended 31 March	
		2023	2022	2023	2022
		RM'000	RM'000	RM'000	RM'000
Revenue		17,670	15,794	54,509	47,304
Cost of sales		(9,972)	(9,459)	(30,830)	(28,361)
Gross profit		7,698	6,335	23,679	18,943
Other income		985	329	2,622	753
		8,683	6,664	26,301	19,696
Administrative expenses		(4,111)	(3,347)	(11,041)	(10,286)
Other expenses		-	-	(19)	(5)
Profit from operations		4,572	3,317	15,241	9,405
Finance costs		(175)	(188)	(534)	(662)
Profit before taxation	B11	4,397	3,129	14,707	8,743
Income tax expense	B5	(1,141)	(1,359)	(3,656)	(3,163)
Profit after taxation		3,256	1,770	11,051	5,580
Other comprehensive income		-	-	-	-
Total comprehensive income for the financial period		3,256	1,770	11,051	5,580
Profit after taxation/Total comprehensive income for the financial period attributable to:-					
Owners of the Company		3,256	1,770	11,051	5,580
Earnings per ordinary share (sen)⁽¹⁾					
Basic		0.40	0.30	1.35	0.93
Diluted		0.39	0.30	1.34	0.93

⁽¹⁾ Earnings per ordinary share is calculated based on the weighted average number of ordinary shares referred to in Note B10.

The Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 30 June 2022 and the accompanying explanatory notes attached to the condensed consolidated interim financial report.

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Unaudited condensed consolidated statement of changes in equity for the third quarter ended 31 March 2023

	Share capital RM'000	Reorganisation reserves RM'000	Long Term Incentive Plan Reserve RM'000	Retained Profits RM'000	Total RM'000
Audited					
At 1 July 2021	12,240	1,530 ⁽¹⁾	-	8	13,778
Contribution by and distributions to owners of the Company:					
Profit after taxation/total comprehensive income for the financial year	-	-	-	5,580	5,580
At 31 March 2022	<u>12,240</u>	<u>1,530</u>	<u>-</u>	<u>5,588</u>	<u>19,358</u>

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Unaudited condensed consolidated statement of changes in equity for the third quarter ended 31 March 2023 (cont'd)

	Share capital RM'000	Reorganisation reserves RM'000	Long Term Incentive Plan Reserve RM'000	Retained profits RM'000	Total RM'000
Unaudited					
At 1 July 2022	81,933	1,530 ⁽¹⁾	88 ⁽²⁾	9,399	92,950
Profit after taxation/total comprehensive income for the financial period	-	-	-	11,051	11,051
Share option to executives	-	-	294	-	294
Dividends to owners of the Company	-	-	-	(6,059)	(6,059)
At 31 March 2023	<u>81,933</u>	<u>1,530</u>	<u>382</u>	<u>14,391</u>	<u>98,236</u>

⁽¹⁾ The reorganisation reserve represents the difference between the carrying value of the investment and the nominal value of shares of Cengild Sdn Bhd upon consolidation under the pooling-of-interests method of accounting.

⁽²⁾ The share option reserves arise due to the Executive Share Option Scheme (ESOS) options granted on 15 April 2022.

The Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the financial year ended 30 June 2022 and the accompanying explanatory notes attached to the condensed consolidated interim financial report.

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Unaudited condensed consolidated statement of cash flows for the third quarter ended 31 March 2023

	Unaudited Cumulative quarter ended 31 March	
	2023 RM'000	2022 RM'000
Cash flows from operating activities		
Profit before taxation	14,707	8,743
<i>Adjustments for:</i>		
Bad debt written off	9	-
Depreciation of plant and equipment	1,403	2,255
Depreciation of right-of-use assets	929	1,104
Impairment loss of goodwill	-	5
Interest expense	1	17
Interest on lease liabilities	533	645
Share options to executives	294	-
Plant and equipment written off	9	-
Interest income	(1,935)	(127)
Operating profit before working capital changes	<u>15,950</u>	<u>12,642</u>
Increase in inventories	(353)	(248)
Increase in trade and other receivables	(2,035)	(125)
Increase in trade and other payables	453	955
(Decrease)/Increase in amount owing to directors	(42)	92
Cash generated from operations	<u>13,973</u>	<u>13,316</u>
Tax paid	(3,197)	(3,333)
Interest paid	(1)	(1)
Net cash from operating activities	<u>10,775</u>	<u>9,982</u>
Cash flows from/(used in) investing activities		
Acquisition of a subsidiary, net of cash and cash equivalent acquired	-	2
Changes in deposits with tenure more than 3 months	50,000	(2,820)
Decrease in pledged of bank balances as security	-	165
Interest received	1,935	127
Purchase of plant and equipment	(1,887)	(106)
Net cash from/(used in) investing activities	<u>50,048</u>	<u>(2,632)</u>

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Unaudited condensed consolidated statement of cash flows for the third quarter ended 31 March 2023 (cont'd)

	Unaudited Cumulative quarter ended 31 March	
	2023 RM'000	2022 RM'000
Cash flows used in financing activities		
Dividends paid	(6,059)	-
Interest paid	(533)	(661)
Repayment of lease liabilities	(949)	(672)
Repayment of term loan	-	(2,018)
Net cash used in financing activities	<u>(7,541)</u>	<u>(3,351)</u>
Net increase in cash and cash equivalents	53,282	3,999
Cash and cash equivalents at the beginning of financial period	<u>36,390</u>	<u>4,232</u>
Cash and cash equivalents at the end of financial period	<u>89,672</u>	<u>8,231</u>

(i) Cash and cash equivalents

Cash and cash equivalents included in the consolidated statement of cash flows comprise the following consolidated statement of financial position amounts:

	Unaudited Cumulative quarter ended 31 March	
	2023 RM'000	2022 RM'000
Cash and bank balances	2,028	201
Deposits with financial institution	<u>87,644</u>	<u>12,851</u>
	89,672	13,052
Pledged of bank balance	-	(1)
Deposits with tenure more than 3 months	<u>-</u>	<u>(4,820)</u>
	<u>89,672</u>	<u>8,231</u>

The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the financial year ended 30 June 2022 and the accompanying explanatory notes attached to the condensed consolidated interim financial report.

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A. NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 31 MARCH 2023

A1. Basis of preparation

The condensed consolidated interim financial report is unaudited and has been prepared in accordance with the *Malaysian Financial Reporting Standards ("MFRS") 134 Interim Financial Reporting* and Rule 9.22 and Appendix 9B of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Listing Requirements**").

The condensed consolidated interim financial report should be read in conjunction with the Audited Financial Statements for the financial year ended 30 June 2022 and the accompanying explanatory notes attached to the condensed consolidated interim financial report.

A2. Significant accounting policies

The accounting policies adopted by the Group in this interim financial report are the same as those applied by the Group in its audited consolidated financial statements for the financial year ended 30 June 2022 except for the adoption of those new Malaysian Financial Reporting Standards ("**MFRS**") and amendments to MFRS and Interpretations that are applicable to the Group for the financial period beginning 1 July 2022.

(a) As of 1 July 2022, the Group has adopted the following new accounting standards and/or interpretations (including the consequential amendments, if any).

MFRS 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 pronouncements did not have any material impact to the condensed consolidated interim financial report of the Group.

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A2. Significant accounting policies (cont'd)

(b) 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 period:-

Effective for financial periods beginning on or after 1 January 2023

MFRS 17 Insurance Contracts

Amendments to MFRS 17: Insurance Contracts

Amendment to MFRS 17: Initial Application of MFRS 17 and MFRS 9 – Comparative Information

Amendments to MFRS 101: Disclosure of Accounting Policies

Amendments to MFRS 108: Definition of Accounting Estimates

Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction

Effective for financial periods beginning on or after 1 January 2024

Amendments to MFRS 16: Lease Liability in a Sale and Leaseback

Amendment to MFRS 101: Classification of Liabilities as Current or Non-current

Amendments to MFRS 101: Non-current Liabilities with Covenants

Effective date of these Standards have been deferred, and yet to be announced

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

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.

A3. Auditors' report

The auditors issued an unqualified audit opinion on the audited consolidated financial statements for the financial year ended 30 June 2022.

A4. Seasonal or cyclical factors

The nature of the Group's business was not subject to any significant seasonal and cyclical factors.

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A5. Unusual item affecting Assets, Liabilities, Equity, Net Income or Cash Flows

There were no material unusual items affecting assets, liabilities, equity, net income or cash flows during the current financial quarter under review.

A6. Material changes in accounting estimates

There were no material changes in accounting estimates that have a material effect in the current financial quarter.

A7. Material events during the statement of financial position date

Save as disclosed in Note B6 "Status of corporate proposals announced", there were no material event during the current financial quarter under review that have not been reflected in the condensed consolidated interim financial report.

A8. Material events subsequent to the statement of financial position date

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

A9. Material changes in the composition of the Group

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

A10. Debt and equity securities

There were no other issuance, cancellations, repurchases, resale and repayments of debt and equity securities for the current financial quarter under review, except as disclosed in Note B6 and Note B7.

A11. Dividends paid

On 27 September 2022, the Company paid an interim single-tier dividend of 0.37 sen per ordinary share in respect of the financial year ended 30 June 2022 amounting to RM3.03 million.

On 29 March 2023, the Company paid an interim single-tier dividend of 0.37 sen per ordinary share in respect of the financial year ending 30 June 2023 amounting to RM3.03 million.

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A12. Operating segments

No geographical segment information is presented as the Group's revenue and profit or loss are confined within Malaysia.

A13. Valuations of plant and equipment

The Group does not adopt a revaluation policy on its plant and equipment. All plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

A14. Contingencies

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

A15. Related party transactions

Identities of related parties

For the purposes of this condensed consolidated interim financial report, 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 parties are subject to common control. Related parties may be individuals or other entities.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly and entity that provides key management personnel services to the Group. The key management personnel include all the Directors and certain members of senior management of the Group.

The Group has related party relationship with its Directors, associates, joint venture and key management personnel and entities within the same group of companies.

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A15. Related party transactions (cont'd)

Significant related party transactions

Significant related party transactions of the Group are as follows:

	← Unaudited →			
	Individual quarter ended 31 March		Cumulative quarter ended 31 March	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Transactions				
Administrative fee contributed by directors	-	-	-	146
Administrative fee contributed by other key management personnel	-	-	-	54
Consultant fee paid to directors	-	-	-	788
Consultant fee paid to other key management personnel	-	-	-	1,221
External consultancy fee contributed by directors	142	210	456	458
External consultancy fee contributed by other key management personnel	79	65	220	158
Management fee charge to a joint venture	3	2	10	7

With the execution of the employment agreements and deeds of assignment with effect from 1 September 2021, the previous agreements between Cengild Sdn Bhd and the consultants have been terminated and the consultant fees paid to directors and other key management personnel are now included as staff costs in the current financial quarter.

A16. Fair value information

There was no gain or loss arising from fair value changes of the Group's financial liabilities for the current quarter and financial period under review.

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PART B - EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF ACE MARKET LISTING REQUIREMENT OF BURSA MALAYSIA SECURITIES BERHAD

B1. Review of financial performance

a) Review of the current financial quarter against preceding corresponding financial quarter

	← Unaudited →		
	Individual quarter ended 31 March		
	2023 RM'000	2022 RM'000	Variance %
Revenue	17,670	15,794	11.88
Profit before taxation ("PBT")	<u>4,397</u>	<u>3,129</u>	40.52

The Group recorded revenue of RM17.67 million for the current financial quarter ended 31 March 2023, representing an increase of approximately 11.88% as compared to the preceding corresponding financial quarter ended 31 March 2022 of RM15.79 million. The increase in revenue was mainly due to the increase in number of endoscopic procedures and surgeries performed.

The Group's PBT increased by RM1.27 million or 40.52% for the current quarter mainly due to the improve in revenue and gross profit margin coupled with higher interest income from the placement of IPO proceeds with financial institutions in the current financial quarter.

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B1. Review of financial performance (cont'd)

b) Review of the current cumulative financial quarter against corresponding preceding cumulative financial quarter

	← Unaudited →		
	Cumulative quarter ended 31 March		
	2023	2022	Variance
	RM'000	RM'000	%
Revenue	54,509	47,304	15.23
PBT	<u>14,707</u>	<u>8,743</u>	68.21

The Group recorded revenue of RM54.51 million for the cumulative quarter ended 31 March 2023, representing an increase of RM7.21 million or 15.23% as compared to the corresponding preceding cumulative quarter ended 31 March 2022 of RM47.30 million. The increase in revenue was mainly due to the increase in patients volume, coupled with the increase in number of endoscopic procedures and surgeries performed.

The Group's PBT increased by RM5.96 million or 68.21% for the current cumulative quarter mainly due to the improve in revenue and gross profit margin coupled with higher interest income from the placement of IPO proceeds with financial institutions in the current cumulative financial quarter.

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B2. Variation of results against preceding quarter

	← Unaudited →		
	Individual quarter ended		
	March	December	Variance
	2023	2022	%
	RM'000	RM'000	
Revenue	17,670	19,221	(8.07)
PBT	<u>4,397</u>	<u>5,425</u>	(18.95)

The Group recorded total revenue of RM17.67 million, a decrease of RM1.55 million or 8.07% as compared to RM19.22 million in the preceding quarter. The decrease was mainly due to the New Year and Chinese New Year holidays in the month of January 2023 coupled with a shorter month in February 2023.

The decrease in PBT by RM1.03 million or approximately 18.95% from RM5.43 million to RM4.40 million in the current financial quarter was mainly due to the decrease in revenue from lower patient volume and higher administrative expenses arising from higher staff cost.

B3. Commentary on prospects

The Company has undertaken expansion for its existing medical centre at Nexus @ Bangsar South, Kuala Lumpur. The expansion includes, amongst others, renovations and addition of 8 day care beds which were fully operational in January 2023. With this expansion, the Company believes that this will cater for the current demand of our medical services and envisage to contribute positively to our Group's financial performance.

In addition, the Group has also observed a higher number of foreign patients visiting our medical centre in the past 9 months as compared to the financial year ended 30 June 2022 as Malaysia has reopened its international borders from 1 April 2022, followed by the relaxation of COVID-19 SOPs for inbound travellers effective 1 May 2022.

After having considered the above and the 9-month financial performance of the Group ended 31 March 2023, the Board of Directors expects the Group's prospects for the financial year ending 30 June 2023 to be favourable.

B4. Profit forecast

Not applicable as the Group does not publish any profit forecast.

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B5. Income tax expense

Income tax expense comprises the following:

	← Unaudited →			
	Individual quarter ended 31 March		Cumulative quarter ended 31 March	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
<i>Recognised in profit or loss</i>				
Current financial period				
Current tax expense	951	1,359	3,568	3,163
Deferred tax expense	190	-	88	-
	<u>1,141</u>	<u>1,359</u>	<u>3,656</u>	<u>3,163</u>
Effective tax rate	25.95%	43.43%	24.86%	36.18%

The effective tax rate for the current quarter was 25.95% which is higher than the statutory tax rate. During the current quarter, tax expense included RM0.19 million being reversal of the deferred tax assets.

The effective tax rates of 43.43% for individual quarter ended 31 March 2022 and 36.18% for 9-month financial period ended 31 March 2022 were higher than the statutory tax rate due to the non-deductible expenses incurred including listing expenses.

Income tax expense in the form of provision is recognised based on management's estimate.

B6. Status of corporate proposals announced

On behalf of the Board of Directors of the Company, Hong Leong Investment Bank Berhad ("HLIB" announced that the application in relation to the proposal to comply with the Bumiputera equity condition to allocate 12.5% of the Company's enlarged number of issued shares to Bumiputera investors to be approved by the Ministry of International Trade and Industry ("MITI") has been submitted to the Securities Commission Malaysia ("SC") and MITI on 13 December 2022.

On 18 January 2023, HLIB announced that the SC had vide its letter dated 17 January 2023 (which was received on 18 January 2023), approved the proposal to comply with the Bumiputera equity condition.

On 8 February 2023, HLIB announced that MITI had vide its letter dated 8 February 2023, taken note of the proposal to comply with the Bumiputera equity condition and has no objection on the said proposal.

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B6. Status of corporate proposals announced (cont'd)

On 14 February 2023, HLIB announced that the Company proposes to undertake a special issue of up to 118,000,000 new ordinary shares in Cengild Medical Berhad to Bumiputera investors to be identified and/or approved by the MITI, at an issue price to be determined at a later date after obtaining all relevant approvals ("**Proposed Special Issue**").

On 16 February 2023, HLIB announced that the additional listing application in relation to the Proposed Special Issue has been submitted to Bursa Malaysia Securities Berhad on 16 February 2023.

On 6 March 2023, HLIB announced that Bursa Securities had vide its letter dated 6 March 2023, granted its approval for the listing and quotation of the Special Issue Shares to be issued pursuant to the Proposed Special Issue on ACE Market of Bursa Securities.

On 23 March 2023, the Company has obtained the shareholders' approval through the extraordinary general meeting for the Proposed Special Issue Shares to Bumiputera investors to be identified and approved by MITI.

Save for the above, there are no other corporate proposals announced but not completed for the current financial quarter under review.

B7. Loans and borrowings

Particulars of the Group's loans and borrowings are as follows:

		Unaudited	Audited
		As at	As at
		31 March	30 June
	Note	2023	2022
		RM'000	RM'000
Non-current			
Lease liabilities	B7.1	13,941	14,933
		<u>13,941</u>	<u>14,933</u>
Current			
Lease liabilities	B7.1	1,316	1,273
		<u>1,316</u>	<u>1,273</u>

The above borrowings are denominated in Ringgit Malaysia.

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B7. Loans and borrowings

B7.1 Lease liabilities

Lease liabilities are payable as follows:

	Future minimum lease payments RM'000	Interest RM'000	Present value of minimum lease payments RM'000
Unaudited			
31.03.2023			
Less than one year	1,976	660	1,316
Between one to five years	9,056	1,929	7,127
Over 5 years	7,309	495	6,814
	<u>18,341</u>	<u>3,084</u>	<u>15,257</u>
Audited			
30.6.2022			
Less than one year	1,976	703	1,273
Between one to five years	8,759	2,159	6,600
Over 5 years	9,088	755	8,333
	<u>19,823</u>	<u>3,617</u>	<u>16,206</u>

B8. Material litigation

There are no material litigations as at the date of this report.

B9. Dividends

Save as disclosed in Note A11 above, the Board of Directors does not recommend any dividend for the current financial quarter under review.

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B10. Earnings per ordinary share

The calculation of earnings per ordinary share at 31 March 2023 and 2022, was based on the profit attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding calculated as follows:

	← Unaudited →			
	Individual quarter ended		Cumulative quarter ended	
	31 March	31 March	31 March	31 March
	2023	2022	2023	2022
Profit for the financial period attributable to owners of the Company (RM'000)	3,256	1,770	11,051	5,580
Based on weighted average number of ordinary shares				
- basic ('000)	818,800 ⁽¹⁾	600,000 ⁽²⁾	818,800 ⁽¹⁾	600,000 ⁽²⁾
Effect of unexercised ESOS	7,203	-	6,736	-
Adjusted weighted average number of ordinary shares ('000)	826,003	600,000	825,536	600,000
Basic earnings per ordinary share (sen)	0.40	0.30	1.35	0.93
Diluted earnings per ordinary share (sen)	0.39	0.30	1.34	0.93

⁽¹⁾ Based on the weighted average number of issued share capital of 818,800,000 ordinary shares after the completion of the IPO.

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

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B11. Profit before taxation

	← Unaudited →			
	Individual quarter ended		Cumulative quarter ended	
	31 March		31 March	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Profit before taxation is arrived at after charging/ (crediting):-				
Bad debts written off	-	-	9	-
Depreciation:				
- plant and equipment	471	735	1,403	2,255
- right-of-use assets	310	310	929	1,104
Plant and equipment written off	-	-	9	-
Directors' remuneration	2,187	2,360	6,950	5,207
Impairment loss of goodwill	-	-	-	5
Listing expenses	-	339	-	1,269
Special issue expenses	107	-	151	-
Staff costs:				
- short-term employee benefits	4,288	3,399	12,441	9,406
- defined contribution benefits	461	498	1,436	1,184
- LTIP expenses	50	-	149	-
Interest expense:				
- lease liabilities	174	187	533	645
- term loan	-	-	-	16
- others	1	1	1	1
Total interest income on financial assets measured at amortised cost	<u>(761)</u>	<u>(52)</u>	<u>(1,935)</u>	<u>(127)</u>

The Group did not report any provision for and write off of inventories, receivables, gain or loss on disposal of quoted or unquoted investments or properties, foreign exchange gain or loss and gain or loss on derivatives for the financial period under review.

Cengild Medical Berhad

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(Incorporated in Malaysia)

B12. Utilisation of proceeds

The utilisation of proceeds from the IPO of RM72.20 million is as follows:

	Intended timeframe for utilisation upon listing	Proposed utilisation RM'000	Amount utilised as at to date RM'000	Balance unutilised RM'000	Deviation	
					RM'000	%
Expansion of existing medical centre	Within 36 months	13,000	2,774	10,226 ⁽¹⁾	-	-
Establishing new medical centres	Within 36 months	37,100	-	37,100	-	-
Working capital	Within 24 months	17,404	60	17,344	-	-
Defraying the listing expenses	Within 1 month	4,700	4,497	203 ⁽²⁾	-	-
Total		<u>72,204</u>	<u>7,331</u>	<u>64,873</u>	<u>-</u>	<u>-</u>

The proposed utilisation of the proceeds as disclosed above should be read in conjunction with the Prospectus.

⁽¹⁾ The allocated IPO proceeds for capital expenditure has not been fully utilised as at the date of this report.

⁽²⁾ The actual amount utilised for listing expenses are final and lower than the estimated amount as at the date of this report. The excess will be used for working capital purposes.