

Cengild Medical Berhad

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

**Unaudited Condensed Consolidated
Interim Financial Report
for the Fourth Quarter Ended
30 June 2022**

Cengild Medical Berhad

Registration No.: 202101004143 (1404442-P)

(Incorporated in Malaysia)

Unaudited condensed consolidated statement of financial position as at 30 June 2022

	Note	Unaudited As at 30 June 2022 RM'000	Audited As at 30 June 2021 RM'000
Assets			
Non-current assets			
Investments in associates		-	1
Plant and equipment	A12	13,406	15,972
Right-of-use assets		10,943	17,350
Deferred tax assets		1,450	-
Total non-current assets		25,799	33,323
Current assets			
Inventories		1,153	944
Trade receivables		4,783	4,496
Other receivables, deposits and prepayments		1,419	816
Deposits with financial institution		80,560	5,750
Cash and bank balances		5,831	648
Total current assets		93,746	12,654
Total assets		119,545	45,977
Equity			
Share capital		81,933	12,240
Reorganisation reserves		1,530	1,530
Share option reserve		88	-
Retained profits		9,399	8
Total equity		92,950	13,778
Liabilities			
Non-current liability			
Lease liabilities	B7	14,933	21,248
Total non-current liability		14,933	21,248

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Unaudited condensed consolidated statement of financial position as at 30 June 2022 (cont'd)

		Unaudited As at 30 June 2022 RM'000	Audited As at 30 June 2021 RM'000
	Note		
Current liabilities			
Trade payables		3,518	5,301
Other payables and accruals		6,387	2,219
Amount owing to directors		156	28
Lease liabilities	B7	1,273	914
Bank borrowings	B7	-	2,018
Current tax liabilities		328	471
Total current liabilities		11,662	10,951
Total liabilities		26,595	32,199
Total equity and liabilities		119,545	45,977

The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Accountants' Report as disclosed in the prospectus of the Company dated 30 March 2022 ("Prospectus") 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 fourth quarter ended 30 June 2022

	Note	Individual quarter ended 30 June		Cumulative quarter ended 30 June	
		← Unaudited →		Unaudited	Audited
		2022	2021	2022	2021
		RM'000	RM'000	RM'000	RM'000
Revenue		17,138	16,269	64,442	63,470
Cost of sales		(10,030)	(9,517)	(38,391)	(36,791)
Gross profit		7,108	6,752	26,051	26,679
Other income		642	35	1,395	224
		7,750	6,787	27,446	26,903
Administrative expenses		(4,195)	(4,278)	(14,481)	(12,212)
Other expenses		-	-	(5)	-
Profit from operations		3,555	2,509	12,960	14,691
Finance costs		(184)	(285)	(846)	(1,222)
Profit before taxation	B11	3,371	2,224	12,114	13,469
Income tax expense	B5	440	(686)	(2,723)	(3,464)
Profit after taxation		3,811	1,538	9,391	10,005
Other comprehensive income		-	-	-	-
Total comprehensive income for the financial period		3,811	1,538	9,391	10,005
Profit after taxation/Total comprehensive income for the financial period attributable to:-					
Owners of the Company		3,811	1,538	9,391	10,005
Earnings per ordinary share (sen)⁽¹⁾					
Basic		0.49	0.26	1.46	1.67
Diluted		0.49	0.26	1.46	1.67

⁽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 Accountants' Report as disclosed in the prospectus of the Company dated 30 March 2022 ("Prospectus") 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 fourth quarter ended 30 June 2022

	Share capital RM'000	Invested capital RM'000	Reorganisation reserves RM'000	Share option reserves RM'000	(Accumulated Losses)/ Retained Profits RM'000	Total RM'000
Audited						
At 1 July 2020	-	12,500 ⁽¹⁾	-	-	(2,712)	9,788
Contribution by and distributions to owners of the Company:						
Issuance of new shares by a subsidiary	-	1,270 ⁽²⁾	-	-	-	1,270
Issuance of new shares for the acquisition of a subsidiary	12,240	-	-	-	-	12,240
Dividends by a subsidiary	-	-	-	-	(7,285)	(7,285)
Adjustment on the acquisition of a subsidiary	-	(13,770)	1,530 ⁽³⁾	-	-	(12,240)
Profit after taxation/total comprehensive income for the financial year	-	-	-	-	10,005	10,005
At 30 June 2021	<u>12,240</u>	<u>-</u>	<u>1,530</u>	<u>-</u>	<u>8</u>	<u>13,778</u>

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Unaudited condensed consolidated statement of changes in equity for the fourth quarter ended 30 June 2022 (cont'd)

	Share capital RM'000	Invested capital RM'000	Reorganisation reserves RM'000	Share option reserves RM'000	Retained profits RM'000	Total RM'000
Unaudited						
At 1 July 2021	12,240	-	1,530 ⁽³⁾	-	8	13,778
Profit after taxation/total comprehensive income for the financial year	-	-	-	-	9,391	9,391
New shares issued by the Company for the IPO	72,204 ⁽⁴⁾	-	-	-	-	72,204
New shares issuance expenses for the IPO	(2,511) ⁽⁵⁾	-	-	-	-	(2,511)
Employee Share Option Scheme (ESOS)	-	-	-	88 ⁽⁶⁾	-	88
At 30 June 2022	81,933	-	1,530	88	9,399	92,950

⁽¹⁾ The invested capital represents the share capital of Cengild Sdn Bhd before the acquisition of Cengild Sdn Bhd by Cengild Medical Berhad.

⁽²⁾ During the financial year ended 30 June 2021, Cengild Sdn Bhd increased its issued and paid up share capital from RM12,500,000 to RM13,770,450 by way of issuance of new ordinary shares.

⁽³⁾ 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.

⁽⁴⁾ Issuance of new shares pursuant to the IPO.

⁽⁵⁾ Listing expenses incurred pursuant to the IPO that has been set-off against equity.

⁽⁶⁾ 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 Accountants' Report as disclosed in the prospectus of the Company dated 30 March 2022 ("Prospectus") 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 fourth quarter ended 30 June 2022

	Cumulative quarter ended 30 June	
	Unaudited 2022 RM'000	Audited 2021 RM'000
Cash flows from operating activities		
Profit before taxation	12,114	13,469
<i>Adjustments for:</i>		
Depreciation of plant and equipment	2,994	3,095
Depreciation of right-of-use assets	1,414	1,764
Impairment loss of goodwill	5	-
Share options granted under ESOS	88	-
Interest expense	17	206
Interest on lease liabilities	829	1,016
Interest income	(497)	(61)
Operating profit before working capital changes	<u>16,964</u>	<u>19,489</u>
Increase in inventories	(209)	(170)
Increase in trade and other receivables	(890)	(1,193)
Increase in trade and other payables	2,379	820
Decrease in amount owing to holding company	-	(1,100)
Increase in amount owing to directors	128	27
Cash generated from operations	<u>18,372</u>	<u>17,873</u>
Tax paid	(4,316)	(3,574)
Interest paid	(1)	(1)
Net cash from operating activities	<u>14,055</u>	<u>14,298</u>
Cash flows used in investing activities		
Acquisition of a subsidiary, net of cash and cash equivalent acquired	2	-
Acquisition of associates	-	(1)
Changes in deposits with tenure more than 3 months	(74,137)	(2,000)
Decrease in pledged of bank balances as security	165	-
Interest received	497	61
Purchase of plant and equipment	(428)	(1,698)
Net cash used in investing activities	<u>(73,901)</u>	<u>(3,638)</u>

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Unaudited condensed consolidated statement of cash flows for the fourth quarter ended 30 June 2022 (cont'd)

	Cumulative quarter ended 30 June	
	Unaudited	Audited
	2022	2021
	RM'000	RM'000
Cash flows from/(used in) financing activities		
Dividend paid	-	(7,285)
Interest paid	(845)	(1,221)
Proceeds from issuance of new shares	72,204	1,271
Share issuance expenses	(2,511)	-
Repayment of lease liabilities	(963)	(741)
Repayment of term loan	(2,018)	(4,000)
Net cash from/(used in) financing activities	65,867	(11,976)
Net increase/(decrease) in cash and cash equivalents	6,021	(1,316)
Cash and cash equivalents at the beginning of financial year	4,232	5,548
Cash and cash equivalents at the end of financial year	10,253	4,232

(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:

	Cumulative Quarter ended 30 June	
	Unaudited	Audited
	2022	2021
	RM'000	RM'000
Cash and bank balances	5,831	648
Deposits with financial institution	80,560	5,750
	<u>86,391</u>	<u>6,398</u>
Pledged of bank balance	(1)	(166)
Deposits with tenure more than 3 months	(76,137)	(2,000)
	<u>10,253</u>	<u>4,232</u>

The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Accountants' Report as disclosed in the prospectus of the Company dated 30 March 2022 ("Prospectus") 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 FOURTH QUARTER ENDED 30 JUNE 2022

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 Paragraph 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 Accountants' Report as disclosed in the Prospectus dated 30 March 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 2021 except for the adoption of those new Malaysian Financial Reporting Standards ("MFRS") and amendment to MFRS and Interpretations that are applicable to the Group for the financial period beginning 01 July 2021.

(a) 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):

- Amendment to MFRS 16, Leases - Covid-19-Related Rent Concessions beyond 30 June 2021.
- Amendments to MFRS 9, Financial Instruments, MFRS 139, Financial Instruments: Recognition and Measurement, MFRS 7, Financial Instruments: Disclosures, MFRS 4, Insurance Contracts and MFRS 16, Leases – Interest Rate Benchmark Reform – Phase 2.

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 standard(s) and/or interpretation(s) (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 2022

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

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

A3. Auditors' report

The auditors issued an unqualified audit opinion on the audited consolidated financial statements for the financial year ended 30 June 2021.

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

The listing expenses amounting to approximately RM2.5 million for the issuance of 218,800,000 new ordinary shares in Cengild Medical Berhad pursuant to the Company's IPO were off-set against the share capital.

There were no material unusual items affecting assets, liabilities, equity, net income or cash flows during the cumulative quarter ended 30 June 2022, except for listing expenses amounting to RM1.27 million that were charged to the statement of profit or loss and other comprehensive income.

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 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.

A8. 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.

A9. Debt and equity securities

On 18 April 2022, the Company was listed on the ACE Market of Bursa Malaysia Securities Berhad with a public issue of 218,800,000 new ordinary shares in the Company at a price of RM0.33 per share.

Save as disclosed above and in Note B7, there were no other issuance, cancellations, repurchases, resale and repayments of debt for the current financial quarter under review.

A10. Dividends paid

There were no dividends paid during the current financial quarter and financial year under review.

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A11. Operating segments

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

A12. 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.

A13. Contingencies

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

A14. 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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A14. Related party transactions (cont'd)

Significant related party transactions

Significant related party transactions of the Group are as follows:

Transactions	Individual quarter ended 30 June Unaudited		Cumulative quarter ended 30 June	
	2022 RM'000	2021 RM'000	Unaudited 2022 RM'000	Audited 2021 RM'000
Administrative fee contributed by directors	-	214	146	833
Administrative fee contributed by other key management personnel	-	77	54	302
Consultant fee paid to directors	-	1,614	788	6,549
Consultant fee paid to other key management personnel	-	1,978	1,221	7,651
External consultancy fee contributed by directors	196	-	654	-
External consultancy fee contributed by other key management personnel	67	-	225	-
Management fee charge to a joint venture	2	3	9	6

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 fee paid to directors and other key management personnel are now included as staff costs in the current financial quarter.

A15. 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 for the current financial quarter against preceding corresponding financial quarter

	← Unaudited →		
	Individual quarter ended 30 June		
	2022 RM'000	2021 RM'000	Variance %
Revenue	17,138	16,269	5.34
Profit before taxation ("PBT")	<u>3,371</u>	<u>2,224</u>	51.57

The Group recorded revenue of RM17.14 million for the current financial quarter ended 30 June 2022, representing an increase of approximately 5.34% as compared to the preceding corresponding financial quarter ended 30 June 2021 of RM16.27 million. This was mainly due to higher number of patients and number of endoscopic procedures and surgeries performed in the current financial quarter.

The Group's PBT increased by RM1.15 million or 51.57% mainly due to (i) the higher revenue generated in the current financial quarter; and (ii) higher interest income arising 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 for the current financial period against preceding corresponding financial period

	Cumulative quarter ended 30 June		Variance %
	Unaudited 2022 RM'000	Audited 2021 RM'000	
Revenue	64,442	63,470	1.53
PBT	<u>12,114</u>	<u>13,469</u>	(10.06)

The Group recorded revenue of RM64.44 million for the 12-month financial period ended 30 June 2022, representing a slight increase of RM0.97 million or 1.53% as compared to the corresponding 12-month financial period ended 30 June 2021 of RM63.47 million. The increase in revenue was mainly due to higher number of patients and number of surgeries performed.

Despite the increase in revenue, the group's PBT declined by RM1.36 million or 10.06% mainly due to higher listing expenses incurred for the Company's IPO exercise and higher nursing staff costs to support the increase in the number of patients.

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B2. Variation of results against preceding quarter

	← Unaudited →		
	Individual quarter ended		
	June	March	Variance
	2022	2022	%
	RM'000	RM'000	
Revenue	17,138	15,794	8.51
PBT	<u>3,371</u>	<u>3,129</u>	7.73

The Group recorded 8.51% quarter-on-quarter increase in revenue and 7.73% quarter-on-quarter increase in PBT. This was mainly due to higher patient volume and number of procedures and surgeries performed, and also further relaxation of COVID-19 standard operating procedures since 1 May 2022 as announced by the Government as well as shorter month of February 2022 and Chinese New Year period in the preceding quarter.

The increase in PBT was also due to lower listing expenses, which were offset by the increase in nursing staff costs.

B3. Commentary on prospects

As Malaysia has begun its transition into endemic phase and reopened its international borders since 1 April 2022 and a further COVID-19 SOPs relaxation for travellers entering Malaysia effective 1 May 2022, all social and economic activities are now allowed.

In addition, the Government had on 17 May 2022 announced incentives for local travellers under the 2022 Tourism Recovery Plan, and we expect the increase in the number of health travellers in the private healthcare service sector.

The first phase expansion of the existing medical centre includes the addition of 8 daycare beds to cater for the increasing demand of the Group's medical services, namely endoscopies and surgeries. The expanded area is expected to be operational in the second half of 2022.

Hence, given the performance of the Group during the financial year and the first-phase expansion of the existing medical centre, the Board of Directors expect 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:

	Individual quarter ended 30 June		Cumulative quarter ended 30 June	
	← Unaudited →		Unaudited	Audited
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Recognised in profit or loss				
Current tax expense				
Current financial period	1,010	686	3,716	3,464
Underprovision in previous financial year	-	-	457	-
	<u>1,010</u>	<u>686</u>	<u>4,173</u>	<u>3,464</u>
Deferred tax				
Origination and reversal of temporary differences	(180)	-	(180)	-
Underprovision in previous financial year	(1,270)	-	(1,270)	-
	<u>(1,450)</u>	<u>-</u>	<u>(1,450)</u>	<u>-</u>
	<u>(440)</u>	<u>686</u>	<u>2,723</u>	<u>3,464</u>
Current financial period				
Current tax expense	1,010	686	3,716	3,464
Deferred tax	(180)	-	(180)	-
	<u>830</u>	<u>686</u>	<u>3,536</u>	<u>3,464</u>
Effective tax rate	24.62%	30.85%	29.19%	25.72%

The effective tax rates of 24.62% for individual quarter ended 30 June 2022 and 29.19% for cumulative quarter ended 30 June 2022 were higher than the statutory tax rate due to the non-deductible expenses incurred.

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

B6. Status of corporate proposals announced

There is no corporate proposal announced but not completed as at the date of this report.

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B7. Loans and borrowings

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

	Note	Unaudited As at 30 June 2022 RM'000	Audited As at 30 June 2021 RM'000
Non-current			
Lease liabilities	B7.1	<u>14,933</u>	<u>21,248</u>
		<u>14,933</u>	<u>21,248</u>
Current			
Term loans - secured		-	2,018
Lease liabilities	B7.1	<u>1,273</u>	<u>914</u>
		<u>1,273</u>	<u>2,932</u>

The above borrowings are denominated in Ringgit Malaysia.

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B7. Loans and borrowings (cont'd)

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			
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>
Audited			
30.6.2021			
Less than one year	1,895	981	914
Between one to five years	10,966	3,199	7,768
Over 5 years	15,024	1,544	13,480
	<u>27,885</u>	<u>5,724</u>	<u>22,162</u>

B8. Material litigation

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

B9. Dividends

On 25 August 2022, the Company declared an interim single-tier dividend of 0.37 sen per ordinary share in respect of the financial year ended 30 June 2022, to be paid on 27 September 2022 to shareholders of the Company whose names appear in the Record of Depositors on 12 September 2022.

Save as disclosed above, the Board of Directors has not recommended any dividend for the financial year ended 30 June 2022.

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B10. Earnings per ordinary share

The calculation of earnings per ordinary share at 30 June 2022 and 2021, was based on the profit attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding calculated as follows:

	Individual quarter ended 30 June		Cumulative quarter ended 30 June	
	← Unaudited 2022	→ Unaudited 2021	Unaudited 2022	Audited 2021
Profit for the financial period attributable to owners of the Company (RM'000)	3,811	1,538	9,391	10,005
Based on weighted average number of ordinary shares				
- basic	777,925 ⁽¹⁾	600,000 ⁽²⁾	644,359 ⁽¹⁾	600,000 ⁽²⁾
Effect of unexercised ESOS	3,944	-	983	-
Adjusted weighted average number of ordinary shares ('000)	781,869	600,000	645,342	600,000
Basic earnings per ordinary share (sen)	0.49	0.26	1.46	1.67
Diluted earnings per ordinary share (sen)	0.49	0.26	1.46	1.67

⁽¹⁾ Based on the weighted average number of issued share capital of 600,000,000 ordinary shares after the completion of acquisition but before the IPO and 818,800,000 ordinary shares after the completion of the IPO.

⁽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

	Individual quarter ended 30 June		Cumulative quarter ended 30 June	
	Unaudited		Unaudited	Audited
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Profit before taxation is arrived at after charging/ (crediting):-				
Depreciation:				
- plant and equipment	739	788	2,994	3,095
- right-of-use assets	310	441	1,414	1,764
Directors' remuneration	1,886	27	5,646	27
Impairment loss of goodwill	-	-	5	-
Interest expense on lease liabilities	184	251	829	1,016
Listing expenses	5	711	1,274	711
Staff costs:				
- defined contribution benefits	394	161	1,509	551
- others	3,849	2,055	12,744	5,771
Interest expense on financial liabilities that are not fair value through profit or loss:				
- term loan	-	34	16	205
- others	-	-	1	1
COVID-19 related subsidies from government	-	-	-	(152)
Total interest income on financial assets measured at amortised cost	<u>(370)</u>	<u>(30)</u>	<u>(497)</u>	<u>(61)</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	902	12,098 ⁽¹⁾	-	-
Establishing new medical centres	Within 36 months	37,100	-	37,100	-	-
Working capital	Within 24 months	17,404	-	17,404	-	-
Defraying the listing expenses	Within 1 month	4,700	4,497	203 ⁽²⁾	-	-
Total		<u>72,204</u>	<u>5,399</u>	<u>66,805</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.