

## **CHARACTERISTICS OF THE LEAP MARKET OF BURSA MALAYSIA SECURITIES BERHAD**

**THE LEAP MARKET HAS BEEN POSITIONED AS A MARKET DESIGNED TO ACCOMMODATE CORPORATIONS TO WHICH A HIGHER INVESTMENT RISK MAY BE ATTACHED THAN OTHER CORPORATIONS LISTED ON THE ACE MARKET OR MAIN MARKET OF BURSA MALAYSIA SECURITIES BERHAD. IT IS A QUALIFIED MARKET WHICH IS MEANT MAINLY FOR SOPHISTICATED INVESTORS ONLY. ONLY EXISTING SECURITIES HOLDERS AND SOPHISTICATED INVESTORS ARE ALLOWED TO PARTICIPATE IN CORPORATE EXERCISES UNDERTAKEN BY METRO HEALTHCARE BERHAD. SOPHISTICATED INVESTORS SHOULD BE AWARE OF THE POTENTIAL RISKS OF INVESTING IN SUCH CORPORATIONS AND SHOULD MAKE THE DECISION TO INVEST ONLY AFTER DUE AND CAREFUL CONSIDERATION.**

## **INFORMATION MEMORANDUM**



### **METRO HEALTHCARE BERHAD**

(Company No. 905516-M)  
(Incorporated in Malaysia)

**PUBLIC ISSUE OF 20,079,500 NEW ORDINARY SHARES IN METRO HEALTHCARE BERHAD (“SHARE(S)”) WITHIN THE MEANINGS OF SECTIONS 229 AND 230 OF THE CAPITAL MARKETS AND SERVICES ACT 2007 AT AN ISSUE PRICE OF RM0.23 PER SHARE BY WAY OF PRIVATE PLACEMENT TO SOPHISTICATED INVESTORS IN CONJUNCTION WITH THE LISTING OF METRO HEALTHCARE BERHAD ON THE LEAP MARKET OF BURSA MALAYSIA SECURITIES BERHAD**

Approved Adviser and Placement Agent



### **Mercury Securities Sdn Bhd (113193-W)**

(A Participating Organisation of Bursa Malaysia Securities Berhad)

This Information Memorandum is dated 19 January 2018

**IMPORTANT NOTICE**

**NO PERSON IS AUTHORISED IN CONNECTION WITH OUR EXCLUDED ISSUE (AS DEFINED HEREIN) AND LISTING (AS DEFINED HEREIN) TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATION OTHER THAN AS CONTAINED IN THIS INFORMATION MEMORANDUM, AND IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATION MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORISED BY METRO HEALTHCARE BERHAD (“METRO” OR “COMPANY”) OR MERCURY SECURITIES SDN BHD (“MERCURY SECURITIES”) AS OUR APPROVED ADVISER AND PLACEMENT AGENT. THE DELIVERY OF THIS INFORMATION MEMORANDUM SHALL NOT, UNDER ANY CIRCUMSTANCES, IMPLY OR CONSTITUTE A REPRESENTATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OR FINANCIAL POSITION OF OUR COMPANY AND/OR SUBSIDIARIES SINCE THE DATE HEREOF OR THAT THE INFORMATION CONTAINED HEREIN IS CORRECT AS OF ANY TIME SUBSEQUENT TO THE DATE HEREOF.**

**THE PURPOSE OF THIS INFORMATION MEMORANDUM IS TO PROVIDE INFORMATION ON THE BUSINESS AND AFFAIRS OF OUR COMPANY AND SUBSIDIARIES (COLLECTIVELY “GROUP”) ONLY. THIS INFORMATION MEMORANDUM DOES NOT CONSTITUTE OR FORM PART OF ANY OFFER OR INVITATION TO SUBSCRIBE FOR OR PURCHASE, OR SOLICITATION OF ANY OFFER TO SUBSCRIBE FOR OR PURCHASE OUR SHARES, NOR IS IT INTENDED TO INVITE OR PERMIT THE MAKING OF OFFERS BY THE PUBLIC TO SUBSCRIBE FOR OR PURCHASE OUR SHARES.**

**THIS INFORMATION MEMORANDUM IS INTENDED FOR CIRCULATION ONLY TO PERSONS WHOM AN INVITATION TO SUBSCRIBE FOR OR PURCHASE SECURITIES OR AN ISSUE OF SECURITIES WOULD CONSTITUTE AN EXCLUDED ISSUE WITHIN THE MEANINGS OF SECTIONS 229 AND 230 OF THE CAPITAL MARKETS AND SERVICES ACT 2007 (“CMSA”).**

**THIS INFORMATION MEMORANDUM, IF FURNISHED TO YOU, IS STRICTLY FOR YOUR OWN USE AND IS NOT TO BE CIRCULATED TO ANY OTHER PARTY. INFORMATION IN THIS DOCUMENT IS SUBJECT TO CHANGE FROM TIME TO TIME AS WE AND/OR MERCURY SECURITIES SHALL DEEM FIT.**

**THE DISTRIBUTION OF THIS INFORMATION MEMORANDUM AND THE OFFERING OF OUR SHARES MAY, IN CERTAIN JURISDICTIONS, BE RESTRICTED BY LAW. WE REQUIRE PERSONS INTO WHOSE POSSESSION THIS INFORMATION MEMORANDUM COMES INTO, TO INFORM THEMSELVES OF AND OBSERVE ALL SUCH RESTRICTIONS.**

Our Board of Directors, having made all reasonable enquiries, accepts responsibility for, and confirms that this Information Memorandum contains all relevant information with regards to our Group which is material in the context of our Excluded Issue and Listing as at the date hereof, that the information contained in this Information Memorandum is true and accurate in all material respects and is not misleading as at the date hereof, that the opinions and intentions of our Group expressed herein are honestly held, and that there are no other facts the omission of which would, in the context our Excluded Issue and Listing, make this Information Memorandum as a whole or any information herein or expression of any such opinions or intentions misleading in any material respects.

Mercury Securities, being our Approved Adviser and Placement Agent acknowledges that, based on all available information, and to the best of its knowledge and belief, this Information Memorandum constitutes a full and true disclosure of all material facts concerning our Excluded Issue and Listing.

A copy of this Information Memorandum will be deposited with the Securities Commission Malaysia (“SC”). Each recipient (“**Recipient**”) of this Information Memorandum acknowledges and agrees that the SC and Bursa Securities take no responsibility for the contents of this Information Memorandum, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Information Memorandum.

Investors should note that they may seek recourse under the CMSA for breaches of securities laws and regulations including any statement in the Information Memorandum that is false, misleading, or from which there is a material omission, or for any misleading or deceptive act in relation to the Information Memorandum under Sections 248, 249 and 357 of the CMSA.

Our Excluded Issue is subject to the receipt of an approval-in-principle for our Listing from Bursa Securities, who make no assessment on the suitability, viability or prospects of our Group or the merits of investing in our shares. Mercury Securities, as our Approved Adviser, has assessed the suitability of our Group for admission to the LEAP Market as required under Rule 4.10 of Bursa Securities' LEAP Market Listing Requirements. **IN MAKING AN INVESTMENT DECISION, YOU SHOULD RELY ON YOUR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF AN INVESTMENT IN OUR COMPANY, AND SHOULD CONSULT TO THE EXTENT NECESSARY, YOUR OWN LEGAL, FINANCIAL, TAX, ACCOUNTING AND/OR OTHER PROFESSIONAL ADVISERS IN THIS RESPECT PRIOR TO ANY INVESTMENT IN OUR COMPANY.**

**WE AND/OR MERCURY SECURITIES DO NOT ASSUME ANY FIDUCIARY RESPONSIBILITIES OR LIABILITY FOR ANY CONSEQUENCES, FINANCIAL OR OTHERWISE, ARISING FROM THE SUBSCRIPTION OR ACQUISITION OF OUR SHARES.**

#### **MODE OF COMMUNICATION**

In accordance with our Constitution, we may send notices and documents to our securities holders ("**Holders**") by electronic means to the Holders' registered email address last maintained with either our Company Secretary or Bursa Malaysia Depository Sdn Bhd ("**Bursa Depository**"), as the case may be. Our Holders have a right to request for a hard copy of such notices and documents should they wish to do so. In such event, we will forward a hard copy of the notices and documents to the Holders, as soon as reasonably practicable after the receipt of the request, free of charge by ordinary mail to the Holders' registered Malaysian address last maintained with either our Company Secretaries or Bursa Depository, as the case may be, at their own risk.

We may also publish notices and documents on our website as a form of electronic communication with our Holders. In such event, we will separately and immediately notify our Holders through the following by way of:

- (i) ordinary mail;
- (ii) electronic means to the Holders' registered email address;
- (iii) advertisements in an English daily newspaper in Malaysia; and/or
- (iv) announcements on Bursa Securities.

#### **TERMS AND CONDITIONS BINDING ALL RECIPIENTS**

By accepting this confidential Information Memorandum, you hereby agree and undertake to be bound by the following terms and conditions:

- (1) This Information Memorandum is issued by our Company, and distributed by us as well as Mercury Securities as our Approved Adviser and Placement Agent. The distribution of this Information Memorandum shall be in paper/printed copy and/or electronic copy upon request by interested Recipients, free of charge. This Information Memorandum is distributed to interested Recipients for information purposes only and upon the express understanding that such Recipients will use it only for the purposes set forth below.
- (2) The information contained in this Information Memorandum, including any statement or fact or opinion, has been provided by us or on our behalf. It is being furnished solely for use by a limited number of prospective Sophisticated Investors for the purpose of evaluating their interest in investing in our Company ("**Proposed Investment**"). Nothing contained herein shall be taken as a recommendation or invitation by us and/or Mercury Securities to undertake the Proposed Investment or as a commitment on our part to accept your Proposed Investment.

- (3) Mercury Securities, its shareholders, directors, employees, advisers, agents, representatives and nominees (collectively referred to as “**Mercury Securities Group**”) do not assume any obligation to provide any Recipient with access to any additional information or to update or revise any information contained herein. Nevertheless, we undertake to inform Mercury Securities who in turn will inform Recipients in writing of any material development or of any material facts subsequent to the date of this Information Memorandum up to the date of closing of our Excluded Issue that will, directly or indirectly affect our financial position or business. In all cases, you should rely on your own evaluation of the Proposed Investment.
- (4) You shall be solely responsible for your investment decision and are advised to seek independent financial, legal, tax or such other professional advice at your own cost and expense when making your independent appraisal, assessment, review and evaluation of our business, financial position, financial performance and prospects, the rights and obligations attaching to the shares in our Company (“**Shares**”), the merits of investing in our Shares, and the extent of the risk involved in doing so.
- (5) This Information Memorandum may include certain statements provided by us or on our behalf with respect to the anticipated future performance of our Group. These statements, although believed to be reasonable, are based on estimates and assumptions made by us that are subject to risks and uncertainties that may cause actual events and our future results to be materially different from that expected or indicated by such statements and estimates and no assurance can be given that any of such statements or estimates will be realised. In light of these and other uncertainties, the inclusion of forward-looking statements in this Information Memorandum should not be regarded as a representation or warranty by Mercury Securities or us that our plans and strategies as disclosed herein will be achieved.
- (6) We and Mercury Securities each reserve the right (without notice or recourse) to alter, amend, terminate or suspend the process in respect of the Proposed Investment (“**Investment Process**”) without providing any reason therefor. All costs incurred by you during the Investment Process are for your account only and under no circumstances will we or Mercury Securities be responsible for any part of such costs, notwithstanding any alteration, amendment, termination or suspension of the Investment Process or the reasons thereof.
- (7) The documents published or issued from time to time after the date hereof shall be deemed to be incorporated in, and to form part of, this Information Memorandum, including all supplements or amendments to this Information Memorandum circulated by us and/or Mercury Securities, if any, save that any statement contained herein or in a document which is deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Information Memorandum to the extent that a statement contained in any such subsequent document which is deemed to be incorporated by reference herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Information Memorandum.
- (8) Depending upon the circumstances prevailing at any particular time, further arrangements for the submission of definitive proposals may be formulated and sent to approved interested Sophisticated Investors by us or Mercury Securities.
- (9) Subject to the provisions of any laws, regulations and guidelines (“**Applicable Laws**”), we and Mercury Securities each reserve the right to negotiate with one or more prospective Sophisticated Investors at any time. Subject to the Applicable Laws, we and Mercury Securities each also reserve the right (without notice or recourse) to terminate, at any time, further participation in the Investment Process by all or any Recipients without assigning any reasons thereof.

- (10) You shall not copy, reproduce, distribute, summarise, excerpt from, publicly refer to or pass on any part of this Information Memorandum to any person at any time without the prior written consent of Mercury Securities. You shall at all times keep confidential all information contained herein or any other information relating to the Proposed Investment, whether written, oral or in a visual or an electronic form, transmitted or made available to you in the course of your evaluation of the Proposed Investment. In the event that you do not undertake the Proposed Investment for any reason whatsoever, you shall upon request return all materials received from us or Mercury Securities, including this Information Memorandum, without retaining any copies.
- (11) Mercury Securities is acting as our Approved Adviser and Placement Agent and will not be responsible to any person other than our Company for the services and/or recommendations afforded to customers of Mercury Securities. Neither the receipt of this Information Memorandum by any Recipient nor any information made available in connection with the Proposed Investment is to be taken as constituting the giving of investment advice by Mercury Securities. Mercury Securities shall not advise you on the merits or risks of the Proposed Investment or potential valuations for the Proposed Investment.
- (12) This Information Memorandum may not be distributed in any jurisdiction outside Malaysia except in accordance with the legal requirements applicable in such jurisdiction. No Recipient in any jurisdiction outside Malaysia may take any action upon this Information Memorandum if, in the relevant jurisdiction, such action cannot be taken by the Recipient without contravention of any relevant legal requirements. It is the sole responsibility of any Recipient wishing to take any action upon this Information Memorandum to satisfy themselves as to the full observance of the laws of the relevant jurisdiction and/or Malaysia in connection therewith, including without limitation, the receipt of our Shares or cash payments upon the sale of our Shares by the Recipients, the repatriation of any money by the Recipients out of Malaysia, the obtaining of any governmental, exchange control or other consents which may be required, and the payment of any tax or duty due in such jurisdiction. Such Recipients shall be responsible for the payment of any tax or other requisite payment due in such jurisdiction, and we and Mercury Securities shall be entitled to be fully indemnified by such Recipients for any tax or payment as the Recipients may be required to pay.
- (13) This Information Memorandum has not been made and will not be made to ensure that our Excluded Issue complies with the laws of any jurisdiction other than Malaysia. We and Mercury Securities shall not accept any responsibility or liability in the event that any action taken by any Recipient in any jurisdiction outside Malaysia is or shall become illegal, unenforceable, voidable or void in such jurisdiction. Such Recipients shall therefore immediately consult their professional advisers in relation to the observance of the relevant legal requirements, and shall be responsible for the payment of any tax or other requisite payment due in such jurisdiction, and shall keep us and Mercury Securities fully indemnified for the payment of such taxes or payments.

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**Privacy Notice**

The Personal Data Protection Act 2010 (“**PDPA**”) was introduced to regulate the processing of personal data in commercial transactions. The PDPA requires us to inform you of your rights in respect of your personal data that is to be collected and processed by us.

Consequently, please be informed that the personal data and other information (collectively, “**Personal Data**”) that you provide will be used and processed by us in connection with our Excluded Issue only (“**Purpose**”), and not for any other purpose.

If required for the Purpose, you hereby give consent that your Personal Data may be transferred to locations outside Malaysia or disclosed to our related corporations or our vendor, agent, contractor, service provider, consultant or adviser who provide services to us, including our Placement Agent, which may be located within or outside Malaysia. Save for the foregoing, your Personal Data will not be knowingly transferred to any place outside Malaysia or be knowingly disclosed to any other third party.

Without prejudice to the Terms and Conditions of our Excluded Issue as contained in this Information Memorandum, you may at any time hereafter make inquiries, complaints and, upon payment of a prescribed fee, request in writing for access to, or correction of, your Personal Data or limit the processing of your Personal Data (as described above) by submitting such request to the following:

Postal address	<b>Metro Healthcare Berhad</b> No. 36, Jalan Pasar 41400 Klang Selangor, Malaysia
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Kindly be informed that we will assume that you have consented and we will continue to process your Personal Data in accordance with this Privacy Notice unless we hear otherwise from you. You may exercise your rights in respect of your Personal Data in the manner described above.

This Privacy Notice may be amended from time to time and would be in effect on the date as determined by us. Any amendment to this Privacy Notice shall be published on any medium as we deem fit.

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**INDICATIVE TIMETABLE**

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The following events are intended to take place on the following indicative timeline:

<b>Events</b>	<b>Tentative date</b>
Date of Information Memorandum	19 January 2018
Completion of Excluded Issue	Early February 2018 *
Allotment of Placement Shares	Early February 2018 *
Listing on the LEAP Market of Bursa Securities	Mid February 2018 *

*Note:*

\* *Subject to receipt of approval-in principle from Bursa Securities for our Listing.*

These dates are tentative and are subject to changes which may be necessary to facilitate the implementation procedures. Our Directors and Promoters may, in their absolute discretion, decide to extend the dates for allotment of the Issue Shares and the Listing on the LEAP Market of Bursa Securities. We will inform you in writing of any changes to these dates.

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**DEFINITIONS (CONT'D)**

The following definitions shall apply throughout this Information Memorandum unless the definitions are defined otherwise or the context requires otherwise:

ACC Project	:	The reproductive medicine ambulatory care centre to be established at the women's clinic currently operated by SSH in Central Malacca
Act	:	Companies Act, 2016, as amended from time to time and any re-enactment thereof
Acquisitions	:	Acquisition of the Subsidiaries which was completed on 27 December 2017
Approved Adviser or Custodian or Placement Agent or Mercury Securities	:	Mercury Securities Sdn Bhd (113193-W)
Board	:	Our board of Directors
Bursa Securities	:	Bursa Malaysia Securities Berhad (635998-W)
CMSA	:	Capital Market and Services Act, 2007, as amended from time to time and any re-enactment thereof
Constitution	:	Company Constitution of Metro
Director(s)	:	Director(s) of our Company
EBIT	:	Earnings before interests and taxation
EBITDA	:	Earnings before interests, taxation, depreciation and amortisation
EPS	:	Earnings per Share
Excluded Issue	:	Public issue of 20,079,500 Shares within the meanings of Sections 229 and 230 of the CMSA by way of private placement to Sophisticated Investors at the Issue Price.
FPE	:	Financial period ended
FYE	:	Financial year ended
GP	:	Gross profit
HWM	:	Hospital Wanita Metro Sdn Bhd (225506-T)
Information Memorandum	:	This information memorandum dated 19 January 2018
Issue Price	:	RM0.23 per Share
Issue Share(s)	:	20,079,500 new Shares to be issued pursuant the Excluded Issue
KWT	:	K. W. Tee Sdn Bhd (303616-A)
LEAP Market	:	LEAP Market of Bursa Securities
Listing	:	Listing of and quotation for our entire enlarged share capital comprising 200,650,000 Shares on the LEAP Market
Listing Requirements	:	LEAP Market Listing Requirements of Bursa Securities
LPD	:	28 December 2017, being the latest practicable date prior to the date of this Information Memorandum
Metro or Company	:	Metro Healthcare Berhad (905516-M)
Metro Group or Group	:	Metro and its Subsidiaries
Metro Share(s) or Share(s)	:	Ordinary share(s) in our Company
MIVF	:	Metro IVF Sdn Bhd (839815-W)



**DEFINITIONS (CONT'D)**

MMC	:	Metro Medical Centre Sdn Bhd (238531-H)
NA	:	Net assets
PAT	:	Profit after tax
PBT	:	Profit before tax
Placement	:	Placement of the Issue Share(s) to selected Sophisticated Investors under the Excluded Issue
Promoter(s)	:	Tay Swi Peng @ Tee Swi Peng, Kong Lan Moon, Tee Siew Kai, Lim Wai Khong and Country Range Sdn Bhd
Public	:	All persons or members of the public but excluding directors of our Group, our substantial shareholders and persons associated with them (as defined in the Listing Requirements)
RM and sen	:	Ringgit Malaysia and sen, respectively
RTAC	:	Reproductive Technology Accreditation Committee
Sophisticated Investor(s)	:	Investors who fall within Part I of Schedules 6 or 7 of the CMSA
SSH	:	SSH Care Sdn Bhd (1028642-K)
SSH Shares	:	Ordinary shares in SSH
Subsidiaries	:	HWM, MMC, KWT, MIVF and VONE collectively
TMGSC	:	Tee Maternity and Gynae Specialist Center
VONE	:	Vision One Diagnostic Sdn Bhd (935462-K)

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**GLOSSARY OF TECHNICAL TERMS**

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This glossary contains an explanation of certain terms used throughout this Information Memorandum in connection with our Group and business. The terminologies and their meanings may not correspond to the standard industry meanings of usage of these terms.

ARS	:	Assisted Reproductive Services
ART	:	Assisted Reproductive Technology
FET	:	Frozen Embryo Transfer
GIFT	:	Gamete Intra-fallopian Transfer
ICSI	:	Intracytoplasmic Sperm Injection
IUI	:	Intrauterine Insemination
IVF	:	In Vitro Fertilisation
LSCS	:	Lower Segment Caesarean Section
NGS	:	Next Generation Sequencing
O&G	:	Obstetrics and Gynaecology
OPU	:	Oocyte Pick-Up
PGD	:	Preimplantation Genetic Diagnosis
PGS	:	Preimplantation Genetic Screening

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**PRESENTATION OF INFORMATION**

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All references to “our Company” and “Metro” in this Information Memorandum are to Metro Healthcare Berhad. All references to “Metro Group” and “our Group” in this Information Memorandum are to our Company and our Subsidiaries. References to “we”, “us”, “our” and “ourselves” are to our Company and our Subsidiaries, save where context otherwise requires. Statements as to our beliefs, expectations, estimates and opinions are those of our Company.

Unless the context otherwise requires, all references to “Management” are to our Directors and our key management personnel of Metro as at the date of this Information Memorandum, and statements to our Management’s beliefs, expectations, estimates and opinions are those of our Management.

Any reference to provisions of statutes, rules, regulations, enactments or rules of stock exchange shall (where the context admits), be construed as a reference to provisions of such statutes, rules, regulations, enactments or rules of stock exchange (as the case may be) as modified by any written law or (if applicable) amendments or re-enactments to the statutes, rules, regulations, enactments or rules of stock exchange for the time being in force.

In this Information Memorandum, any reference to “Government” shall be a reference to the Government of Malaysia and any reference to any enactment is a reference to that enactment as for the time being amended, modified or re-enacted.

Any reference to a time of a day in this Information Memorandum shall be a reference to Malaysian time, unless otherwise stated.

Any discrepancies in the tables between the amounts listed and the totals in this Information Memorandum are due to rounding.

Words importing the singular shall, where applicable, include the plural and vice-versa and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa.

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**FORWARD-LOOKING STATEMENTS**

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This Information Memorandum contains forward-looking statements, which include all statements other than those of historical facts including, amongst others, those regarding our expected financial position, business strategies, plans, prospects and objectives of our Management for future operations. These statements can be identified by forward-looking terminology terms as “anticipate”, “believe”, “could”, “estimate”, “expect”, “if”, “intend”, “may”, “plan”, “possible”, “probable”, “project”, “should”, “will” and “would” or similar words. These forward-looking statements, including but not limited to statements as to our Group’s revenue and profitability, prospects, future plan, expected industry trends and other matters discussed in this Information Memorandum regarding matters that are not historic facts, are only predictions.

These forward-looking statements involve known and unknown risks, uncertainties and other factors beyond our control that could cause our actual results, performance or achievements, or industry results to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. These factors include, amongst others:

- (i) changes in the political, social and economic conditions and the regulatory environment in Malaysia and other countries in which we conduct business; and
- (ii) changes in currency exchange rates, our future capital needs and the availability of financing and capital to fund such needs.

Some of these factors are discussed in more details in Section 6 of this Information Memorandum.

These forward-looking statements are based on numerous assumptions regarding our present and future business strategies and the environment in which we will operate in the future. As such, we cannot assure you that the forward-looking statements in this Information Memorandum will be realised.

These forward-looking statements are based on information available to us as at the date of this Information Memorandum. Subject to the provisions of Section 238 of the CMSA, we expressly disclaim any responsibility to update any of these forward-looking statements or publicly announce any revisions to these forward-looking statements to reflect future developments, events or circumstances, even if new information becomes available or other events occur in the future.

You will be deemed to have read and understood the description of the assumptions and uncertainties underlying the forward-looking statements that are contained herein.

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**1. CORPORATE DIRECTORY**

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**BOARD OF DIRECTORS**

Tay Swi Peng @ Tee Swi Peng  
*Executive Chairman*

Lim Wai Khong  
*Managing Director*

Kong Lan Moon  
*Non-Independent Non-Executive Director*

Seah Cheong Wei  
*Independent Non-Executive Director*

Koay Chiang Loong  
*Independent Non-Executive Director*

**COMPANY SECRETARY**

CAREsec Advisory Sdn Bhd (1215340-P)  
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Tel No.: +603-2691 8996  
Fax No.: +603-2698 6996

**REGISTERED OFFICE**

No. 9A, Jalan Medan Tuanku  
Medan Tuanku  
50300 Kuala Lumpur

Tel No.: +603-2691 8996  
Fax No.: +603-2698 6996

**BUSINESS ADDRESS /  
HEAD OFFICE**

No. 36, Jalan Pasar  
41400 Klang  
Selangor Darul Ehsan

Tel No.: +603-3341 2277  
Fax No.: +603-3342 4479  
Website: <http://metro.com.my/>  
Email: [inquiry@metro.com.my](mailto:inquiry@metro.com.my)

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**1. CORPORATE DIRECTORY**


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**APPROVED ADVISER,  
PLACEMENT AGENT AND  
CUSTODIAN**

Mercury Securities Sdn Bhd (113193-W)  
L-7-2, No. 2 Jalan Solaris  
Solaris Mont' Kiara  
50480 Kuala Lumpur

Tel No.: +603-6203 7227  
Fax No.: +603-6205 2590

**REPORTING ACCOUNTANTS**

Morison AAC (AF001977)  
No.18, Jalan Pinggir 1/64  
Jalan Kolam Air Off Jalan Sultan Azlan Shah (Jalan Ipoh)  
51200 Kuala Lumpur

Tel No.: +603-4048 2888  
Fax No.: +603-4048 2999

**SOLICITORS FOR OUR  
LISTING**

Messrs. Lee Choon Wan & Co.  
Advocates & Solicitors  
No.12, Lorong Dungun  
Damansara Heights  
50490 Kuala Lumpur

Tel No.: +603-2093 0078  
Fax No.: +603-2094 1750

**INTERNAL CONTROL AND  
RISK MANAGEMENT  
CONSULTANT**

Insight Advisory Services Sdn Bhd (1072002-A)  
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**SHARE REGISTRAR**

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**LISTING SOUGHT**

LEAP Market of Bursa Securities



**2. INFORMATION SUMMARY**

**THIS SECTION SUMMARISES THE SALIENT INFORMATION ABOUT US AND OUR LISTING AND IS EXTRACTED FROM THE FULL TEXT OF THIS INFORMATION MEMORANDUM. YOU SHOULD CAREFULLY READ AND UNDERSTAND THIS SECTION TOGETHER WITH THE ENTIRE INFORMATION MEMORANDUM BEFORE YOU DECIDE WHETHER TO INVEST IN US.**

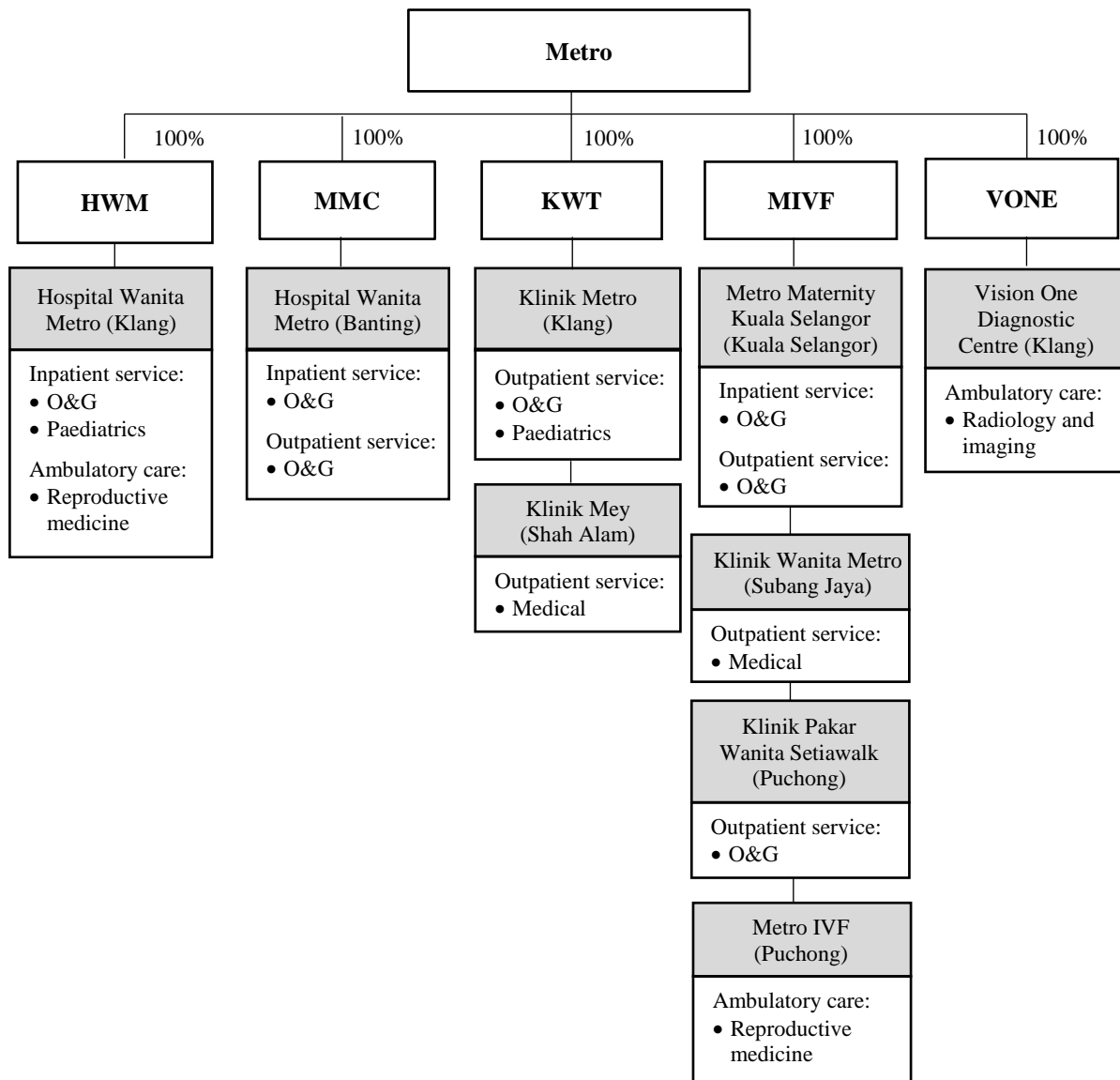
**2.1 Overview**

Metro was incorporated in Malaysia under the Companies Act, 1965 on 23 June 2010 as a public limited company.

On 27 December 2017, Metro completed the acquisition of 100% equity interest of 5 companies, namely HWM, MMC, KWT, MIVF and VONE for a total consideration of RM9,028,523 to be satisfied by issuance of 180,570,460 ordinary shares at the issue price of RM0.05 per Share.

As at the LPD, the Company has 5 Subsidiaries namely HWM, MMC, KWT, MIVF and VONE and it has no associated company.

Our existing Group structure is as follows:



## 2. INFORMATION SUMMARY

The details of our Subsidiaries as at the LPD are as follows:

Company	Date of Incorporation	Date of Commencement of Business	Issued Share Capital (RM)	Effective Equity Interest (%)	Principal Activities
HWM	26 September 1991	26 September 1991	1,186,000	100	Hospital and related consultation services
MMC	23 April 1992	23 April 1992	245,003	100	Hospital and related consultation services
KWT	10 June 1994	10 June 1994	100,000	100	Provision of healthcare consultation services
MIVF	26 November 2008	26 November 2008	100	100	Provision of healthcare consultation services
VONE	9 March 2011	2 January 2015	200,000	100	Diagnostic medical imaging centre

Further details on the history and business of our Group are set out in Section 4 of this Information Memorandum.

### 2.2 Competitive strengths, business strategies and future plans

#### 2.2.1 Competitive strengths

We believe that the following competitive strengths have contributed to our market presence:

- (i) Established track record and market reputation
- (ii) Wide range of women healthcare and related services
- (iii) Experienced medical and professional team

Further details of our competitive strengths are set out in Section 5.5 of this Information Memorandum

#### 2.2.2 Business strategies and future plans

Our Group's vision is to become the leading women healthcare provider in Malaysia, specialising in reproductive medicine, obstetrics and gynaecology. Moving forward, our Group's future plans and business strategies will centre on the following key action plans:

- (i) establishing Metro as a brand name and a centre of excellence for women healthcare in relation to reproductive medicine, obstetrics and gynaecology;
- (ii) building a pool of talented specialists, doctors and management staff;
- (iii) building the Group's network in Malaysia; and
- (iv) investing in modern and advanced technology.

Further details on our business strategies and future plans are set out in Section 5.10 of this Information Memorandum.

## 2. INFORMATION SUMMARY

### 2.3 Financial highlights

The table in the following page sets out a summary of our historical audited combined financial information of our Group for the past 2 financial years up to the FYE 31 December 2016 together with the latest unaudited combined financial statement for the FPE 30 September 2017. The historical audited combined financial information should be read in conjunction with the “Management’s discussion and analysis of financial condition and results of operations” as set out in Section 9.2 of this Information Memorandum.

#### 2.3.1 Historical consolidated statements of comprehensive income

	← Audited →		Unaudited
	FYE 31 December 2015	FYE 31 December 2016	FPE 30 September 2017
	RM'000	RM'000	RM'000
Revenue	16,048	16,755	14,160
<b>PBT</b>	4,344	4,104	3,780
Taxation	(1,070)	(770)	(750)
<b>PAT</b>	3,274	3,334	3,030
Gross profit margin (%)	52	51	53
PBT margin (%)	27	24	27
PAT margin (%)	20	20	21
Gross EPS (sen)	4.83	4.94	4.30
Net EPS (sen)	1.89	1.93	1.75

### 2.4 Details of our Listing

	No. of Shares	RM
Existing share capital as at the LPD	180,570,500	9,028,525
New Shares to be issued pursuant to the Excluded Issue	20,079,500	4,618,285
Enlarged issued share capital upon Listing	200,650,000	13,646,810
<b>Issue Price per Share</b>		0.23
<b>Market capitalisation of our Company upon Listing</b>		46,149,500

The Issue Shares represent approximately 10.01% of our Company’s enlarged issued share capital upon Listing. We only have 1 class of shares, namely ordinary shares. All the new Shares to be issued pursuant to our Listing shall rank *pari passu* in all respects with our existing Shares, including voting rights and rights to all dividends and distributions that may be declared, made or paid subsequent to the date of allotment thereof.

Further details on details of our Listing are set out in Section 3 of this Information Memorandum.

## 2. INFORMATION SUMMARY

### 2.5 Utilisation of proceeds

We expect to use the gross proceeds from the Excluded Issue of approximately RM4.62 million in the following manner:

Details of utilisation of proceeds	Estimated time frame for utilisation from the date of our Listing	Amount	Percentage of gross proceeds
		RM'000	%
Business expansion	Within 24 months	3,418	74.01
Marketing and accreditation program	Within 12 months	300	6.50
Estimated listing expenses	Within 3 months	900	19.49
<b>Total</b>		<b>4,618</b>	<b>100.00</b>

Further details on our proposed utilisation of proceeds are set out in Section 3.5 of this Information Memorandum.

### 2.6 Risk factors

Before investing in our Shares, you should carefully consider, along with other matters in this Information Memorandum, the risk factors in particular risks relating to our business and operations as set out in Section 6 of this Information Memorandum, which are summarised below:

- (i) Risk relating to our business and our operations
  - We are exposed to risks that could affect our business and operation
  - We may be exposed to potential litigation and professional liability
  - We are exposed to the risk of cost escalation
  - We may face risks relating to natural disaster, security and system disruptions
  - There is no assurance that our Group's insurance coverage would be adequate
  - We are dependent on experienced key personnel and team of doctors
- (ii) Risk relating to the industry in which our Group operates
  - We face competition in our industry
  - We may face shortage of pharmaceutical supply
  - We are exposed to potential inquiry into the conduct of our Group's medical practitioners
  - We are affected by political, economic and regulatory risks that are beyond our control
  - We are exposed to the risk of operating licenses not being renewed

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**2. INFORMATION SUMMARY**

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(iii) Risks relating to the investment in our Shares

- There may not be an active or liquid market for our Shares
- We may not be able to proceed with or experience a delay for our Listing
- Our Promoters can exercise significant control over us
- We may not be able to pay dividends
- Forward-looking statements in this Information Memorandum are subject to uncertainties and contingencies

Further details on risk factors are set out in Section 6 of this Information Memorandum.

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### 3. DETAILS OF OUR LISTING

#### 3.1 Excluded Issue

In conjunction with and as an integral part of our listing of and quotation for our entire enlarged issued share capital on the LEAP Market of Bursa Securities, our Company intends to issue 20,079,500 Issue Shares, representing approximately 10.01% of our enlarged issued share capital at RM0.23 per Issue Share to Sophisticated Investors.

In accordance with Rule 3.10 of the Listing Requirements:

- (i) we undertake to open a trust account with a financial institution licensed by Bank Negara Malaysia (“**Trust Account**”) where all monies received from the Sophisticated Investors pursuant to subscription of Shares will be deposited into the Trust Account jointly operated by both our Company and Mercury Securities;
- (ii) both Mercury Securities and ourselves undertake that all monies deposited in the Trust Account will not be withdrawn until the date of our Listing; and
- (iii) we undertake to repay without interest all monies received from the Sophisticated Investors if:
  - (a) our Listing does not take place within 6 months from the date of Bursa Securities’ approval for our Listing or such further extension of time as Bursa Securities may allow (“**Period**”); or
  - (b) we abort our Listing.

In such event, the monies will be repaid within 14 days from the end of the Period or the date when we notify Bursa Securities of our decision to abort our Listing. Should we fail to do so, in addition to our Company’s liability, our Board shall be jointly and severally liable to repay such money with interest at the rate of 10% per annum from the end of the Period or such offer rate as Bursa Securities may prescribe.

#### 3.2 Listing on Bursa Securities

Our Listing is subject to the receipt of an approval-in-principle from Bursa Securities. Thus, we have concurrently made an application to Bursa Securities for the admission of our Company to the Official List and the listing of and quotation for our entire enlarged share capital of RM13,646,810 comprising 200,650,000 Shares on the LEAP Market of Bursa Securities and are awaiting Bursa Securities’ decision on the same.

#### 3.3 Share capital and market capitalisation

	No. of Shares	RM
Existing share capital as at the LPD	180,570,500	9,028,525
New Shares to be issued pursuant to the Excluded Issue	20,079,500	4,618,285
Enlarged issued share capital upon Listing	200,650,000	13,646,810
<b>Issue Price per Share</b>		0.23
<b>Market capitalisation of our Company upon Listing</b>		46,149,500

We only have 1 class of shares, namely ordinary shares. All the new Shares, upon allotment and issuance, shall rank *pari passu* in all respects with our existing Shares, including voting rights and rights to all dividends and distributions that may be declared, made or paid subsequent to the date of allotment of the new Shares.

### 3. DETAILS OF OUR LISTING

Subject to any special rights attaching to any Shares which may be issued by us in the future, our shareholders shall, in proportion to the total number of Shares held by them, be entitled to share in the profits paid out by us as dividends and other distributions and any surplus in the event of the liquidation of our Group, in accordance with our Constitution.

Each of our shareholders shall be entitled to vote at any of our general meeting in person, or by proxy or by attorney or by other duly authorised representative. On a poll, each shareholder present in person or by proxy or by attorney or other duly authorised representative shall have 1 vote for each ordinary share held.

#### 3.4 Basis of arriving at the Issue Price

The price of RM0.23 per Share was determined and agreed upon by our Board together with Mercury Securities after taking into consideration the following:

- (i) our Group's operating and financial performance as set out in Section 9 of this Information Memorandum;
- (ii) the PE multiple of 14 times derived from our audited combined net EPS of approximately RM0.02 for the FYE 31 December 2016, which is calculated based on our audited combined PAT of RM3,334,194 and our enlarged issued share capital of 200,650,000 Shares upon listing;
- (iii) the indicative PE multiple of 12 times derived from our annualised combined unaudited PAT of RM4,040,092 for the 9-month FPE 30 September 2017;
- (iv) competitive strengths of our Company as set out in Section 5.5 of this Information Memorandum; and
- (v) future prospects and potential of our business as set out in Section 5.10, taking into consideration our business activities and our development as set out in Section 5.

You should note that the market price of our Shares upon and subsequent to our Listing is subject to the vagaries of the market forces and other uncertainties that may affect the price of our Shares being traded. You are reminded to carefully consider the risk factors as set out in Section 6 of this Information Memorandum and form your own views on the valuation of our Shares before deciding to invest in our Shares.

#### 3.5 Utilisation of proceeds

Based on the Issue Price, the Placement is expected to raise gross proceeds of approximately RM4.62 million which is intended to be utilised in the following manner:

Details of utilisation of proceeds	Estimated time frame for utilisation from the date of our Listing	Amount RM'000	Percentage of gross proceeds %
Business expansion	Within 24 months	3,418	74.01
Marketing and accreditation program	Within 12 months	300	6.50
Estimated listing expenses	Within 3 months	900	19.49
<b>Total</b>		<b>4,618</b>	<b>100.00</b>

### 3. DETAILS OF OUR LISTING

Further details on the proposed utilisation of the gross proceeds from our Public Issue are set out below:

(i) Business expansion

We intend to utilise approximately RM3.42 million of the proceeds within 24 months after Listing for business expansion to Johor and Malacca. We plan to set up a new women's clinic in Johor Bahru under KWT as well as to acquire a new subsidiary, namely SSH Care Sdn Bhd, which has a women's clinic in Malacca and subsequently upgrade the said clinic to a reproductive medicine ambulatory care centre.

(a) New women's clinic in Johor Bahru

As disclosed in Section 10.3 (x) of this Information Memorandum, we have completed the purchase of a 4-storey shop office for RM4.91 million. The purchase is intended for the new women's clinic, which has the potential to be upgraded to a reproductive medicine ambulatory care centre in the foreseeable future. Currently, we are in the midst of getting relevant approvals and licenses from the authorities for the establishment of the women's clinic. It is expected for the women's clinic to be in operation by third quarter of 2019.

We intend to allocate RM0.8 million, being the total estimated costs required to set up the new women's clinic in Johor Bahru, from the Listing proceeds. The breakdown of the estimated costs is as follows:

Details	Estimated cost RM'000
Renovation and IT infrastructure	300
Medical equipment	400
Working capital expenses	100
<b>Total</b>	<b>800</b>

The expansion to Johor Bahru will enable our Group to cater for the increasing demand of ARS in the southern region of Malaysia due to its fast expanding population and to better position ourselves to capture opportunities which may arise in the southern region of Malaysia.

In conjunction with the business expansion, we will hire a doctor and 2 staff nurses to manage this new clinic. The amount allocated for working capital will be used for recruitment and training purposes.

(b) New women's clinic in Malacca

We intend to allocate a total of RM2.62 million for the business expansion to Malacca.

As disclosed in Section 10.3 of this Information Memorandum, Metro had, on 5 December 2017, entered into a conditional sale and purchase agreement to acquire the entire issued share capital of SSH comprising 200,000 ordinary shares for a consideration of approximately RM0.40 million. The purchase consideration for the acquisition of SSH will be fully satisfied via cash from the Listing proceeds.

The acquisition of SSH will expand our footprints to Malacca in view that SSH is currently operating a women's clinic in Central Malacca. As at the LPD, SSH has secured approval from the authorities to establish a reproductive medicine ambulatory care centre. The acquisition of SSH will enable the Group to complete the ACC Project within 20 months and introduce ARS to the local market. In general, the acquisition of SSH is expected to benefit the Group especially with the leverage of the booming health tourism segment.



### 3. DETAILS OF OUR LISTING

Currently, the clinic provides O&G services. With the establishment of ambulatory care centre, SSH will be able to provide additional services which includes ambulatory care in reproductive medicine, nursing, embryology laboratory, andrology laboratory and sterilisation.

Further, it is intended for the ambulatory care centre to obtain the Reproductive Technology Accreditation Committee accreditation within 24 months after Listing. RTAC is a subcommittee of the Board of the Fertility Society of Australia which sets the standards for performance of ART through an audited Code of Practice. The objective of the Code of Practice is to maintain minimum standards of ART units and ensure continuous improvement in the quality of care offered to couples who need fertility treatments. The Code of Practice covers a wide spectrum of specifications in quality management system, process controls, service requirements and qualifications of key personnel.

It is not an industry norm to obtain the Accreditation from Australia nor is it a prerequisite in Malaysia. At this juncture, we do not plan to obtain the Accreditation for all of our ambulatory care centres. Given that the Accreditation is not mandatory for the ambulatory care centre, there will be no significant impact on our business and operations in the event that we fail to obtain the Accreditation.

The breakdown of the additional cost required for the upgrading of Malacca's ACC Project is as detailed out below:

Details	Estimated cost RM'000
Renovation and IT infrastructure <sup>(1)</sup>	600
Medical equipment <sup>(2)</sup>	1,200
Working capital expenses <sup>(3)</sup>	421
<b>Total</b>	<b>2,221</b>

Notes:

(1) The purpose of the renovation is to accommodate the new ambulatory care centre. It involves construction of new facilities and installation of new systems such as the ventilation, electrical, plumbing, medical gas, fire protection, surveillance and voice communication systems on the existing floor space of the premises.

In addition, we will upgrade the existing standalone clinical management information system to a cloud-based system that will facilitate better management of the new ambulatory care centre.

(2) Purchases of medical equipment for the new ambulatory care centre.

(3) The working capital expenses will be utilised for the day-to-day operation of the new ambulatory care centre which includes, amongst others, purchases of drugs and medical disposables, outsourced laboratory tests, professional fees, staff salary, utility and rental.

Currently, SSH is managed by a specialist doctor and a staff nurse in its day-to-day operation. Upon the completion of the upgrading into an ambulatory care centre, we will hire additional 7 staff, which includes a fertility specialist, 3 staff nurses, an embryologist, an andrologist and a counselor.

### 3. DETAILS OF OUR LISTING

For the new women's clinic in Malacca, the total estimated costs involved for the upgrading of Malacca's ACC Project is approximately RM3.02 million. We intend to allocate a total of RM2.62 million for such purpose, while the balance of RM0.40 million will be funded through internally generated funds.

SSH is incorporated in Malaysia on 19 December 2012. It is principally involved in provision of healthcare services in Central Malacca. The shareholders of SSH are Tay Swi Peng @ Tee Swi Peng and Kong Lan Moon. The directors of SSH are Tay Swi Peng @ Tee Swi Peng, Wong Pei Chin and Sivadevi Karunakaran.

Further details on the financial performance of SSH and the basis of the purchase consideration are set out in Section 8.2 of this Information Memorandum.

(ii) Marketing and accreditation program

During the past 2 FYE 31 December 2015 and FYE 31 December 2016, and FPE 30 September 2017, we have incurred approximately RM0.40 million, RM0.70 million, and RM0.50 million respectively on marketing and accreditation programs.

Our Group currently engages various marketing strategies such as hosting regular public forums and health seminars, details as set out in Section 5.6 of this Information Memorandum. We plan to continue our current marketing strategies in the future on a bigger scale to reach out to a wider set of audience. As for accreditation programs, we have identified 2 programs which would cost approximately RM0.10 million. It is essential for our reproductive medicine ambulatory care centres to participate in such programs in order to gain international recognition of our service quality and standards.

In view of the above, we intend to allocate RM0.30 million from the proceeds of the Listing to further boost our marketing and accreditation activities.

(iii) Estimated listing expenses

The proceeds allocated for our listing expenses include professional fees, fees payable to relevant authorities and other miscellaneous expenses in relation to our Excluded Issue and Listing.

In the event that the actual amounts vary from the above estimates, the excess or deficit, as the case may be, would be reallocated to/from the amount earmarked for business expansion, in particular working capital.

Pending the utilisation of proceeds for the abovementioned purposes, the proceeds would be placed as deposits with banks or licensed financial institutions and/or short-term money market instruments.

### 3.6 Purpose of our Listing

The purpose of our Listing is to:

- (i) enhance the corporate profile of our Group;
- (ii) enable us to access the equity capital market for cost effective capital raising;
- (iii) establish liquidity of our Shares; and
- (iv) provide the Sophisticated Investors with an opportunity to participate in the future performance of our Company by way of equity participation.

### 3. DETAILS OF OUR LISTING

#### 3.7 Details of moratorium

Pursuant to Rule 3.07 of the Listing Requirements, a moratorium will be imposed on the sale, transfer or assignment of Shares held by our Promoters, details as follows:

- (i) the moratorium applies to the entire shareholdings of our Promoters for a period of 12 months from the date of our admission to the LEAP Market;
- (ii) upon expiry of the 12 months period as stated above, the Company must ensure that the Promoters shall maintain their aggregate shareholdings amounting to at least 45% of our total number of issued Shares shall remain under moratorium for another period of 36 months;
- (iii) thereafter, subject to item (iv), the Promoters may sell, transfer or assign the shares held under moratorium; and
- (iv) where the Company has not generated 1 full financial year of operating revenue based on the latest audited financial statements, the moratorium in item (ii) will continue to apply until the Company has generated 1 full financial year of operating revenue based on its latest audited financial statements.

Our Promoters have undertaken that they will not sell, transfer or assign any part of their shareholdings during the abovementioned moratorium period.

The Shares that are subject to moratorium are as follows:

Promoters / Shareholder	Shares under moratorium for the first 12 months upon Listing		Shares under moratorium for the subsequent 36 months	
	No. of Shares	%	No. of Shares	%
Tay Swi Peng @ Tee Swi Peng	105,974,432	52.82	56,139,337	27.98
Kong Lan Moon	47,700,410	23.77	25,269,014	12.59
Tee Siew Kai	2,880,869	1.44	1,526,124	0.76
Lim Wai Khong	1,543,389	0.77	817,601	0.41
Country Range Sdn Bhd	12,346,384	6.15	6,540,425	3.26
<b>Total</b>	<b>170,445,484</b>	<b>84.95</b>	<b>90,292,501</b>	<b>45.00</b>

The moratorium, which is fully acknowledged by our Promoters, is specifically endorsed on our share certificates representing their shareholdings to ensure that our company secretary will not register any sale, transfer or assignment that is not in compliance with the above moratorium.

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### 3. DETAILS OF OUR LISTING

In order to ensure the implementation of our Company's future plans and prospects as stated in Section 5.10 of this Information Memorandum, the key management and doctors will place their Shares under a voluntary moratorium for a period of 12 months, details as follows:

Key management / Doctors	Shares under moratorium for the first 12 months upon Listing	
	No. of Shares	%
Wong Pei Chin	617,209	0.31
Elizebeth A/P K V Thomas	1,543,389	0.77
Augustine A/P S M Pushpanatan	1,234,419	0.62

Thereafter, the key management and doctors may sell, transfer or assign their shares held under moratorium.

#### 3.8 Dividend policy

Our Directors have considered the general principles that they currently intend to apply when recommending dividends for approval by our shareholders or when declaring any interim dividends. The actual dividend that our Directors may recommend or declare in respect of any particular financial year or period will be subject to the factors outlined below as well as any other factors deemed fit and relevant by our Directors. We may, by ordinary resolution of the shareholders, declare dividends at the general meeting, but no dividend shall exceed the amount recommended by our Board.

In considering the level of dividend, if any, upon recommendation by our Directors, we intend to take into account various factors including:

- (i) our expected results of operations;
- (ii) required and expected interest expense and taxation, cash flows, our profits and return on equity and retained earnings;
- (iii) our projected levels of capital expenditure and other investment plans;
- (iv) the prevailing interest rates and yields of the financial market; and
- (v) the level of our cash, marketable financial assets and level of indebtedness.

It will be the policy of our Directors in recommending dividends to allow shareholders to participate in the profits of our Group as well as maintaining adequate reserves for the future growth of our Group.

You should note that future dividends proposed and declared, may vary depending on the financial performance and cash flows of our Group and may not occur if the payment of the dividends would adversely affect the cash flows and operations of our Group.

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## 4. INFORMATION OF OUR GROUP

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### 4.1 Our history

In 1989, Tay Swi Peng @ Tee Swi Peng founded his first private maternity centre named Tee Maternity and Gynae Specialist Center at Jalan Pasar, Klang, Selangor under sole proprietorship. The core services provided to the public was ante-natal check-up, labour delivery, post-natal care, newborn nursery care, family planning and minor and major gynecology surgeries. Two years later, in 1991, Tee Maternity & Gyane Specialist Centre Sdn Bhd was incorporated to manage the expansion of business of TMGSC.

In 1992, surgical services in other medical disciplines were offered by a group of surgeons in TMGSC and MMC was incorporated to manage the additional general surgical services offered. The business of TMGSC kept growing to the point that the outpatient services should be managed separately. In 1994, KWT was incorporated to manage the spin-off.

In the 1990s, ART began to be accepted by Malaysian as an alternative form of treatment for infertility. Realising its potential in fertility treatment, TMGSC ventured into the ART segment in 1998 and began to provide IVF treatment in 1999. We started with IUI and IVF services. Within the sphere of ARS, IVF is the core service component offered by all IVF centres. Therefore, to differentiate our IVF services from the competitors, we created Metro IVF, a brand name for our ARS. In 1999, the first Metro IVF baby was successfully conceived and born as a healthy baby girl in 2000.

As the first hospital in Klang that provided IVF services to the local community and being one of the pioneer IVF centres in Malaysia, we continued to extend our ARS to include almost every ARS component such as ICSI, sperm freezing, embryo freezing, oocyte freezing, blastocyst culture, assisted hatching and preimplantation genetic diagnosis.

In 2004, KWT set up and managed a branch clinic at Jalan Morib, Banting. At that time, the objective was to provide outpatient medical services for the patients in Kuala Langat district. In the same year, the first ICSI baby of Metro IVF was successfully conceived and delivered at TMGSC. The first frozen embryo baby of Metro IVF was also born at TMGSC within the same year.

In 2006, MMC began to manage paediatric services such as vaccinations, consultations, treatments, emergency services and care for acute and chronic children in TMGSC. These services added value to patients who delivered babies in TMGSC as well as the public.

Metro Maternity Banting Sdn Bhd was incorporated in 2008 to manage the inpatient services of a newly set up private maternity hospital in Banting. Concurrently, the clinic at Jalan Morib, Banting was shifted to the new premises and continued to be managed by KWT. In 2010, Metro Maternity Banting Sdn Bhd was renamed as MIVF.

From 2010 to 2012, KWT set up 3 new clinics in succession namely Klinik Wanita Metro, Kuala Lumpur in 2010; Klinik Wanita Metro, Subang Jaya in 2011 and Klinik Pakar Wanita Metro, Kuala Selangor in 2012. Apart from these, in 2011, Tee Maternity & Gyane Specialist Centre Sdn Bhd was renamed to HWM and Precious Wisdom Sdn Bhd was incorporated in preparation for future business.

Besides setting up new clinics, Metro Maternity Kuala Selangor, a private maternity hospital, was established in 2012. KWT managed the hospitals' outpatient services, while HWM managed its inpatient services. The license of Klinik Pakar Wanita Metro, Kuala Selangor was subsequently disposed to eliminate redundancy that arises due to incorporation of Metro Maternity Kuala Selangor.

In 2012, the license of Klinik Wanita Metro, Kuala Lumpur was disposed due to unsustainable level of activities. Nonetheless, we began to conceive the idea of establishing a radiology and imaging centre to complement the existing women healthcare facilities in that year. Consequently, in the same year, we renamed Precious Wisdom Sdn Bhd to VONE for the future diagnostic imaging project.

#### 4. INFORMATION OF OUR GROUP

In 2015, VONE commenced its business to provide management of health screening services for HWM. In the same year, VONE obtained a license to operate Vision One Diagnostic Centre. It mainly provides radiology and diagnostic imaging services.

In 2015, KWT established Klinik Pakar Wanita Setiawalk in SetiaWalk, Puchong. Further, in the same year HWM completed the upgrade of its IVF laboratory at Hospital Wanita Metro, Klang.

In 2016, HWM started to offer PGD and PGS services for diagnosis of affected embryos for couples at risk of inherited diseases and screening of embryos with abnormalities.

In relation to management as a Group controlled by common directors namely Tay Swi Peng @ Tee Swi Peng and Kong Lan Moon, the Group revised its management framework to the current model where the Subsidiaries are segregated by location of the healthcare facility rather than type of services provided. Our current Group structure is as illustrated in Section 4.4 of this Information Memorandum.

In 2017, MIVF set up Metro IVF in Puchong as an ambulatory care centre for Reproductive Medicine supported by in-house IVF laboratory facility. In the same year, KWT set up Klinik Mey in Shah Alam to provide medical services to the local community.

Subsequently, on 15 November 2017, Metro entered into a share sale agreement to acquire the 5 Subsidiaries, namely HWM, MMC, KWT, MIVF and VONE. The purchase consideration for the acquisition was arrived at based on the audited NA of the respective companies as at 31 December 2016, adjusted for subsequent dividend payments. The acquisition was completed on 27 December 2017.

#### 4.2 Key achievements and milestones

Year	Key achievements and milestones
1989	Tay Swi Peng @ Tee Swi Peng set up his first private maternity centre named Tee Maternity and Gynae Specialist Center at Jalan Pasar, Klang, Selangor under sole proprietorship
1991	Tee Maternity and Gynae Specialist Center Sdn Bhd was incorporated to manage the business of TMGSC
1992	MMC was incorporated to manage surgical services provided by a group of surgeons
1994	KWT was incorporated to manage the outpatient services for TMGSC
1998	TMGSC began to venture into the ART sector.
1999	<ul style="list-style-type: none"> <li>• TMGSC began to offer IVF treatments</li> <li>• Our brand name, Metro IVF was created</li> </ul>
2000	The first IVF baby was successfully conceived and born
2004	<ul style="list-style-type: none"> <li>• KWT set up a branch clinic at Jalan Morib, Banting</li> <li>• The first ICSI baby of Metro IVF was born</li> <li>• first frozen embryo baby of Metro IVF was born</li> </ul>
2006	MMC began to manage paediatrics care in TMGSC
2008	Metro Maternity Banting Sdn Bhd was incorporated to manage the inpatient services
2010	KWT opened another new branch centres namely Klinik Wanita Metro in Kuala Lumpur
2011	<ul style="list-style-type: none"> <li>• KWT set up new branch namely Klinik Wanita Metro in Subang Jaya</li> <li>• TMGSC was renamed as HWM</li> <li>• Precious Wisdom Sdn Bhd was incorporated</li> </ul>

#### 4. INFORMATION OF OUR GROUP

Year	Key achievements and milestones
2012	<ul style="list-style-type: none"> <li>• KWT set up new branch namely Klinik Pakar Wanita Metro in Kuala Selangor</li> <li>• Precious Wisdom Sdn Bhd was renamed as VONE</li> <li>• Metro Maternity Kuala Selangor began its operation with KWT managed its outpatient services while HWM managed its inpatient services.</li> <li>• The licence of Klinik Pakar Wanita Metro in Kuala Selangor was disposed</li> </ul>
2013	<ul style="list-style-type: none"> <li>• Klinik Wanita Metro in Kuala Lumpur ceased operation</li> </ul>
2015	<ul style="list-style-type: none"> <li>• VONE has commenced its operation</li> <li>• KWT established Klinik Pakar Wanita at Setia Walk, Puchong</li> <li>• HWM completed the upgrade of the existing IVF laboratory at Hospital Wanita Metro (Klang)</li> </ul>
2016	<ul style="list-style-type: none"> <li>• HWM Started PGD and PGS services</li> <li>• The Group revised its management framework to current model</li> </ul>
2017	<ul style="list-style-type: none"> <li>• MIVF set up Metro IVF in Puchong</li> <li>• KWT set up Klinik Mey in Shah Alam</li> <li>• MHB acquired HWM, MMC, KWT, MIVF and VONE as Subsidiaries</li> </ul>

#### 4.3 Share capital

As at the LPD, our issued share capital is RM9,028,525 comprising 180,570,500 Shares.

The details of the changes to our issued share capital since incorporation are set out below:

Date of allotment	No. of Shares	Nature of transaction / Consideration	Cumulative issued share capital
23 June 2010	20	Incorporation of Company	20
8 November 2017	20	Share split	40
		Acquisitions:	
27 December 2017	73,215,820	Acquisition of HWM	73,215,860
27 December 2017	5,885,880	Acquisition of MMC	79,101,740
27 December 2017	51,108,080	Acquisition of KWT	130,209,820
27 December 2017	32,299,960	Acquisition of MIVF	162,509,780
27 December 2017	18,060,720	Acquisition of VONE	180,570,500

Upon completion of the Listing, our issued share capital will increase to RM13,646,810 comprising 200,650,000 Shares.

As at the LPD, our Company does not have any outstanding warrants, options, or convertible securities.

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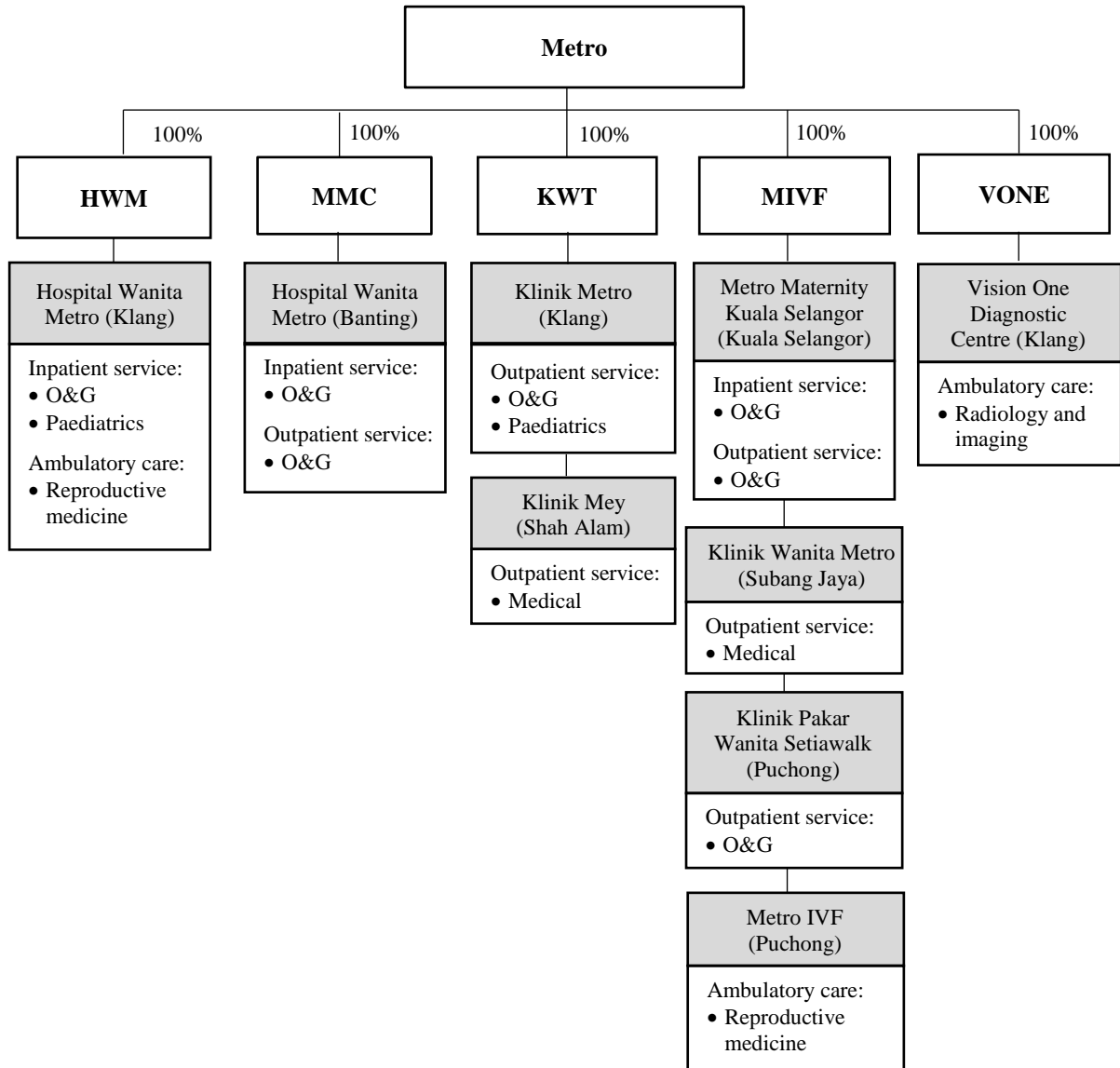
**4. INFORMATION OF OUR GROUP**

**4.4 Group structure**

Metro was incorporated in Malaysia under the Companies Act, 1965 on 23 June 2010 as a public limited company. The principal activity of our Company is investment holding.

As at the LPD, the Company has 5 Subsidiaries namely HWM, MMC, KWT, MIVF and VONE and no associated company.

Our existing Group structure is as follows:





#### 4. INFORMATION OF OUR GROUP

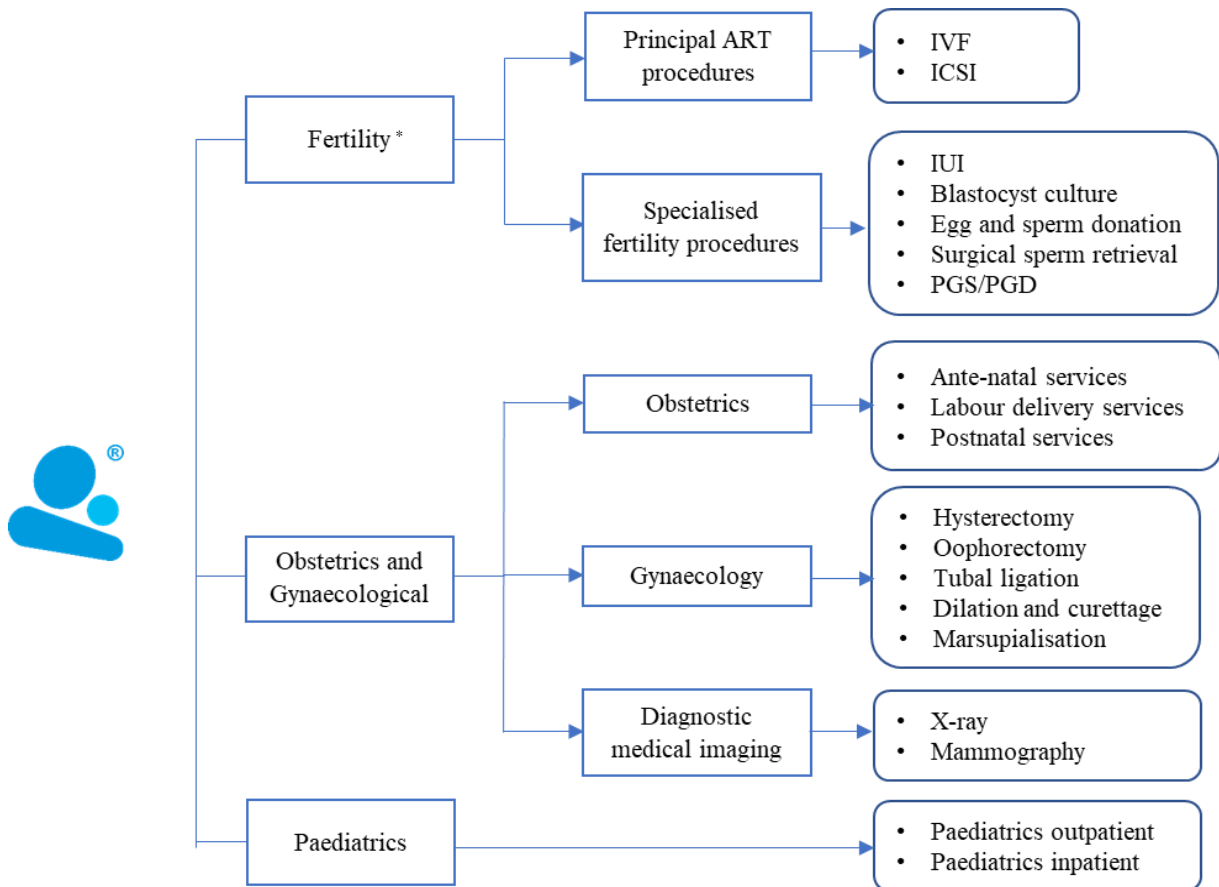
The details of our Subsidiaries as at the LPD are as follows:

Company	Date of Incorporation	Date of Commencement of Business	Issued Share Capital RM	Effective Equity Interest (%)	Principal Activities
HWM	26 September 1991	26 September 1991	1,186,000	100	Hospital and related consultation services
MMC	23 April 1992	23 April 1992	245,003	100	Hospital and related consultation services
KWT	10 June 1994	10 June 1994	100,000	100	Provision of healthcare consultation services
MIVF	26 November 2008	26 November 2008	100	100	Provision of healthcare consultation services
VONE	9 March 2011	2 January 2015	200,000	100	Diagnostic medical imaging centre

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## 5. BUSINESS OVERVIEW

### 5.1 Our business overview



Note:

\* Under reproductive medicine provided by ambulatory care centres.

### 5.2 Our services

#### 5.2.1 Fertility services

Assisted Reproductive Technology refers to the treatment methods used to assist infertile couples to conceive babies. We provide a comprehensive range of services for the couples, focusing on the causes of infertility and tailor our services according to our individual patient's needs.

#### Principal ART procedures

The principal ART procedures offered by us are as follows:

##### (a) In Vitro Fertilisation

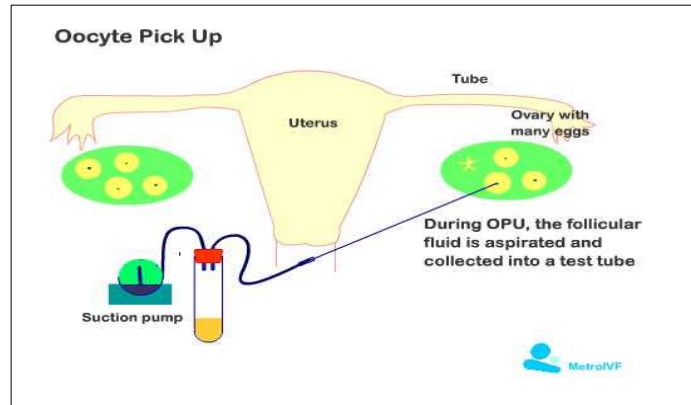
IVF is also known as 'test-tube baby' whereby fertilisation takes place outside the body. The IVF treatment is usually the preferred fertility treatment for the following circumstances:

- both fallopian tubes are blocked;
- low sperm count or male factor infertility; and/or
- other failed methods of ARS such as IUI.

## 5. BUSINESS OVERVIEW

This is a procedure whereby egg cells are fertilised by sperm outside the womb, *in vitro*. *In vitro* (Latin: within the glass) refers to the technique of performing a biological procedure in a controlled environment outside of a living organism.

The IVF process basically involves hormonally controlling and monitoring of the ovulatory stimulation process, which leads to the extraction of eggs from the woman's ovaries. Each egg is then placed in a special dish together with sperm to facilitate fertilisation and early development of embryos. The eggs, sperms and embryos are very sensitive. Experienced embryologists will ensure that they are nurtured in the most perfect environment within special incubators. The embryos are then transferred to the patient's uterus for a successful pregnancy.



The IVF services in our centre are established since year 1999. The first IVF baby was successfully delivered in our Klang centre on 4 March 2000. The baby is a healthy baby girl weighs 2.2kg.

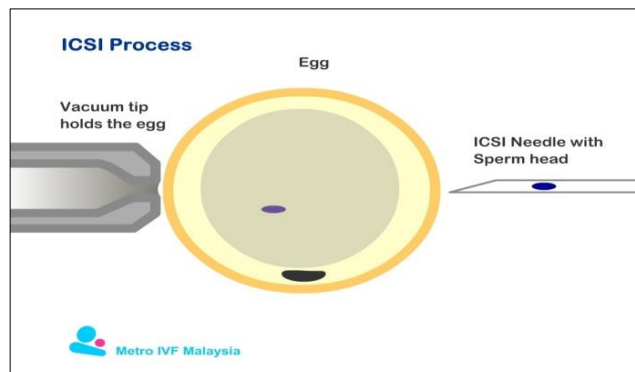
### (b) ICSI

ICSI is an extension of the conventional IVF and is one of the most prevalent ART (after IVF) used in the treatment of infertility today. It is typically used in the following circumstances:

- male factor infertility where the sperm is unable to penetrate the egg for fertilisation (very low sperm count or poor sperm quality and motility); and/or
- failed fertilisation (conventional) during previous IVF attempt(s).

ICSI involves the usual IVF and the embryologist injects a single sperm directly into the center of an egg using a micro-needle.

We started to provide the services since year 2004. The first ICSI baby was successfully delivered in our Klang centre on 14 December 2004.



## 5. BUSINESS OVERVIEW

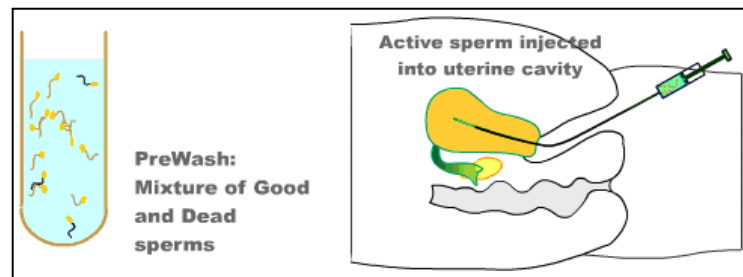
### Specialised fertility procedures

Our principal ART procedures, when necessary, can be supplemented by additional specialised procedures as follows:

(a) Intrauterine Insemination

IUI is a process of insemination of the washed and processed sperm into the uterus at the time of ovulation. The indications are:

- unexplained infertility;
- ovulatory dysfunction; and/or
- mild male factor infertility.



The female partner undergoes controlled ovarian stimulation process to produce multiple mature follicles. The growth of the follicles will be monitored and when the leading follicle reaches 18 mm in diameter, human chorionic gonadotropin injection is given to trigger the final maturation and ovulation of the eggs. The male partner will be asked to produce a sperm sample on the same day of the IUI procedure. The sperm sample will be processed by embryologists to remove the seminal plasma, debris, residual cells, dead and sluggish sperm. The washed active sperms will then be inserted into the uterus using a long and thin flexible tube through the cervical canal. The IUI procedure does not require sedation or general anaesthesia. As IUI relies on the natural ability of the sperm to fertilise an egg within the female reproductive tract, the procedure is performed when the male has reasonable sperm parameters and when the female has at least 1 functioning fallopian tube.

IUI is often offered as an initial fertility procedure as it is less invasive and less expensive than the ART treatments as described above.

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## 5. BUSINESS OVERVIEW

### (b) Blastocyst culture



A blastocyst is an embryo that has developed for 5 days after fertilisation, which consists of 50-200 cells. With blastocyst culture, embryos are cultured in the laboratory incubator to the blastocyst stage before they are transferred to the womb.

Although majority of the fertilised eggs will develop into a 2 days old embryo of 4 cells, only the strongest and healthiest embryo will develop into a blastocyst. Therefore, blastocysts are considered to be a selected group of good quality embryos with a higher chance of implantation. In addition, blastocyst culture provides a better co-ordination between the embryo and the uterus as it involves putting the embryo back in the right place, which is the uterus, and at the right time, which is the blastocyst stage. The process of blastocyst transfer is similar to an embryo transfer except that the transfer of the blastocyst will only be done 5 days after the OPU. In IVF treatment, OPU is the process of collecting mature eggs, directly from a woman's ovaries, prior to their release from ovarian follicles.

Blastocyst culture may not be suitable for all IVF patients. However, blastocyst culture is usually the preferred treatment for the following circumstances:

- repeated unsuccessful IVF treatment cycles; and
- single embryo transfer (to avoid the risk of multiple pregnancy).

### (c) Egg Donation

In egg donation, the eggs are obtained from a donor, and they are fertilised with the sperm of the recipient's male partner. The resultant embryos are then transferred into the recipient's womb. In this procedure, both the recipient and donor are treated with hormones to synchronise their cycles. The indications of egg donations are:

- cannot produce eggs of their own;
- advanced age female;
- premature ovarian failure;
- resistant ovary syndrome;
- hereditary disease; and/or
- repeated unsuccessful IVF cycles.

### (d) Sperm donation

Sperm donation is designed for men who do not have sperm of their own or have hereditary diseases. The sperm is collected from the sperm donor, and processed, then used for IUI or IVF.

## 5. BUSINESS OVERVIEW

### (e) Cryopreservation

Cryopreservation is a process where excess good quality embryos are frozen and kept in liquid nitrogen tanks at minus 196°C for future use. These frozen embryos may then be subsequently thawed and transferred into the female's uterus in a frozen embryo transfer cycle. This process is less costly than generating fresh embryos through a new ART cycle as it is a simpler procedure and does not require expensive superovulation drugs.

The first baby from FET was successfully conceived and delivered at our Klang centre on 5 December 2004.

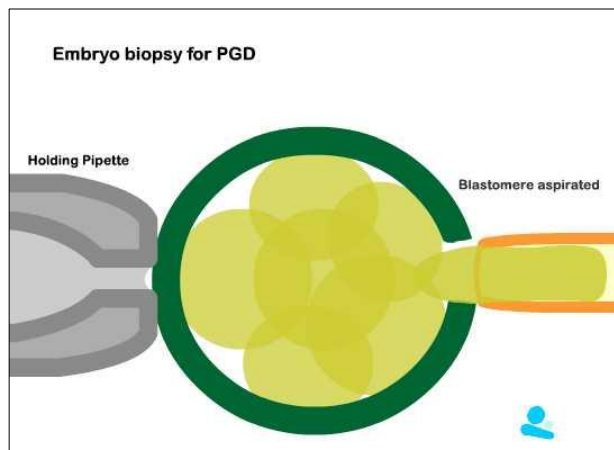


### (f) Surgical sperm retrieval

This is a minor surgery done to collect sperm from the vas deferens, epididymis or testis, which requires sedation or general anaesthesia. Unlike other procedures, this procedure removes sperm from man's genitals instead of waiting for the sperm to be ejaculated. Surgical sperm retrieval is intended to help men who actually have no sperm present in their ejaculate. Surgical sperm retrieval may also help those who are able to produce sperm but the sperm is prevented from entering the semen due to blockage of vas deferens or epididymis. Surgically retrieved sperm are immature and incapable of fertilising the eggs through conventional means. Thus, the sperm that is retrieved surgically will be used together with ICSI treatment to achieve fertilisation.

### (g) Preimplantation Genetic Diagnosis

Preimplantation genetic diagnosis is a technique used to identify genetic defects in embryos formed before transferring them back into the uterus. It requires IVF procedure to obtain embryos for PGD evaluation. PGD will help the couples at risk of an inherited disorder or mutation gene to prevent the transfer of affected embryos into the uterus. This is to avoid selective pregnancy termination of the affected child. It is considered as an alternative to prenatal screening.



## 5. BUSINESS OVERVIEW

PGD can also help those patients who undergo IVF treatment to screen the embryos for chromosome aneuploidies. In this situation, PGD is not used to perform specific prenatal diagnosis, but instead it used to screen the embryos for chromosomal abnormalities. It is better referred to as preimplantation genetic screening. The main indications for PGS include advanced maternal age, history of recurrent miscarriages, patients who have given birth to genetically abnormal babies. It has also been recommended for patients with obstructive and non-obstructive azoospermia because there is increased risk of foetal abnormalities.

Diseases that can be detected through PGD include:

- Down's syndrome (trisomy 21)
- Edward's syndrome (trisomy 18)
- Patau's syndrome (trisomy 13)
- Klinefelter's syndrome (47, XXY)
- cystic fibrosis
- Tay-sachs disease
- Beta-thalassemia
- Huntington's disease
- sickle-cell disease
- fragile-X syndrome
- haemophilia A, etc

PGD is done when an embryo reaches 8-cell stage, 1 or 2 cells are removed from the embryo, which the procedure is called embryo biopsy, or it can also be done by removing the trophoctoderm cells from the blastocyst. Genetic analysis is then performed on the cells that are obtained, to see whether the embryo contains the abnormal gene or chromosome. The biopsied cells are analysed using Next Generation Sequencing. NGS is the latest technology and it allows all 24 chromosomes and the genes in the cell to be identified with greater details and the result can be obtained after 48 hours.

The remainder cell mass from the embryos with normal gene will later be transferred back into the uterus and allowed to implant and develop. Those embryos that are chromosomally or genetically abnormal will not be transferred and allowed to perish. Normally the genetically normal embryos will be cultured until blastocyst stage and transferred back into the uterus 5 days after fertilisation.

Due to our many successful results of our fertility treatments, high pregnancy rate and the increase in demand for our fertility services, we have developed comprehensive fertility treatments by mid-2007, and will continue to increase our focus to provide these fertility services as one of our core services.

### 5.2.2 Obstetrics and Gynaecological services

Metro Healthcare provides a range of O&G services including the following:

#### Obstetrics services

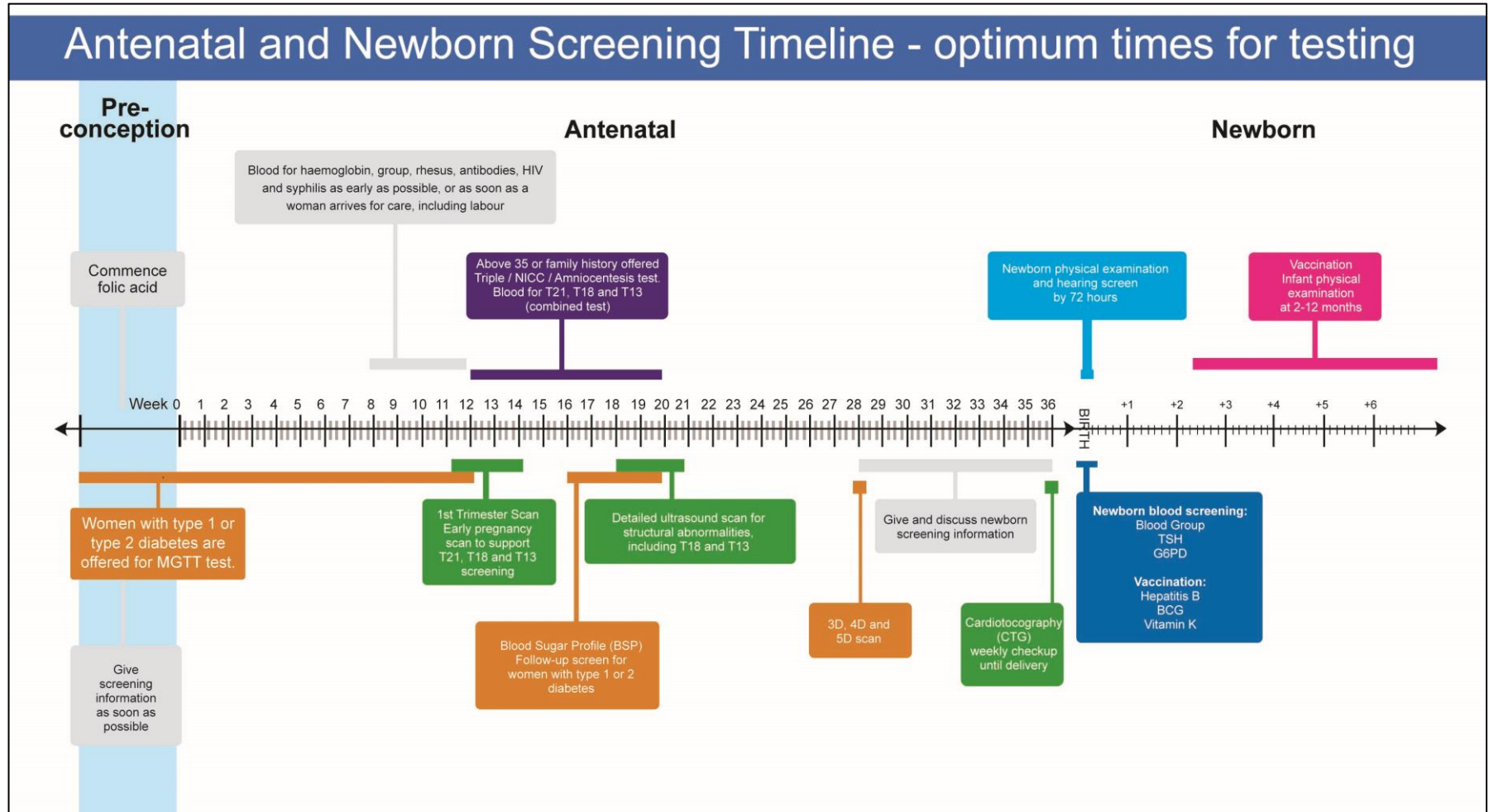
In obstetrics, we provide pre-pregnancy screening and counseling, as well as family planning counseling, ante-natal care, delivery procedures and postnatal care.

#### (a) Ante-natal services

During the ante-natal period, which is 9 months period before delivery, regular ante-natal check-up will predict, prevent, and detect any maternal and/or fetal complications during the pregnancy period. Each of our patient will be provided with approximately 10 consultation sessions, commencing from the first month of pregnancy until the delivery stage. Some of the services provided during the ante-natal period include ultrasound scanning, blood testing, amniocentesis and cardiotocogram.

5. BUSINESS OVERVIEW

The typical ante-natal schedule is as follows:





## 5. BUSINESS OVERVIEW

### (b) Delivery and postnatal services

At the end of the ante-natal period, our patients can choose to deliver their baby in any of our hospitals. The 5 methods of delivery, depending on maternal and fetal conditions, are as follows:

- (i) *Spontaneous vaginal delivery*, which is a form of delivery without the usage of forceps, vacuum or any other techniques;
- (ii) *Breech delivery*, which is a form of delivery when the baby enters the birth canal with the buttocks or feet first as opposed to the normal head first presentation. Most breech presenting babies are now delivered through Caesarean section for better safety to the baby;
- (iii) *Forceps delivery*, which is a form of delivery with the aid of a forceps being applied to the fetal head and traction is applied to hasten the delivery;
- (iv) *Vacuum delivery*, which is a form of delivery using a vacuum cup as an alternative to forceps; and
- (v) *Lower segment caesarean section*, whereby a surgical incision is made through the abdomen and uterus to deliver the baby (is commonly known as LSCS).

The option of delivery type will depend on the maternal and fetal conditions as well as the position of the fetus. The decision on the type of delivery will be made by the attending doctors with the aim of safe delivery for both the patient and the baby.

The vigorous process of delivery and hormonal changes during the pregnancy period may cause physical and psychological exhaustion to our patient. It is therefore, important to follow through postnatal care to ensure smooth recovery from the pregnancy and childbirth as well as to ensure that our patient is healthy and capable of taking care of her newborn and coping with the imminent life adjustment.

### Gynaecological and laparoscopic surgeries

Women's body is constantly changing from childhood to puberty, through pregnancy and delivery to postmenopausal life. Thus, we also provide consultancy services for gynaecological, reproductive and sexual health. The gynaecological surgeries which are provided by us include, amongst others, the following:

#### (a) Hysterectomy

Hysterectomy is a surgical operation to remove the uterus and occasionally together with the ovaries. Generally, hysterectomy should only be considered after other alternative treatments have been explored as the patient will not be able to bear children after this procedure. As such, this surgery is recommended for the following conditions:

- heavy vaginal bleeding;
- uterine fibroid;
- chronic pain in the lower abdomen;
- ovarian and uterus cancer; and
- prolapse, which is a condition whereby the uterus slips out of place.

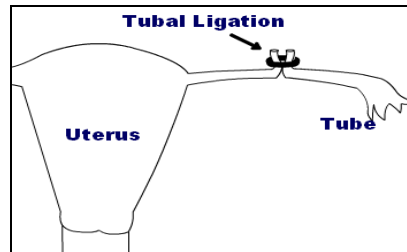
#### (b) Oophorectomy

Oophorectomy is the surgical removal of an ovary or ovaries. This surgery is often necessary for patients who are diagnosed with ovarian cancer or tumors and fallopian tube cancer. In many cases, oophorectomy is performed in conjunction with hysterectomy and is performed also as a preventive surgery to reduce the recurrence of cancer in the breast or ovary.

## 5. BUSINESS OVERVIEW

### (c) Tubal ligation

Tubal ligation is a form of permanent contraception whereby the fallopian tubes are blocked by placing rings on the tubes or surgically cut off to prevent future pregnancy. Typically, this surgical procedure will take approximately 20 to 30 minutes and is performed under general anesthesia.



Some of the minor gynaecological surgeries provided by us are as follows:

### (a) Dilation and curettage

Dilation and curettage is a surgical procedure that enlarges the cervical opening so that an instrument can be inserted into the uterus to scrape away and remove the lining of the uterus. This is commonly performed for the patient who experiences irregular bleeding, heavy vaginal bleeding or miscarriage.

### (b) Marsupialisation

Marsupialisation is a surgical treatment for Bartholin's cyst and abscess, which is caused by a blockage, inflammation or infection to the Bartholin duct. A small incision is made on the prominent part of the site and the incised layer is stitched to the adjacent skin to prevent closure. This is to ensure that the cyst remains open and fluid from the cyst can drain freely.

Laparoscopic surgery, which is also known as minimally invasive surgery or keyhole surgery, is a modern surgical technique whereby small incisions of 0.5 cm to 1.0 cm are made in the abdomen (as compared to the larger incisions needed in laparotomy) and a fine telescope with a magnifying glass at both ends is inserted through a small incision at the umbilicus and the internal female organs can be visualized on a monitor. Carbon dioxide is filled in the abdomen to separate the organs for easier viewing of the reproductive organs by the gynaecologist. The gas will then be removed after the procedure. Laparoscopic surgery is generally indicated for the investigation and treatment of endometriosis, determining the patency of fallopian tubes, hysterectomy, myomectomy and tubal surgery.

### 5.2.3 Paediatric services

For the convenience of our patients who deliver their babies in our women healthcare hospitals, we also provide the following paediatric services:

- (a) *Paediatric outpatient services* which include consultation, treatment, vaccination (as part of the normal vaccination schedule) to prevent from certain infections and diseases, and minor surgical procedures for children; and
- (b) *Paediatric inpatient services* are intended for children who are admitted to our hospitals. This includes newborn babies' screening, phototherapy, special neonate intensive care for pre-term babies and babies who require critical care, ventilation support, and common children's illnesses.

## 5. BUSINESS OVERVIEW

### 5.3 Principal Markets

Our principal market is currently in Malaysia. The majority of our patients are local patients located in the central region with an insignificant contribution from foreign patients to our Group's revenue.

### 5.4 Facilities

The private healthcare facilities managed by the Group can be divided into 3 categories, namely hospitals, ambulatory care centre and clinics, as detailed out below:

#### (i) Hospital

Name	Location	Services provided	No. of doctors	No. of beds
Hospital Wanita Metro	Klang, Selangor	Inpatient: O&G, Paediatrics Ambulatory care: Reproductive medicine	4	20
Hospital Wanita Metro	Banting, Selangor	Inpatient: O&G Outpatient: O&G	2	4
Metro Maternity Kuala Selangor	Kuala Selangor, Selangor	Inpatient: O&G Outpatient: O&G	1	4

Our ambulance services are outsourced.

#### (ii) Ambulatory care centre

Name	Location	Services provided	No. of doctors	No. of beds
Metro IVF	Puchong, Selangor	Ambulatory care: Reproductive medicine	1	2
Vision One Diagnostic Centre	Klang, Selangor	Ambulatory care: Radiology and imaging	1	1

Our ambulance services are outsourced.

#### (iii) Clinics

Name	Location	Services provided	No. of doctors	No. of beds
Klinik Pakar Wanita SetiaWalk	Puchong, Selangor	Outpatient: O&G	1	-
Klinik Metro	Klang, Selangor	Outpatient: O&G, Paediatrics	1	-
Klinik Metro Wanita	Subang Jaya, Selangor	Outpatient: Medical	1	-
Klinik Mey	Shah Alam, Selangor	Outpatient: Medical	1	-

Our clinics do not offer ambulance services.

## 5. BUSINESS OVERVIEW

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### 5.5 Our competitive strengths

We believe that the following competitive strengths have contributed to our market presence locally:

(i) Established track record and market reputation

The Group is one of the pioneers in IVF and ARS in Malaysia and it is well established in providing specialist women services to the local community as well as to medical tourists. Its strong foundation in reproductive medicine and O&G presents the opportunity for the Group to provide a wide range of specialist women services.

Generally, the fertility treatments are mainly concentrated in major towns and urban areas due to the high concentration of high income population who are able and willing to afford such treatments. However, we recognise the increasing demand for fertility treatments by the lower to middle income population as a result of increasing public awareness and acceptance of ART services. As such, since the launch of the Group's fertility services in 1998, we have built our reputation by providing fertility services to the general public, particularly to the Klang community, at an affordable cost without compromising on the quality and results of the treatment. In 2000, our first IVF baby was successfully conceived and born. On 9 September 2014, MIVF successfully delivered a baby girl for a 47-year-old woman. To the best of our knowledge, this records the oldest woman who successfully conceived with IVF in Malaysia using her own egg.

(ii) Wide range of women healthcare and related services

We offer a comprehensive range of women healthcare services and fertility services. For the fertility services, we offer a range of fertility treatments to diagnose and treat fertility problems for infertile couples. By having a wide range of fertility services, patients will be able to opt for the procedure that is most suited to their medical conditions. Instead of applying the standard treatment protocol that is effective for the majority cases, our fertility treatments are planned in a very individual way for each patient.

In addition, we provide pediatric services as we believe these services add value to the patients who deliver babies in the maternity hospitals. Our radiology and imaging centre in Klang also provides diagnostic imaging as complementary services to the O&G and fertility services. The complementary services will provide additional revenue to our Group and complement the existing women healthcare services.

(iii) Experienced medical and professional team

We have an experienced medical and professional team who is committed and experienced in their respective areas of specialisation. Our medical team comprises qualified and experienced doctors with specialist training in women healthcare, dedicated embryologists and ultrasonographers and are supported by a team of responsible and well-trained nurses, midwives, and administrative staffs. There are 9 doctors, which represents approximately 70% of our doctors who have more than 10 years of experience in women healthcare services. In particular, our Promoter, Tay Swi Peng @ Tee Swi Peng has more than 27 years of experience in women healthcare services and more than 19 years in fertility services. Our healthcare team regularly participated in and contributed to local and international scientific seminars and conferences in order to keep abreast with the latest medical technology and development. Our success in the provision of women healthcare and fertility treatments have been largely contributed by our medical team's skills and experiences as well as the good teamwork among the members within the team.

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## 5. BUSINESS OVERVIEW

### 5.6 Marketing strategies

The Group adopts the following marketing strategies to sustain and expand the market presence locally:

- position the Group as a one-stop centre providing a comprehensive range of maternal and perinatal services, including maternity services and fertility services, as well as pediatric services;
- host regular public forums and health seminars for the patients and general public, particularly married couples, to increase public awareness and to educate them on the high standards and wide availability of competitively priced ART services that can effectively deal with infertility issues; and
- collaborate with other medical practitioners and public hospitals to provide affordable IVF services to infertile couples.
- 

### 5.7 Customers and suppliers

#### 5.7.1 Major suppliers

We purchase pharmaceutical drugs from numerous local suppliers which most of the local suppliers distribute their products through distribution partners, amongst others Zuellig Pharma Sdn Bhd or Antah Pharma Sdn Bhd.

The major suppliers who individually contributed 10% or more of our Group's total purchases for the past 2 FYE 31 December 2015, 31 December 2016 and FPE 30 September 2017 are as follows:

Company	Purchases						Length of Business Relationship (Years)
	FYE 31 December 2015		FYE 31 December 2016		FPE 30 September 2017		
	RM'000	%	RM'000	%	RM'000	%	
Zuellig Pharma Sdn Bhd	693	38	726	41	700	41	> 15
Antah Pharma Sdn Bhd	324	18	299	17	431	25	> 15

We are not dependent on any one of our major suppliers as we are able to procure drugs from other suppliers in Malaysia.

#### 5.7.2 Major customers

Our patients are mainly from the central region of Peninsular Malaysia, specifically Klang and the surrounding districts' population. The Group's patients comprise mainly couples and individual women. Our patients are mainly referred by our existing or former patients, while some of them are referred by external medical practitioners. These patients are normally referred to the Group for women healthcare services specifically in relation to reproductive medicine, O&G. The referring medical practitioners may operate independently or they may be in a group practice. Due to the nature of our business, each patient does not individually account for more than 10% of the Group's total revenue for the past 2 FYE 31 December 2015, 31 December 2016 and FPE 30 September 2017. As such, the Group is not dependent on any individual patients.

### 5.8 Major approvals, major licenses and permits obtained

Our Group has obtained all the relevant approvals, licenses and permits required for our business and operations. The following are the approvals, major licenses and permits issued to our Group in order for us to carry out our business and operations:

## 5. BUSINESS OVERVIEW

No.	License Holder	Issuer / Authority	Type of License / Permit / Approval	Effective Date / Expiry Date	Salient Conditions *	Status of Compliance
1	HWM	Majlis Perbandaran Klang	<b>Lesen Iklan</b> in relation to Hospital Wanita Metro situated at No. 32, 34, 36 & 38, Jalan Pasar, 41400 Klang, Selangor Darul Ehsan	30 October 2017 / 31 December 2018	<p>This license will be revoked if its conditions or requirements including the By-Laws or any directions published by Majlis Perbandaran Klang are not complied with.</p> <p>This license must be displayed at all times at a noticeable place in the licensed premise.</p> <p>This license cannot be transferred or displayed in a premise that is different from the address indicated on the license.</p>	Complied
2	HWM	Jabatan Keselamatan dan Kesihatan Pekerjaan Selangor	<b>Perakuan Kelayakan Dandang</b> in relation to Hospital Wanita Metro situated at No. 32-38, Jalan Pasar, 41400 Klang, Selangor Darul Ehsan	23 February 2017 / 21 May 2018	<p>This certificate is valid until the date stated therein unless it has been suspended, cancelled or otherwise terminated in advance under the provisions of the Factories and Machinery Act 1967 (“<b>1967 Act</b>”) and provided that the provisions of the 1967 Act and the regulations in relation to the steam boiler are not violated.</p>	Complied
3	Pangkor Fishing Sdn Bhd Note: This license was issued to Pangkor Fishing Sdn Bhd, being the owner of the premises in which the elevator was installed.	Jabatan Keselamatan dan Kesihatan Pekerjaan Selangor	<b>Perakuan Kelayakan Mesin Angkat</b> in relation to Hospital Wanita Metro situated at No. 32, Jalan Pasar, 41400 Klang, Selangor Darul Ehsan Note: Pangkor Fishing Sdn Bhd is the landlord of this premises	18 April 2017 / 11 July 2018	<p>This certificate is valid until the date stated therein unless it has been suspended, cancelled or otherwise terminated in advance under the provisions of the Factories and Machinery Act 1967 (“<b>1967 Act</b>”) and provided that the provisions of the 1967 Act and the regulations in relation to the elevators are not violated.</p> <p>Pursuant to Regulation 26(1) of the Factories and Machinery (Notification, Certificate of Fitness and Inspection) Regulations 1970, upon inspection, this machinery is required to be operated by qualified persons who are registered with the Department of Occupational Safety and Health.</p>	Complied

## 5. BUSINESS OVERVIEW

No.	License Holder	Issuer / Authority	Type of License / Permit / Approval	Effective Date / Expiry Date	Salient Conditions *	Status of Compliance
4	HWM	Ketua Pengarah Kesihatan Malaysia	<b>Borang 4</b> - Lesen Untuk Mengendalikan Atau Menyediakan Kemudahan Atau Perkhidmatan Jagaan Kesihatan Swasta in relation to Hospital Wanita Metro situated at No. 32-38, Jalan Pasar, 41400 Klang, Selangor Darul Ehsan	30 May 2017 / 29 May 2019	<p>This license is invalid without the embossed seal of the Ministry of Health, Malaysia.</p> <p>To ensure that Rule 203, P.U. (A) 138/2006, Act 586 in relation to the nursing services in operating theatres are complied with.</p> <p>To ensure that the norms of the nursing staffs are sufficient at all times to provide the licensed facilities and services.</p>	Complied
5	Tay Swi Peng @ Tee Swi Peng	Majlis Daerah Kuala Selangor	<b>Lesen Tred/ Perniagaan</b> in relation to Metro Maternity Kuala Selangor, situated at No. 33, 35 37 & 39, Jalan Rhu 1, Taman Rhu, 45000 Kuala Selangor, Selangor Darul Ehsan	17 December 2017 / 16 December 2018	<p>This license must be renewed within 3 months prior to its expiry.</p> <p>This license must be displayed.</p> <p>This license is invalid unless the printed receipt is stamped on it and this license must be brought and submitted upon payment.</p>	Complied
	<p>Note: Tay Swi Peng @ Tee Swi Peng was the applicant of this license and we continue to renew the same annually, under Tay Swi Peng @ Tee Swi Peng's name</p>					
6	Metro Maternity Kuala Selangor	Jabatan Keselamatan dan Kesihatan Pekerjaan Selangor	<b>Perakuan Kelayakan Dandang Stim</b> in relation to Metro Maternity Kuala Selangor, situated at No. 33, 35, 37 & 39, Jalan Rhu 1, Taman Rhu, Jalan Kelang, 45000 Kuala Selangor, Selangor Darul Ehsan	31 October 2017 / 30 January 2019	<p>This certificate is valid until the date stated therein unless it has been suspended, cancelled or otherwise terminated in advance under the provisions of the Factories and Machinery Act 1967 ("<b>1967 Act</b>") and provided that the provisions of the 1967 Act and the regulations in relation to the steam boiler are not violated.</p>	Complied

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## 5. BUSINESS OVERVIEW

No.	License Holder	Issuer / Authority	Type of License / Permit / Approval	Effective Date / Expiry Date	Salient Conditions *	Status of Compliance
7	Metro Maternity Kuala Selangor	Jabatan Keselamatan dan Kesihatan Pekerjaan Selangor	<b>Perakuan Kelayakan Mesin Angkat</b> in relation to Metro Maternity Kuala Selangor, situated at No. 33, 35, 37 & 39, Jalan Rhu, Taman Rhu, Jalan Kelang, 45000 Kuala Selangor, Selangor Darul Ehsan	23 May 2017 / 17 August 2018	<p>This certificate is valid until the date stated therein unless it has been suspended, cancelled or otherwise terminated in advance under the provisions of the Factories and Machinery Act 1967 (“<b>1967 Act</b>”) and provided that the provisions of the 1967 Act and the regulations in relation to the elevators are not violated.</p> <p>According to Regulation 26 (1) of the Factories and Machinery (Notification, Certificate of Fitness and Inspection) Regulations 1970, upon inspection, this machinery is required to be operated by qualified persons who are registered with the Department of Occupational Safety and Health.</p>	Complied
8	HWM	Ketua Pengarah Kesihatan Malaysia	<b>Borang 4</b> - Lesen untuk Mengendalikan atau Menyediakan Kemudahan atau Perkhidmatan Jagaan Kesihatan Swasta in relation to Metro Maternity Kuala Selangor, situated at No. 33, 35, 37 & 39, Jalan Rhu 1, Taman Rhu, Off Jalan Kelang, 45000 Kuala Selangor, Selangor Darul Ehsan	30 December 2016 / 29 December 2018	<p>This license is not valid without the embossed seal of the Ministry of Health, Malaysia.</p> <p>To ensure that Rule 203, P.U. (A) 138/2006, Act 586 in relation to the nursing services in operating theatres are complied with.</p> <p>To ensure that the norms of the nursing staffs are sufficient at all times for the provision of licensed facilities and services.</p>	Complied
9	Tay Swi Peng @ Tee Swi Peng  Note: Tay Swi Peng @ Tee Swi Peng was the applicant of this license and we continue to renew the same annually under Tay Swi Peng @ Tee Swi Peng’s name	Majlis Daerah Kuala Langat	<b>Lesen</b> in relation to Hospital Wanita Metro, situated at No. 22-26, Jalan Emas 1, 47200 Banting, Selangor Darul Ehsan	2 November 2017 / 31 December 2018	<p>This license must be displayed at all times at a noticeable place in the licensed premise.</p> <p>This license will be revoked if its conditions or requirements including the By-Laws or any directions published by Majlis Daerah Kuala Langat are not complied with.</p>	Complied



## 5. BUSINESS OVERVIEW

No.	License Holder	Issuer / Authority	Type of License / Permit / Approval	Effective Date / Expiry Date	Salient Conditions *	Status of Compliance
10	Metro Maternity Banting Sdn Bhd Note: MIVF was previously known as Metro Maternity Banting Sdn Bhd	Jabatan Keselamatan dan Kesihatan Pekerjaan Selangor	<b>Perakuan Kelayakan Mesin Angkat</b> in relation to Hospital Wanita Metro, situated at No. 22-26, Jalan Emas, Bandar Sungai Emas, Sungai Manggis, 47200 Banting, Selangor Darul Ehsan	28 November 2016 / 27 February 2018	This certificate is valid until the date stated therein unless it has been suspended, cancelled or otherwise terminated in advance under the provisions of the Factories and Machinery Act 1967 (“ <b>1967 Act</b> ”) and provided that the provisions of the 1967 Act and the regulations in relation to the elevators are not violated.  According to Regulation 26 (1) of the Factories and Machinery (Notification, Certificate of Fitness and Inspection) Regulations 1970, upon inspection, this machinery is required to be operated by qualified persons who are registered with the Department of Occupational Safety and Health.	Complied
11	Metro Maternity Banting Sdn Bhd Note: MIVF was previously known as Metro Maternity Banting Sdn Bhd	Jabatan Keselamatan dan Kesihatan Pekerjaan Selangor	<b>Peakuan Kelayakan Dandang</b> in relation to Hospital Wanita Metro, situated at No. 22-26, Jalan Emas, Bandar Sungai Emas, Sungai Manggis, 47200 Banting, Selangor Darul Ehsan	23 February 2017 / 21 May 2018	This certificate is valid until the date stated therein unless it has been suspended, cancelled or otherwise terminated in advance under the provisions of the Factories and Machinery Act 1967 (“ <b>1967 Act</b> ”) and provided that the provisions of the 1967 Act and the Regulations in relation to the steam boiler are not violated.	Complied
12	HWM	Ketua Pengarah Kesihatan Malaysia	<b>Borang 4</b> - Lesen untuk Mengendalikan atau Menyediakan Kemudahan atau Perkhidmatan Jagaan Kesihatan Swasta in relation to Hospital Wanita Metro, situated at No. 22-26, Jalan Emas 1, Bandar Sungai Emas, Sungai Manggis, 42700 Banting, Selangor Darul Ehsan	18 May 2016 / 17 May 2018	This license is not valid without the embossed seal of the Ministry of Health, Malaysia.  This license is limited to low risk obstetric cases.  To ensure that the pediatricians are readily available at all times.  The patients’ safety is the full responsibility of the license holder.	Complied

## 5. BUSINESS OVERVIEW

No.	License Holder	Issuer / Authority	Type of License / Permit / Approval	Effective Date / Expiry Date	Salient Conditions *	Status of Compliance
					The Ministry of Health Malaysia shall not be liable for any implications which have occurred in the event the appointed pediatrician is absent when required.	
13	Tay Swi Peng @ Tee Swi Peng	Ketua Pengarah Kesihatan Malaysia	<b>Borang B</b> - Perakuan Untuk Menubuhkan Atau Menyenggarakan Atau Mengendalikan Atau Menyediakan Klinik Perubatan Swasta in relation to Klinik Metro, situated at No. 32-36, Jalan Pasar, 41400 Klang, Selangor Darul Ehsan	9 July 2017 onwards	This license is not valid without the embossed seal of the Ministry of Health, Malaysia.	Complied
	<p>Note: Pursuant to Form A of the First Schedule of the Private Healthcare Facilities and Services Act 1998, it is a requirement for the applicant of the license to be a medical practitioner.</p>					
14	Klinik Mey	Majlis Bandaraya Shah Alam	<b>Lesen Iklan</b> in relation to Klinik Mey situated at A-5, Tingkat Bawah, Jalan Zuhail U5/179, Pusat Komersial Arena Bintang, Seksyen U5, 40150 Shah Alam	29 May 2017 / 31 May 2018	<p>The applicant of this license is required to display the relevant address on the signage.</p> <p>The signage must be set up according to the Majlis Bandaraya Shah Alam's guidelines and specifications.</p> <p>The company's activities shall be stated in Bahasa Malaysia, the font size of the must be 5% larger than the company's name and placed above the company's name.</p> <p>Signage in Bahasa Malaysia are given priority compared to other languages and the same must be larger in size, with clear visual and position and must be verified by Dewan Bahasa dan Pustaka.</p>	Complied

## 5. BUSINESS OVERVIEW

No.	License Holder	Issuer / Authority	Type of License / Permit / Approval	Effective Date / Expiry Date	Salient Conditions *	Status of Compliance
15	Tay Swi Peng @ Tee Swi Peng	Ketua Pengarah Kesihatan Malaysia	<b>Borang B</b> – Perakuan Untuk Menubuhkan Atau Menyenggarakan Atau Mengendalikan Atau Menyediakan Klinik Perubatan Swasta in relation to Klinik Mey, situated at A-5, Tingkat Bawah, Jalan Zuhul U5/179, Pusat Komersial Arena Bintang, Seksyen U5, 40150 Shah Alam	26 October 2017 onwards	This license is not valid without the embossed seal of the Ministry of Health, Malaysia.	Complied
	<p>Note: Pursuant to Form A of the First Schedule of the Private Healthcare Facilities and Services Act 1998, it is a requirement for the applicant of the license to be a medical practitioner.</p>					
16	Klinik Wanita Metro	Majlis Perbandaran Subang Jaya	<b>Lesen Perniagaan</b> in relation to Klinik Wanita Metro, situated at No 36, GF, Jalan SS15/4D, 47500 Subang Jaya, Selangor Darul Ehsan	16 November 2016 / 31 December 2019	<p>This license and QR sticker must be displayed.</p> <p>The license must be renewed 3 months prior to its expiry.</p> <p>The license holder shall comply with the conditions of the business license set by the Majlis Perbandaran Subang Jaya Please visit <a href="http://www.mpsj.gov.my">www.mpsj.gov.my</a>.</p>	Complied
17	Augustine A/P S M Pushpanathan	Ketua Pengarah Kesihatan Malaysia	<b>Borang B</b> – Perakuan Untuk Menubuhkan atau Menyenggarakan atau Mengendalikan atau Menyediakan Klinik Perubatan Swasta in relation to Klinik Wanita Metro, situated at No. 36, Jalan SS15/4D, 47500 Subang Jaya, Selangor Darul Ehsan	27 January 2011 onwards	This license is not valid without the embossed seal of the Ministry of Health, Malaysia.	Complied
	<p>Note: Pursuant to Form A of the First Schedule of the Private Healthcare Facilities and Services Act 1998, it is a requirement for the applicant of the license to be a medical practitioner.</p>					

## 5. BUSINESS OVERVIEW

No.	License Holder	Issuer / Authority	Type of License / Permit / Approval	Effective Date / Expiry Date	Salient Conditions *	Status of Compliance
18	MIVF	Majlis Perbandaran Subang Jaya	<b>Lesen Perniagaan</b> in relation to Klinik Pakar Wanita Setia Walk, situated at F-10-3A, Block F, Setia Walk, Persiaran Wawasan, Pst Bdr Puchong, 47100 Puchong, Selangor Darul Ehsan	28 February 2017 / 25 February 2018	This license and QR sticker must be displayed.  The license must be renewed 3 months prior to its expiry.  The license holder shall comply with the terms of the business license set by Majlis Perbandaran Subang Jaya. Please visit <a href="http://www.mpsj.gov.my">www.mpsj.gov.my</a> .	Complied
19	Elizebeth A/P K V Thomas  Note: Pursuant to Form A of the First Schedule of the Private Healthcare Facilities and Services Act 1998, it is a requirement for the applicant of the license to be a medical practitioner.	Ketua Pengarah Kesihatan Malaysia	<b>Borang B</b> – Perakuan Untuk Munubuhkan atau Menyenggarakan atau Mengendalikan atau Menyediakan Klinik Perubatan Swasta in relation to Klinik Pakar Wanita Setia Walk, situated at F-10-3A, Block F, Setia Walk, Persiaran Wawasan, Pusat Bandar Puchong, 47100 Puchong, Selangor Darul Ehsan	29 May 2015 onwards	This license is not valid without the embossed seal of the Ministry of Health, Malaysia.	This Borang B was replaced by Borang F bearing Registration No. 231005-08350-11  Serial No. 002789, 004586 (refer to item no. 20 below)
20	Tay Swi Peng @ Tee Swi Peng  Note: Pursuant to Form A of the First Schedule of the Private Healthcare Facilities and Services Act 1998, it is a requirement for the applicant of the license to be a medical practitioner.	Ketua Pengarah Kesihatan Malaysia	<b>Borang F</b> - Perakuan Untuk Menubuhkan Atau Menyenggarakan Atau Mengendalikan Atau Menyediakan Klinik Perubatan Swasta in relation to Klinik Pakar Wanita Setia Walk, situated at F-10-3A, Block F, Setia Walk, Persiaran Wawasan, Pst Bdr Puchong, 47100 Puchong, Selangor Darul Ehsan	17 October 2017 onwards	This license is not valid without the embossed seal of the Ministry of Health, Malaysia.  The transfer of ownership of the certificate of registration is not permitted unless modification is made against non-compliance pursuant to Act 586 and its regulations.	Complied

## 5. BUSINESS OVERVIEW

No.	License Holder	Issuer / Authority	Type of License / Permit / Approval	Effective Date / Expiry Date	Salient Conditions *	Status of Compliance
21	MIVF	Majlis Perbandaran Subang Jaya	<b>Lesen Perniagaan</b> in relation to the ambulatory centre situated at No. F-06-G & F-07-G, Block F, Setiawalk, Persiaran Wawasan, Pusat Bandar Puchong, 47610, Puchong, Selangor Darul Ehsan	18 September 2017 / 14 October 2018	<p>This license and QR sticker must be displayed.</p> <p>The license must be renewed 3 months prior to its expiry.</p> <p>The license holder shall comply with the terms of the business license set by Majlis Perbandaran Subang Jaya. Please visit <a href="http://www.mpsj.gov.my">www.mpsj.gov.my</a>.</p>	Complied
22	MIVF	Jabatan Keselamatan dan Kesihatan Pekerjaan Selangor	<b>Perakuan Kelayakan Dandang Stim</b> in relation to the ambulatory centre situated at No. F-06-G, F-07-G & F-7-1, Block F, Setiawalk, Persiaran Wawasan, Pusat Bandar Puchong, 47610, Puchong, Selangor Darul Ehsan	23 December 2016 / 8 February 2018	<p>This certificate is valid until the date stated therein unless it has been suspended, cancelled or otherwise terminated in advance under the provisions of the Factories and Machinery Act 1967 (“<b>1967 Act</b>”) and provided that the provisions of the 1967 Act and the regulations in relation to the steam boiler are not violated.</p>	Complied
23	MIVF	Ketua Pengarah Kesihatan Malaysia	<b>Borang 4 - Lesen</b> untuk Mengendalikan atau Menyediakan Kemudahan atau Perkhidmatan Jagaan Kesihatan Swasta in relation to the ambulatory centre situated at No. F-06-G & F-07-G, Block F, Setiawalk, Persiaran Wawasan, Pusat Bandar Puchong, 47610, Puchong, Selangor Darul Ehsan	1 June 2017 / 31 May 2019	<p>This license is not valid without the embossed seal of the Ministry of Health, Malaysia.</p>	Complied

## 5. BUSINESS OVERVIEW

No.	License Holder	Issuer / Authority	Type of License / Permit / Approval	Effective Date / Expiry Date	Salient Conditions *	Status of Compliance
24	VONE	Majlis Perbandaran Klang	<b>Lesen Perniagaan dan Iklan</b> in relation to Vision One Diagnostic Centre, situated at No. 2, Tingkat Bawah, Jalan Gopeng, 41400 Klang, Selangor Darul Ehsan	30 October 2017 / 31 December 2018	<p>This approval of this license is subject to the conditions set by Klang Municipal Council, periodically.</p> <p>This license will be revoked if its conditions or requirements including the By-Laws or any directions published by Majlis Perbandaran Klang are not complied with.</p> <p>This license must be displayed at all times at a noticeable place in the licensed premise.</p> <p>This license cannot be transferred or displayed in a premise that is different from the address indicated on the license.</p>	Complied
25	VONE	Ketua Pengarah Kesihatan Malaysia	<b>Borang 4</b> - Lesen untuk Mengendalikan atau Menyediakan Kemudahan atau Perkhidmatan Jagaan Kesihatan Swasta in relation to Vision One Diagnostic Centre situated at Aras Bawah, No.2, Jalan Gopeng, 41400 Klang, Selangor Darul Ehsan	3 October 2017 / 2 October 2019	This license is not valid without the embossed seal of the Ministry of Health, Malaysia.	Complied
26	Sivanesan A/L Manikam @ Sivalingam	Ketua Pengarah Kesihatan Malaysia	<b>Lesen untuk Menstor Mengguna Radas Penyiranan dan Bahan Radioaktif</b> in relation to the Vision One Diagnostic Centre situated at Aras Bawah, No.2, Jalan Gopeng, 41400 Klang, Selangor Darul Ehsan	3 May 2016 / 2 May 2019	<p>The license issued by the Director General of Health, Ministry of Health Malaysia pursuant to the Atomic Energy Licensing Act 1984 (Act 304) (hereinafter referred to as "MOH" only) shall not be transferable.</p> <p>The license holder shall comply with all regulations stipulated in the Radiation Protection (Basic Safety Standard) Regulations 1988.</p>	Complied

Note:  
Pursuant to Section 12(3) of the Atomic Energy Licensing Act 1984, it is a requirement for the applicant of the license to be a registered medical practitioner,

**5. BUSINESS OVERVIEW**

No.	License Holder	Issuer / Authority	Type of License / Permit / Approval	Effective Date / Expiry Date	Salient Conditions *	Status of Compliance
	registered veterinary surgeon, radiologist, radiotherapist or registered dentist				<p>The application for the renewal of this license must be made at least 60 days prior to its expiry.</p> <p>The license holder shall notify the MOH of any exchange / retrieval / retrenchment of employees, particularly supervisors, radiation protection officers or operators at least 14 years before any exchange / retrieval / discharge is made.</p> <p>The license holder shall report to MOH of any accident / loss / theft involving radioactive material or radiation apparatus within 24 hours. Detailed written reports should be submitted to MOH within 30 days of the date of the incident.</p> <p>The license holder shall ensure that at least one trained operator has been approved by MOH to handle irradiation apparatus but this is limited to regular chest X-rays or extremities excluding skeletal axis only.</p> <p>The license holder shall ensure that the operation of mammography radiation apparatus is performed only by qualified women x-ray cameras and approved by MOH and trained in mammography.</p>	

*Note:*

\* *The salient conditions of the licenses have been translated from Bahasa Malaysia to English for the purposes of this Information Memorandum.*


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## 5. BUSINESS OVERVIEW

### 5.9 Brand names, patents, trademarks and other intellectual property rights

As at the LPD, save as disclosed below, our Group does not hold or own any other brand names, patents, trademarks or other intellectual property rights:

The following trademarks have been registered with the Registrar of Trade Marks, Intellectual Property Corporation of Malaysia.

No.	Trademark	Registered Proprietor	Issuing Authority	Registration No.	Product	Effective Date / Expiry Date	Country of Registration
1.		HWM	Intellectual Property Corporation of Malaysia	2011010125	Class 44  Obstetrics and gynaecology services, infertility treatment services including but not limited to IUI, IVF, ICSI and GIFT, IVF laboratory services, all included in Class 44.	1 June 2011 till 1 June 2021	Malaysia

### 5.10 Future plans and prospects

#### 5.10.1 Business strategies and future plans

Our Group's vision is to become the leading women healthcare provider in Malaysia, specialising in reproductive medicine, O&G. Moving forward, our Group's future plans and business strategies will centre on the following key action plans:

- (i) Establishing Metro Healthcare as a brand name and a centre of excellence for women healthcare specialising in reproductive medicine, obstetrics and gynaecology.

We aim to establish Metro Healthcare brand as a well-established team of medical specialists in women healthcare specialising in reproductive medicine, obstetrics and gynaecology nationally and internationally. We offer a wide range of women healthcare services provided by qualified medical professionals using modern medical equipment and technology. Our future plan is to replicate our business model in other states in Malaysia and, on a longer term, potentially to other ASEAN countries through our comprehensive knowledge of the industry and network.

As both the population and the income levels increase in Malaysia, we plan to serve patients both at the Group's existing and future healthcare facilities. In particular, we intend to utilise approximately RM3.42 million of the Listing proceeds to set up new specialist women's clinic in Johor Bahru as well as to acquire a new subsidiary, namely SSH, which has a specialist women's clinic in Malacca. Details of the business expansion are as set out in Section 3.5 of this Information Memorandum.

We are confident that we can duplicate our business model in the identified markets, strengthen our Group's brand, expand our market share and enhance our competitive advantages by having a wider market reach in Malaysia. The Group remains open to expansion through complementary and adjacent opportunities in the broad women's health sector and we will continue to identify and assess opportunities for domestic and international business expansion.



## 5. BUSINESS OVERVIEW

- (ii) Building a pool of talented specialists, doctors and management staff

We will continue to recruit and train a pool of management talents and healthcare professionals and at the same time manage and improve existing talent pool to serve our patients better and more efficiently. We will continue to invest in professional development for staff and to nurture the team of medical and management professionals in our Group's existing and future healthcare facilities. We believe that this can be achieved by providing a potential long-term rewarding career that provides ample opportunities for professional development and career satisfaction. We are committed to maintain the quality of service standards and continuously strive to exceed our patients' expectations.

- (iii) Building the Group's network in Malaysia

As we are expanding our reproductive medicine services geographically, we will establish and develop good working relationships with other independent healthcare providers who need our services for their patients. We will form collaborative IVF shared care programs that will be mutually beneficial to all parties. In our collaboration models, the collaborators will be involved in the counselling and management of their patients before and after the IVF procedures. The IVF services will be performed at our reproductive medicine facilities.

- (iv) Investing in modern and advanced technology

We will constantly improve our services by acquiring state-of-the-art medical equipment and keeping abreast of the latest medical technology as well as recent innovative procedures and medical discoveries in our line of services, so that we will remain at the forefront of the industry.

### 5.10.2 Future growth prospects

Barring any unforeseen circumstances, our Board is optimistic of the future of our Group. The continued upward ascendancy of the market is expected to be driven by a combination of factors such as the declining fertility rate afflicting the country, improving economy which will lead to greater spending, the fast expanding medical tourism market in Malaysia, active government participation, the various societal, cultural and familial pressures due to infertility, and, increasing awareness on the availability and efficacy of fertility treatment. As a consequence, we expect that demand for assisted reproductive services and the associated diagnostic testing and day care procedures will continue to rise.

Further, it is noted from Budget 2018 that Malaysia's health tourism industry will be strengthen as one of the country's sources of income. Amongst others, the Government is allocating funds to the Malaysian Healthcare Travel Council to promote Malaysia as the Asian Hub for Fertility Treatment (including IVF) and Cardiology. A Flagship Medical Tourism Hospital Programme will also be introduced, offering special incentive to private hospitals to attract medical tourists.

*(Source: "Prospering an Inclusive Economy, Balancing between Worldly and Hereafter, for the Wellbeing of Rakyat, Towards the TN50 Aspiration" – The 2018 Budget Speech by YAB Dato' Sri Mohd Najib Tun Haji Abdul Razak, Prime Minister and Minister of Finance, Introducing the Supply Bill (2018) in Dewan Rakyat)*

We will continue to invest in our network of fertility clinics and also the specialist women services to enable the Group to meet the demand from the local market. Recognising that the medical tourism has been going strong in Malaysia and fertility treatment is one of the main components in driving the growth of the medical tourism market, we will consider investment to further attract medical tourists from Middle East and ASEAN regions.

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## **6. RISK FACTORS**

**YOU SHOULD CAREFULLY CONSIDER, ALONG WITH OTHER MATTERS IN THIS INFORMATION MEMORANDUM, THE RISKS AND INVESTMENT CONSIDERATIONS BELOW.**

### **6.1 Risks relating to our business and our operations**

#### **6.1.1 We are exposed to risks that could affect our business and operation**

The principal business activities of our Company as set out in Section 5 of this Information Memorandum are subject to certain risks inherent in the healthcare services industry. These risks include but are not limited to obsolescence of healthcare technologies, introduction of new technologies, new entrants offering similar services to those of our Group, shortage in the supply of medical personnel, changes in demographic patterns, changes in business and credit conditions, increase in operating costs, inflation, taxation and adverse changes in the legal and environment framework within which the industry operates.

Our Group operates in a market where new advanced medical technologies facilitating couples to conceive are constantly evolving. Our Group's future growth and success would depend on our ability to enhance our fertility technology to achieve higher pregnancy rates and hence, meet the needs of our patients. Further, being a healthcare service provider, perception of our patients on the quality of our maternal and perinatal services is important for future references.

Our Group seeks to manage and/or limit these risks through, amongst others, having prudent management policies, expansion to domestic markets nationwide, provision of adequate, quality and timely medical treatments and services, expansion of service offerings and continued use of the latest medical technologies in our centres. However, there can be no assurance that any changes to these factors will not have a material adverse effect on the business and operations of our Group.

#### **6.1.2 We may be exposed to potential litigation and professional liability**

Our Group and our team of doctors have never been subject to any malpractice of negligence lawsuits and/or conduct inquiry. Nevertheless, being a medical services provider, our Group is generally exposed to the risk of potential litigation arising from the performance of the services which may not be able to meet the expectations of its patients. As such, our Group is vulnerable and susceptible to the risks of being exposed to potential malpractice of negligence lawsuits. Any of these lawsuits, regardless of their merit or eventual outcome, may have a material adverse effect on the professional standing and market reputation of our Group in relation to the quality of its services and standards of care and the business of our Group.

However, we are of the view that this risk is mitigated to a certain extent by measures taken to reinforce the safety standards and qualities to meet the expectations of the patients. In this respect, our Group conducts weekly clinical meetings for updates and continuing medical education to our medical personnel. HWM has also purchased medical malpractice insurance for the high risk procedures and surgeries in Hospital Wanita Metro, Klang. This is in addition to the individual malpractice insurance which the doctors purchase for their own medical practice.

#### **6.1.3 We are exposed to the risk of cost escalation**

Our Group purchases most of the imported patented drugs and laboratory media from the local distributors in local currency. The fluctuation in foreign exchange rates may directly affect the local price of the said drugs and media. Generally, the costs can be passed on to the patients. However, on a longer term, higher exchange rates may cause the Group to purchase those items at a high cost thereby affecting our Group's revenue and profitability due to possible reduction in the number of patients.

Cost escalation from acquiring medical technology, processes and equipment is another concern, resulting in rising overall cost for healthcare. At the same time, insurance companies may seek better terms on medical claims and this may erode the margins of our Group. In this respect, our Group hopes to minimise the impact with economies of scale gained through the expanding network of healthcare facility. However, there can be no assurance that the expanding network will contribute to immediate economies of scale of our Group.

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## **6. RISK FACTORS**

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### **6.1.4 We may face risks relating to natural disaster, security and system disruptions**

Every business faces the risk of losses arising from emergencies such as breakout of fire, energy crisis, flood and other natural disaster. Our Group has taken note of such risks and has taken the necessary precautions to reduce such risks by having proper emergency systems and carrying out periodical review on its security and maintenance. Our Group has in place a system of educating its employees on fire safety and evacuation process. Further, every business is generally exposed to security and system disruptions. Security risks would include unauthorised access to patients and other areas within the centres, while system disruption can be a result of water and power failure, as well as, breakdown in computer systems and medical equipment.

Our Group has taken several steps in order to mitigate these risks, including among others, hiring of security personnel and installation of security systems, structured checking of medical and other equipment, as well as, installation of generators to support critical equipment and areas. In the event that our Group is affected by the abovementioned factors, the financial performance and operations of our Group may be adversely affected. While our Group has taken appropriate insurance cover to mitigate these risks and the operations of our Group have not experienced such events in the past, there can no assurance that this will not happen in the future.

### **6.1.5 There is no assurance that our Group's insurance coverage would be adequate**

Our Group's operations are susceptible to and may be affected by events such as breakout of fire. In view thereof, HWM has purchased insurance policy for fire coverage in relation to the fixtures and fittings as well as medical equipments which amounting to approximately 83% of the net book value of HWM as at 31 December 2016. In addition, we will procure the necessary insurance coverage for the properties owned by us as well as for our medical equipment.

Although we will take necessary steps to insure our premises and our medical equipment, there can be no assurance that the insurance coverage would be adequate to compensate the repair and/or replacement costs or any consequential losses arising thereof.

### **6.1.6 We are dependent on experienced key personnel and team of doctors**

The success of our Group is believed to depend, to a significant extent, upon the abilities and continued efforts of our existing Directors and senior management as well as our team of doctors. To maintain a consistent level of high quality service to its patients and to increase our Group's competitiveness, our Group requires a skilled workforce, in particular, trained nurse as well as professional and ancillary services staff. Our Group's medical consultants are engaged under service contracts as independent service providers which are under the purview of the Malaysian Medical Council.

As such, should the skilled healthcare personnel terminate and/or fail to renew their engagement, cease to be with our Group due to whatever reason, this could have an adverse impact on the competitiveness and performance of our Group as a whole. Therefore, our Group's future success will depend upon our ability to attract and retain skilled personnel. In addition, appropriate measures are taken which include the provision of on-going training programmes and the offering of attractive remuneration packages as well as grooming talents for succession.

## **6.2 Risks relating to the industry in which our Group operates**

### **6.2.1 We face competition in our industry**

Hospitals are subject to increasing competition from new products, services and technological advances and may be affected by events and conditions including, among others, changes in demand for and methods of delivery of healthcare services, physicians' confidence in the facility, management capabilities, competition with other hospitals and healthcare providers, efforts by insurers to limit charges and changes in third party reimbursement policies, pressure from patients to reduce payments to healthcare providers, governmental regulation as well as the cost and potential unavailability of malpractice insurance.

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**6. RISK FACTORS**

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Although we believed that our Group is well positioned to capitalise on its reputation as a healthcare service provider that offers a comprehensive and quality range of healthcare services to its patients, there can be no assurance that our Group will be able to compete successfully in the future against existing or potential competitors or that our business and prospects will not be adversely affected by increased competition.

To mitigate such risks, our Board will continuously strive to improve its quality in terms of facilities, technology, and professional standards, enhance its reputation of reliability and meeting patients' expectations and improving the skills and knowledge of its employees.

**6.2.2 We may face shortage of pharmaceutical supply**

As a healthcare service provider specialising in maternal and perinatal services, pharmaceutical supplies such as hormonal drugs play a prominent role for dispensary and laboratory use as well as ensuring good pregnancy rates. All such hormonal drugs used especially in the IVF treatments are imported from the local distributors due to the lack of manufactured fertility drugs in Malaysia. Therefore, any shortage in the supply of pharmaceutical supplies will have an adverse impact on our Group's operations and financial performance.

Thus far, our Group has not experienced any shortage in supply of pharmaceutical supplies. With our good working relationships with our suppliers and established track record for purchase and payment commitment, we have access to a regular supply of drugs. Notwithstanding the above, there can be no assurance that any change of the abovementioned factors will not have any material adverse impact on our Group's operations and financial performance.

**6.2.3 We are exposed to potential inquiry into the conduct of our Group's medical practitioners**

Our Group's medical practitioners are under the purview of the Malaysian Medical Council, the body governing registered medical practitioners and their conduct in areas such as good medical practice, obligations of doctors to patients, and advertising and canvassing. Modern life brings doctors into contact with the general public in numerous ways, both directly and indirectly, and raises for them potential problems of conduct for which the Malaysian Medical Council may inquire into.

Should these key individuals terminate and/or fail to renew their engagement as consultants, cease to be with our Group due to whatever reason such as being struck-off or suspended from practice as ordered by Malaysian Medical Council and/or cease to practice as medical practitioners, this could have an adverse impact on the competitiveness and performance of our Group as a whole. These risks are mitigated by the continuing recruiting efforts by our Group to attract and retain more doctors to practice at the various healthcare facilities it operates.

**6.2.4 We are affected by political, economic and regulatory risks that are beyond our control**

The developments in political, economic and regulatory conditions in Malaysia could materially affect the business and financial prospects of the Group. The political, economic and regulatory uncertainties arising from economic downturn, unfavourable monetary and fiscal policy changes, exchange control regulations or introductions of new rules or regulations and changes in political leadership may affect the operations of our Group.

Although our Group will mitigate such risk by continuing to review its business development strategies in response to the changes in political, monetary, fiscal and economic conditions, there can be no assurance that any change to these factors would not have any material adverse impact on our Group's business in the future.

## 6. RISK FACTORS

### 6.2.5 We are exposed to the risk of operating licenses not being renewed

In order for our Group to operate hospitals in Malaysia, we are required to obtain certain licences and/or registrations with the Ministry of Health and other relevant authorities. Since all private healthcare facilities are subject to the regulations of Private Healthcare Facilities and Services Act 1998, it is critical for our Group's hospitals and ambulatory care centres to comply with Private Healthcare Facilities and Services (Private Hospitals and Other Private Healthcare Facilities) Regulations 2006, while the Group's clinics must comply with Private Healthcare Facilities and Services (Private Medical Clinics or Private Dental Clinics) Regulations 2006. Under the said regulations, while all private hospitals and ambulatory care centres are required to renew their licences bi-annually, private clinics' licences are not subject to similar renewal requirement.

The licences and registrations of our hospitals and ambulatory care centres are renewable, subject to the compliance with the relevant requirements and regulations imposed by Ministry of Health and other relevant authorities.

While we have not experienced any difficulty in renewing and maintaining these licences and registrations in the past, there is no assurance that the relevant authorities will issue any required licences or registrations within the anticipated timeframe or without any new terms or conditions imposed in the future. There is also no assurance that future legislatives or regulatory policy changes will not affect our operations.

### 6.3 Risks relating to an investment in our Shares

#### 6.3.1 There may not be an active or liquid market for our Shares

The listing of and quotation for our Shares on the LEAP Market of Bursa Securities does not guarantee that an active market for the trading of our Shares will develop.

There can also be no assurance that the Issue Price, which has been determined after taking into consideration the factors as set out in Section 3.3 of this Information Memorandum, will correspond to the price at which our Shares will be traded on the LEAP Market of Bursa Securities upon or subsequent to our Listing.

#### 6.3.2 We may not be able to proceed with or experience a delay for our Listing

Bursa Securities may not grant an approval-in-principle for our Listing or if granted, we may not be able to proceed with or experience a delay in our Listing due to, amongst others, the following reasons:

- (i) the identified Sophisticated Investors fail to subscribe for the portions of the Issue Shares allotted to them; or
- (ii) the occurrence of any force majeure events, which are beyond our control, before our Listing.

Nevertheless, we will endeavour to ensure compliance with the Listing Requirements for our successful listing on the LEAP Market of Bursa Securities.

#### 6.3.3 Our Promoters can exercise significant control over us

Upon Listing, our key Promoters namely Tay Swi Peng @ Tee Swi Peng and Kong Lan Moon will collectively control 76.59% of our enlarged issued share capital. As a result, these shareholders have voting control over our Company and are expected to have significant influence on the outcome of certain matters, unless they are required to abstain from voting by law and/or by the relevant authorities.

However, as part of our corporate governance policies, we have appointed Seah Cheong Wei and Koay Chiang Loong as Independent Non-Executive Directors to our Board and they will play an active role in our Board's deliberations to ensure future transactions involving related parties are entered into on an arms-length basis, so as to facilitate good corporate governance whilst promoting greater corporate transparency.

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**6. RISK FACTORS**

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**6.3.4 We may not be able to pay dividends**

Our Company, being an investment holding company, derives income mainly from dividends received from our Subsidiaries. Hence, our ability to pay future dividends and our ability to sustain our dividend policy in the future are largely dependent on the performance of our Subsidiaries. In determining the size of any dividend recommendation, we will also take into consideration a number of factors, including but not limited to our financial performance, cash flow requirements, debt servicing and financing commitments, future expansion plans, loan covenants and compliance with regulatory requirements.

**6.3.5 Forward-looking statements in this Information Memorandum are subject to uncertainties and contingencies**

Certain statements in this Information Memorandum are based on historical data, which may not be reflective of our future results and any forward-looking statements are subject to uncertainties and contingencies. All forward-looking statements are based on estimates, forecasts and assumptions made by our Company and our Group, and although believed to be reasonable, are subject to unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of our Group to differ materially from the future results, performance and achievements expressed or implied in such forward-looking statements. Such factors include, *inter alia*, general economic and business conditions, competition and the impact of new laws and regulations affecting our Group. In the light of these and other uncertainties, the inclusion of any forward-looking statements in this Information Memorandum should not be regarded as a representation by our Company or our Company's Approved Adviser that the plans and objectives of our Group will be achieved.

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## 7. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT

### 7.1 Promoters and substantial shareholders

#### 7.1.1 Shareholdings of our Promoters and substantial shareholders

The shareholdings of our promoters and substantial shareholders in our Company before and after our Listing are set out below:

Name	Country of incorporation / Nationality	As at the LPD				After Listing			
		Direct		Indirect		Direct		Indirect	
		No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Tay Swi Peng @ Tee Swi Peng	Malaysian	105,974,432	58.69	60,046,794 <sup>(1)(2)</sup>	33.25	105,974,432	52.82	60,046,794 <sup>(1)(2)</sup>	29.93
Kong Lan Moon	Malaysian	47,700,410	26.42	118,320,816 <sup>(3)(4)</sup>	65.53	47,700,410	23.77	118,320,816 <sup>(3)(4)</sup>	58.97
Tee Siew Kai	Malaysian	2,880,869	1.60	-	-	2,880,869	1.44	-	-
Lim Wai Khong	Malaysian	1,543,389	0.85	-	-	1,543,389	0.77	-	-
Country Range Sdn Bhd <sup>(5)</sup>	Malaysia	12,346,384	6.84	-	-	12,346,384	6.15	-	-

Notes:

<sup>(1)</sup> Deemed interested by virtue of his spouse, namely Kong Lan Moon's interest in the Shares, pursuant to Section 59(11)(c) of the Act.

<sup>(2)</sup> Deemed interested by virtue of having a controlling interest in Country Range Sdn Bhd, pursuant to Section 8(4)(b) of the Act.

<sup>(3)</sup> Deemed interested by virtue of her spouse, namely Tay Swi Peng @ Tee Swi Peng's interest in the Shares, pursuant to Section 59(11)(c) of the Act.

<sup>(4)</sup> Deemed interested by virtue of her interest in Country Range Sdn Bhd, pursuant to Section 8(4)(b) of the Act.

<sup>(5)</sup> The shareholders of Country Range Sdn Bhd are Tay Swi Peng @ Tee Swi Peng, Tee Siew Kai, Ong Siew Bee and Lim Wai Khong.

## 7. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT

### 7.1.2 Profile of our Promoters and substantial shareholders

The profiles of our Promoters and substantial shareholders are as follows:

**(i) Tay Swi Peng @ Tee Swi Peng**

Tay Swi Peng @ Tee Swi Peng, a Malaysian, aged 60, is the founder of our Group and the Executive Chairman. He was appointed to our Board on 23 June 2010.

He is a registered medical practitioner with the Malaysian Medical Council since 1983. He graduated in 1982 with a Bachelor of Medicine and Bachelor of Surgery (MBBS) from University of Malaya. He then performed his internship at Hospital Kota Bharu and subsequently continued his training in O&G at Seremban General Hospital and University Kebangsaan Malaysia. He had his final training at John Radcliffe Hospital, University of Oxford, United Kingdom, where he qualified and obtained his specialist qualification, and was admitted as a member of the Royal College of Obstetricians and Gynaecologists in 1989.

His passion and interests in treating infertile couples and continuous education led him to pursue and qualify with a postgraduate Diploma in Reproductive Medicine from the National Population & Family Development Board, Malaysia (LPPKN) in collaboration with Johns Hopkins Programme for International Education in O&G in 1986, later Bachelor of Science (Honours) in Computing from University of Portsmouth, United Kingdom in 2005 and finally a Master of Business Administration from University Tunku Abdul Rahman, Malaysia in 2009.

He established the Metro Healthcare Group in 1989 with the opening of our first private maternity centre at Jalan Pasar (which later became Hospital Wanita Metro), located in the heart of Klang, Selangor Darul Ehsan. He is one of the pioneer fertility consultants in the country.

He is presently a member of the Malaysian Medical Association, Obstetrical and Gynaecological Society of Malaysia and treasurer for the Malaysia Society for Assisted Reproductive Technology. He is also registered with the National Specialist Register.

Tay Swi Peng @ Tee Swi Peng currently sits on the board of several private limited companies as disclosed in Section 7.4 of this Information Memorandum.

**(ii) Kong Lan Moon**

Kong Lan Moon, a Malaysian, aged 60, is a Non-Independent Non-Executive Director. She was appointed to our Board on 29 April 2011. She graduated from University of Malaya with Bachelor of Medicine and Bachelor of Surgery (MBBS) in 1982 and then completed her internship and medical training in various government hospitals including Hospital Kota Bharu, General Hospital Johor Baru, Hospital Muar, Hospital Seremban and Hospital University Malaya.

Kong Lan Moon subsequently continued her specialist training in anaesthesiology in Hospital Seremban and University Hospital Kuala Lumpur and successfully completed her Master of Anesthesiology at University Malaya in 1992. Upon obtaining her Master of Anesthesiology from University of Malaya in 1992, she continued her career as a specialist Anesthesiologist at Hospital Tengku Ampuan Rahimah, Klang until 1994 when she joined Metro.

Kong Lan Moon is currently the Anesthesiologist at Metro and is registered with the National Specialist Register.

She is the spouse of Tay Swi Peng @ Tee Swi Peng. She currently sits on the board of several private limited companies as disclosed in Section 7.4 of this Information Memorandum.



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**7. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT**

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**(iii) Tee Siew Kai**

Tee Siew Kai, a Malaysian, aged 67, was admitted to Malaysian Institute of Accountants as a Chartered Accountant in 1983.

He completed the examinations of the Institute of Cost and Management Accountants in 1975 and is a fellow member of the Chartered Institute of Management Accountants, UK since 1992 as well as a fellow member of the CPA Australia since 2007. He started his professional training at Authur Andersen HRM in 1979 before establishing his own practice in 1983 under the name Messrs S.K. Tee & Co. whereby he is a sole practitioner. He has many years of experience in auditing, taxation and liquidation.

He is the brother of Tay Swi Peng @ Tee Swi Peng. He does not hold any position in our Group. He currently sits on the board of several private limited companies as disclosed in Section 7.4 of this Information Memorandum.

**(iv) Lim Wai Khong**

Lim Wai Khong, a Malaysian, aged 51, is the Managing Director of our Group. He was appointed to the Board on 29 April 2011.

He graduated in 1990 with a Bachelor of Science from University of Malaya. Soon after his graduation, he started his early career in the electrical and electronics industry involving multinational corporations that manufacture electrical components and appliances. He has gained invaluable experience in management fundamentals during his years in the manufacturing sector.

From the manufacturing industry, he switched to healthcare as a Hospital Administrator of our Group in 1997 to develop and hone his skills in hospital management. While working there, he continued his education and obtained a Postgraduate Certificate in Management from University of Lincoln, United Kingdom in 2003. He is instrumental in setting up branches and hospitals for our Group and has played important roles in management and technical matters along with the expansion of our Group. His commitment and contribution has led him to be promoted to General Manager of our Group in 2010.

In 2016, he successfully completed his Master of Business Administration at UUM as one of the milestones of progressive personal development. In the same year, he was also appointed as the Managing Director our Group, a post he currently holds. In line with the strategic directions of our Group, he will continue to steer our Group in keeping abreast with the latest technological advancements in reproductive medicine, and in constantly striving to improve the quality of service by investing in professional development.

Lim Wai Khong is the brother-in-law of Tay Swi Peng @ Tee Swi Peng. He currently sits on the board of several private limited companies as disclosed in Section 7.4 of this Information Memorandum.

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**7. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT**


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**(v) Country Range Sdn Bhd**

Country Range Sdn Bhd was incorporated in Malaysia on 11 October 1995 under Companies Act, 1965, as a private limited company. Country Range Sdn Bhd is principally an investment holding company.

As at the LPD, the issued share capital of Country Range Sdn Bhd is RM99,900 comprising 99,900 ordinary shares. The directors and substantial shareholders of Country Range Sdn Bhd as at the LPD are as follows:

Name	Nationality	Direct		Indirect	
		No. of shares	%	No. of shares	%
Tay Swi Peng @ Tee Swi Peng	Malaysian	81,901	82.00	-	-
Tee Siew Kai	Malaysian	6,000	6.00	-	-
Ong Siew Bee <sup>(1)</sup>	Malaysian	5,999	6.00	-	-
Lim Wai Khong	Malaysian	6,000	6.00	-	-

*Note:*

<sup>(1)</sup> *Ong Siew Bee is not a related party (as defined in the Listing Requirements).*

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## 7. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT

### 7.2 Directors

#### 7.2.1 Shareholdings of our Directors

The shareholdings of our Directors before and after our Listing are set out below.

Name	Designation	As at the LPD				After Listing			
		Direct		Indirect		Direct		Indirect	
		No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Tay Swi Peng @ Tee Swi Peng	Executive Chairman	105,974,432	58.69	60,046,794 <sup>(1)(2)</sup>	33.25	105,974,432	52.82	60,046,794 <sup>(1)(2)</sup>	29.93
Lim Wai Khong	Managing Director	1,543,389	0.85	-	-	1,543,389	0.77	-	-
Kong Lan Moon	Non-Independent Non-Executive Director	47,700,410	26.42	118,320,816 <sup>(3)(4)</sup>	65.53	47,700,410	23.77	118,320,816 <sup>(3)(4)</sup>	58.97
Seah Cheong Wei	Independent Non-Executive Director	-	-	-	-	-	-	-	-
Koay Chiang Loong	Independent Non-Executive Director	-	-	-	-	-	-	-	-

Notes:

<sup>(1)</sup> Deemed interested by virtue of his spouse, namely Kong Lan Moon's interest in the Shares, pursuant to Section 59(11)(c) of the Act.

<sup>(2)</sup> Deemed interested by virtue of having a controlling interest in Country Range Sdn Bhd, pursuant to Section 8(4)(b) of the Act.

<sup>(3)</sup> Deemed interested by virtue of her spouse, namely Tay Swi Peng @ Tee Swi Peng's interest in the Shares, pursuant to Section 59(11)(c) of the Act.

<sup>(4)</sup> Deemed interested by virtue of her interest in Country Range Sdn Bhd, pursuant to Section 8(4)(b) of the Act.

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**7. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT**

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**7.2.2 Profile of our Directors**

The profiles of Tay Swi Peng @ Tee Swi Peng, Lim Wai Khong and Kong Lan Moon, who are also our Promoters, are disclosed in Section 7.1.2 of this Information Memorandum.

**(i) Seah Cheong Wei**

Seah Cheong Wei, a Malaysian, aged 44, is an Independent Non-Executive Director. He completed his Master of Business Administration from Heriot-Watt University, United Kingdom in 2004 and Bachelor of Commerce in Accounting from University of Otago, New Zealand in 1995. He is a Chartered Accountant (CA) with CA memberships from Malaysian Institute of Accountants, Institute of Singapore Chartered Accountants and Chartered Accountants Australia and New Zealand.

He is a licensed auditor with about 20 years of experience. Currently he runs his own firm providing services in Auditing, Accounting, Company Secretarial and Consultancy services. He is a regular speaker for Corporate Secretarial Certificate courses endorsed by Suruhanjaya Syarikat Malaysia, Corporate Director Training Programme and Financial Reporting Standards training to Corporate, Institution and listed issuers.

Upon graduation in 1996, he worked with Deloitte for about 4 years. Resigning from Deloitte in 1999, he joined a few local firms as Audit manager as well as company secretary before setting up his own audit firm in 2007. These experiences enabled him to gain exposure to company law, taxation and various accounting and auditing standards.

He has no conflict of interests with the Company and he is not in the category of family relationship in relation to any of the Directors and/or substantial shareholders of the Company.

**(ii) Koay Chiang Loong**

Koay Chiang Loong, a Malaysian, aged 39, is an Independent Non-Executive Director. He completed his Bachelor Degree from University of Auckland, New Zealand in Medicine in 2004. Since then he practiced as a medical practitioner in various disciplines at various hospitals in New Zealand until 2012.

He is presently the Practice Manager at Ooi Dental Surgery, a well-established Dental Clinic in Klang. He joined Ooi Dental Surgery as in 2012 and was subsequently promoted to his current position in 2015. He is responsible for the overall operations of a busy dental practice, constantly envisioning and implementing various beneficial changes to improve overall efficiency and customer satisfaction.

He has no conflict of interests with the Company and he does not have any family relationship with any of the Directors and/or substantial shareholders of the Company.

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## 7. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT

### 7.2.3 Directors' remuneration

The total proposed Directors' remuneration including salaries, bonuses, fees, allowances and other benefits from Metro and its group of companies to be paid to the Directors upon Listing are as follows

Remuneration band	FYE 31 December 2017		FYE 31 December 2018	
	Executive Directors	Non-Executive Directors	Executive Directors	Non-Executive Directors
Less than RM50,000	-	2	-	2
RM50,001 – RM100,000	-	-	-	-
RM100,001 – RM150,000	-	-	-	-
RM150,001 – RM200,000	-	-	-	-
RM200,001 – RM250,000	1	1	1	1
RM250,001 – RM300,000	-	-	-	-
RM300,001 – RM350,000	-	-	-	-
RM350,001 – RM400,000	1	-	1	-

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## 7. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT

### 7.3 Key management

#### 7.3.1 Shareholdings of our key management

The shareholdings of our key management in our Company before and after our Listing are set out below:

Name	Designation	As at the LPD				After Listing			
		Direct		Indirect		Direct		Indirect	
		No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Tay Swi Peng @ Tee Swi Peng	Executive Chairman	105,974,432	58.69	60,046,794 <sup>(1)(2)</sup>	33.25	105,974,432	52.82	60,046,794 <sup>(1)(2)</sup>	29.93
Lim Wai Khong	Managing Director	1,543,389	0.85	-	-	1,543,389	0.77	-	-
Wong Pei Chin	Operations Manager	617,209	0.34	-	-	617,209	0.31	-	-
Khoo Chiau Chi	Accountant	-	-	-	-	-	-	-	-
Elizebeth A/P K V Thomas	Obstetrics & Gynaecology Registrar	1,543,389	0.85	-	-	1,543,389	0.77	-	-
Augustine A/P S M Pushpanatan	Obstetrics & Gynaecology Registrar	1,234,419	0.68	-	-	1,234,419	0.62	-	-
Nurol Faaidzah Binti Hassan	Senior Embryologist	-	-	-	-	-	-	-	-
Enid Gomis	Senior Ultrasonographer	-	-	-	-	-	-	-	-

Notes:

<sup>(1)</sup> Deemed interested by virtue of his spouse, namely Kong Lan Moon's interest in the Shares, pursuant to Section 59(11)(c) of the Act.

<sup>(2)</sup> Deemed interested by virtue of having a controlling interest in Country Range Sdn Bhd, pursuant to Section 8(4)(b) of the Act.

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**7. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT**

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**7.3.2 Profile of our key management**

The profiles of Tay Swi Peng @ Tee Swi Peng and Lim Wai Khong, who are also our Promoters and Directors, are disclosed in Section 7.1.2 of this Information Memorandum.

**(i) Wong Pei Chin**

Wong Pei Chin, a Malaysian, aged 49, is our Matron and Operations Manager. She was trained and qualified as a midwife in 1989 at the Chinese Maternity Hospital Kuala Lumpur. She joined Hospital Wanita Metro in the same year. Through many years of practice, she became a competent midwife and worked with the doctors in delivery thousands of babies safely. Due to her commitment and excellent performance in her work, our Group sponsored her to pursue Diploma in Nursing at Subang Jaya Medical Centre. She was graduated as a registered nurse in 2002 and continued her career at Hospital Wanita Metro as Registered Staff Nurse. Seven years later, she furthered her education in nursing practice and graduated with Bachelor of Science in Nursing Practice Development in 2011. She continued working with our Group and was promoted to Operations Manager in 2015.

Her responsibilities include managing the work of the staff to achieve optimum patient flow and cycle times appropriate for services, overseeing the training for staff, monitoring staff productivity, establishing standards and evaluating performance, and assuring staff long-term development.

She plays an important role in managing the team of nurses to assure that customer service standards are consistently met or exceed, conduct on-going patient and provider satisfaction surveys to measure and report performance, provide results to staff, identify opportunities to improve services and take corrective actions accordingly, maintain data and provide reports, respond promptly to resolve any patient complaints and maintain a safe and clean environment.

**(ii) Khoo Chiau Chi**

Khoo Chiau Chi, a Malaysian, aged 31, is our Accountant. She is currently responsible for overseeing the overall operations of the Accounts Department and Human Resource Management. She graduated from University Utara Malaysia with a Bachelor of Accounting (Honours) in 2010. She is a member of the Malaysian Institute of Accountants. She started her career as an Audit cum Tax Assistance with an audit firm in 2010. During her tenure at the audit firm, she was mainly responsible for handling audit and tax assignments for clients in various industries. She assisted in financial reporting matters and tax reports preparation. In 2013, she joined our Group as an Accountant.

She is responsible for the preparation of monthly and annual consolidated financial reports for our Group, ensuring that those financial reports are prepared accurately and is in compliance with the Malaysian accounting policies and regulations. She also prepares forecast and budget schedules for the Group. Further, her role involves training, coaching, and providing guidance and support to junior accounting staff of our Group to assist them in performing their tasks relating to the Group's financial report and analysis.

In term of Human Resource Management, she manages the monthly payroll of the Group and maintains the relevant data. She also coordinates the Group's performance appraisal of the employees.

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**7. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT**

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**(iii) Elizebeth A/P K V Thomas**

Elizebeth A/P K.V. Thomas, a Malaysian, aged 67, is our Obstetrics & Gynaecology Registrar. She graduated from Andhra University, India in 1976 with a degree in Bachelor of Medicine and Bachelor of Surgery (MBBS). Since her graduation, she served in various government hospitals such as Hospital Kuala Lumpur, General Hospital Muar, Hospital Kajang and Hospital Tengku Ampuan Rahimah. In 1994, she left the public sector to join Hospital Wanita Metro as an O&G Registrar.

Her passion in obstetrics works motivated her to attend various trainings such as Maternity and Foetal Medicine at Hospital Kandang Kerbau, Singapore and Reproductive Technique at National University, Singapore. She enjoys sharing her knowledge and experience in maternity care and preparations for parenting through platforms like public forums.

She attended the Neonatal Resuscitation Course at Hospital Tengku Ampuan Rahimah Klang in 2012 to improve her knowledge and skills in neonatal care. In addition, she is a HypnoBirthing practitioner since 2015. She has helped many couples who seek to deliver their babies through practiced and self-disciplined natural labour delivery process that emphasises relaxation and calmness.

Beyond her professional duties, she is responsible for training the nurses of our Group in order to continuously improve their nursing skills and knowledge. She also constantly advises the nursing supervisors and nurse manager on matters relating to infection control and safe nursing.

**(iv) Augustine A/P S M Pushpanatan**

Augustine A/P S M Pushpanatan, a Malaysian, aged 52, is our Obstetrics & Gynaecology Registrar. She graduated with Bachelor of Medicine and Bachelor of Surgery (MBBS) from Kastuba Medical College, India in 1993. Since her graduation, she was trained in various medical disciplines while working in many government hospitals such as Hospital Melaka and Hospital Kajang. In 2000, she left the public sector to join Hospital Wanita Metro as an O&G Registrar.

She has always displayed an excellent level of clinical competence in her profession. As an O&G Registrar, she has keen interests in helping her patients in areas of antenatal care, prenatal diagnosis and care, intrapartum and delivery care, postpartum and contraceptive care. She is also passionate about giving professional care to patients who seek treatment on general gynaecological disorders, infertility or menopause.

In the administrative level, she is in charge of the coordination and scheduling for the medical practitioners' duties in our Group. She is also the favorite facilitator of our public forums and continuing medical education programs.

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**7. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT**

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**(v) Nurol Faaidzah Binti Hassan**

Nurol Faaidzah Binti Hassan, a Malaysian, aged 31, is our Senior Embryologist. She graduated from University Industry Selangor (UNISEL) with a Degree in Bachelor Science (Hons) Bio-informatic in November 2008. In 2009, she worked as Assistant Researcher in a biotech company. She started her career as a trainee embryologist at Metro since 2010. Along her career, she attended numerous training programs and hands-on workshops in areas of semen analysis, sperm preparation, embryo culture, vitrification and micromanipulation technique and embryo biopsy, locally and internationally.

As a senior embryologist, she is well-versed in the laboratory works and competent in every aspect of clinical embryology. As the head of embryology department, she is responsible for the day-to-day operations of the ART laboratories.

**(vi) Enid Gomis**

Enid Gomis, a Malaysian, aged 32, is our Senior Ultrasonographer. She supervises a team of ultrasonographers and radiographers in our diagnostic medical imaging department.

She graduated from Management and Science University, Malaysia with Bachelor of Science in Biomedicine (Hons) in 2008. After her graduation, she furthered her studies in ultrasonography and was accredited with Postgraduate Diploma in Diagnostic Medical Ultrasonography (DMU ASIA) by the Australasian Society of Ultrasound In Medicine, (ASUM) Australia in 2009.

Upon graduation, she started working as an ultrasonographer at Hospital Wanita Metro. She has received multiple trainings in advanced medical ultrasonography both at local and overseas and is a speaker on ultrasonography in numerous public forums.

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## 7. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT

### 7.4 Involvement of our Promoters, substantial shareholders, Directors and key management in other business and corporation outside our Group

Save as disclosed below, none of our Promoters, substantial shareholders, Directors and key management is involved in other businesses or corporations outside our Group, for the past 3 years and as at the LPD:

#### (i) Tay Swi Peng @ Tee Swi Peng (Promoter and Director)

Company	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholdings held
<b><u>Present Involvement</u></b>					
Country Range Sdn Bhd	Investment holding	Director	22 March 2001	-	87
Delta Breeze Sdn Bhd	Investment holding	Director	30 September 1994	-	50
First Look Corporation Sdn Bhd	Investment holding	Director	1 July 1992	-	50
Ledang Spring Sdn Bhd	Investment holding	Director	21 December 2012	-	82
Pacific Seven Sdn Bhd	Investment holding	Director	18 July 1994	-	50
Pangkor Fishing Sdn Bhd	Investment holding	Director	10 October 1992	-	50
SSH Care Sdn Bhd *	Healthcare services	Director	19 December 2012	-	50
<b><u>Past Involvement</u></b>					
Prominent Anchor Sdn Bhd	Dormant	Director	14 January 2013	4 February 2015	-

Note:

\* The potential conflict of interests situation arising from Tay Swi Peng @ Tee Swi Peng's involvement in SSH is mitigated given that he is not involved in the day-to-day operations of SSH. Further, as disclosed in Sections 3.5 and 10.3 of this Information Memorandum, Metro had entered into a conditional sale and purchase agreement to acquire the entire issued share capital of SSH. Upon completion of the acquisition, SSH will become a subsidiary of the Group.

Tay Swi Peng @ Tee Swi Peng is not involved in the day-to-day operations of the abovementioned business activities or corporations outside our Group. His involvements mostly extend to attending meetings and discharging his responsibility as director of those companies. Accordingly, his involvements in the companies do not give rise to any conflict of interests situations and do not affect his contributions to our Group or adversely impact his ability to act as our Executive Chairman.

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## 7. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT

### (ii) Kong Lan Moon (Promoter and Director)

Company	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholdings held
<b><u>Present Involvement</u></b>					
First Look Corporation Sdn Bhd	Investment holding	Director	1 July 1992	-	50
Pangkor Fishing Sdn Bhd	Investment holding	Director	8 July 2004	-	50
SSH Care Sdn Bhd *	Healthcare services	-	-	-	50

Note:

\* *The potential conflict of interests situation arising from Kong Lan Moon's involvement in SSH is mitigated given that she is not involved in the day-to-day operations of SSH. Further, as disclosed in Sections 3.5 and 10.3 of this Information Memorandum, Metro had entered into a conditional sale and purchase agreement to acquire the entire issued share capital of SSH. Upon completion of the acquisition, SSH will become a subsidiary of the Group.*

Kong Lan Moon is not involved in the day-to-day operations of the abovementioned business activities or corporations outside our Group. Her involvements mostly extend to attending meetings and discharging her responsibility as director of those companies. Accordingly, her involvements in the companies do not give rise to any conflict of interests situations and do not affect her contributions to our Group or adversely impact her ability to act as our Non-Independent Non-Executive Director.

### (iii) Tee Siew Kai (Promoter)

Company	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholdings held
<b><u>Present Involvement</u></b>					
Asia Master Sdn Bhd	Dormant	Director	25 May 1996	-	50
Bangsar Power System Sdn Bhd	Provide all kinds of services in relation to air-conditioning systems	Director	29 February 2012	-	20
Bangsar TC Building Services Sdn Bhd	Provision of property maintenance services	Director	22 August 2011	-	30
Bangsar Trade Centre Sdn Bhd	Investment holding	Director	12 February 2010	-	-

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**7. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT**

Company	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholdings held
Country Range Sdn Bhd	Investment holding	Director	22 March 2001	-	6
Dominant Highland Sdn Bhd	Dormant	Director	25 October 2016	-	50
Domino Fortune Sdn Bhd	Dormant	Director	9 January 2012	-	60
Endless Topview Sdn Bhd	Dormant	Director	4 February 2015	-	50
Grand Bell Trading Sdn Bhd	Retailing and trading of all kinds of female undergarment and accessories	-	-	-	15
Heidelberg Kaffeehaus Sdn Bhd	Restaurant	Director	1 December 2011	-	-
Heng Meng Hardware Trading Sdn Bhd	Investment holding	Director	2 March 2015	-	50
Hortec Sdn Bhd	Investment holding	Director	5 April 1994	-	50
Karnason Healthcare Sdn Bhd	Dormant	Director	4 January 2016	-	60
Leading Edge Alliance Malaysia Sdn Bhd	Provision of technical updates, networkings and international affiliation	Director	20 April 2004	-	22
Ledang Spring Sdn Bhd	Investment holding	Director	21 December 2012	-	6
Nova Gateway Sdn Bhd	Dormant	Director	1 August 2014	-	50
Pacific Seven Sdn Bhd	Investment holding	Director	18 July 1994	-	50
Platinum Rainbow Sdn Bhd	Renting of properties	Director	30 July 2007	-	50
Pleasant Cottage Sdn Bhd	Dormant	Director	11 September 2007	-	50
Prominent Anchor Sdn Bhd	Dormant	Director	14 January 2013	-	50
S K Tee Tax Consultancy Sdn Bhd	To provide tax agent services	Director	9 March 2015	-	50
S. K. Tee & Co	To provide auditing and liquidation services	Sole Proprietor	10 October 1983	-	100

## 7. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT

Company	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholdings held
Skbase Asia Sdn Bhd	Investment	Director	30 July 2015	-	-
Solaris Bayview Sdn Bhd	Investment	Director	22 May 2012	-	-
TC Wholesale Sdn Bhd	Investment	Director	4 July 2013	-	-
TCH Consulting Sdn Bhd	Provision of business management and consultant services	Director	13 October 2006	-	50
Twin Pavilion Development Sdn Bhd	Property development	Director	12 February 2010	-	-
Twin Pavilion Properties Sdn Bhd	To provide property maintenance management services	Director	6 October 2010	-	20
Twin Pavilion Properties Management Sdn Bhd	Properties management services	Director	22 August 2011	-	50
<b><u>Past Involvement</u></b>					
SSH Care Sdn Bhd	Healthcare services	Director	19 December 2012	4 February 2015	-

In addition to the above, Tee Siew Kai has also been appointed as the liquidator, provisional liquidator and/or receiver of numerous companies.

Tee Siew Kai is not involved in the day-to-day operations of the abovementioned business activities or corporations outside our Group. His involvements mostly extend to attending meetings and discharging his responsibility as director of those companies. Accordingly, his involvements in the companies do not give rise to any conflict of interests situations.

### (iv) Lim Wai Khong (Promoter and Director)

Company	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholdings held
<b><u>Present Involvement</u></b>					
Country Range Sdn Bhd	Investment holding	Director	22 March 2001	-	4
Ledang Spring Sdn Bhd	Investment holding	Director	16 April 2013	-	6

Lim Wai Khong is not involved in the day-to-day operations of the abovementioned business activities or corporations outside our Group. His involvements mostly extend to attending meetings and discharging his responsibility as director of those companies. Accordingly, his involvements in the companies do not give rise to any conflict of interests situations and do not affect his contributions to our Group or adversely impact his ability to act as our Managing Director.

## 7. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT

### (v) Seah Cheong Wei (Director)

Company	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholdings held
<b><u>Present Involvement</u></b>					
Asia Knight Berhad	Investment holding. The company's subsidiaries are involved in the manufacturing of moulded plastic products	Independent Non-Executive Director	18 November 2010	-	-
Ho Lim Trading Sdn Bhd	Dormant	-	-	-	20
SCW	Auditing	Partner	8 August 2007	-	100
SL Tax Services	Provision of tax agent services	Partner	7 December 2011	-	50
Weikien Dental Sdn Bhd	Dental clinic	Director	18 March 2015	2 February 2017	-
Weikien Dental Centre Sdn Bhd	Dormant	Director	17 May 2013	10 February 2017	30
Weikien Dental Surgery Sdn Bhd	Dormant	Director	9 August 2010	10 February 2017	50

Save for SCW and SL Tax Services where he is a Partner, Seah Cheong Wei is not involved in the day-to-day operations of the abovementioned business activities or corporations outside our Group. His involvements mostly extend to attending meetings and discharging his responsibility as director of those companies. Accordingly, his involvements in the companies do not give rise to any conflict of interests situations and do not affect his contributions to our Group or adversely impact his ability to act as our Independent Non-Executive Director.

### (vi) Wong Pei Chin (Key management personnel)

Company	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholdings held
<b><u>Present Involvement</u></b>					
SSH Care Sdn Bhd *	Provision of Healthcare services	Director	4 February 2015	-	-

Note:

\* The potential conflict of interests situation arising from Wong Pei Chin's involvement in SSH is mitigated given that she is not involved in the day-to-day operations of SSH. Further, as disclosed in Sections 3.5 and 10.3 of this Information Memorandum, Metro had entered into a conditional sale and purchase agreement to acquire the entire issued share capital of SSH. Upon completion of the acquisition, SSH will become a subsidiary of the Group.

## 7. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT

Wong Pei Chin is not involved in the day-to-day operations of the abovementioned business activity or corporation outside our Group. Her involvements mostly extend to attending meetings and discharging her responsibility as director of the company. Accordingly, her involvement in the company does not give rise to any conflict of interests situations and does not affect her contributions to our Group or adversely impact her ability to act as our key management personnel.

### 7.5 Employees

A summary of our Group's total workforce as at the LPD is set out below:

Category	No. of employees
	As at LPD
Doctors	13*
Nurses and Midwives	39
Other medical personnel	39
Administrative	15
Support staff	10
<b>Total</b>	<b>116</b>

Note:

\* Including doctors who are on contractual basis.

We currently have 116 employees in our employment. None of our employees belong to any trade union and we enjoy good working relationship with our employees. We have not experienced any major turnover in our workforce.

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## 8. RELATED PARTY TRANSACTIONS AND CONFLICT OF INTERESTS

### 8.1 Existing and proposed related party transactions

Save as disclosed below, our Board confirms that there are no transactions existing and/or potential, entered or to be entered into by our Group which involve the interests, direct or indirect, of our Promoters, substantial shareholders, Directors, key management personnel and/or persons connected with them for FYE 31 December 2016 and subsequent period up to the LPD.

Transacting parties	Nature of relationship	Nature of transaction	Value of transactions	
			FYE 31 December 2016 (RM'000)	FPE 30 September 2017 (RM'000)
<b><u>Recurrent</u></b>				
Pangkor Fishing Sdn Bhd and HWM	Landlord and tenant	Rental	228	171
Country Range Sdn Bhd and KWT	Service provider and service recipient	Consultancy fees	150	113
Pangkor Fishing Sdn Bhd and MIVF	Landlord and tenant	Rental	156	117
Tay Swi Peng @ Tee Swi Peng and MIVF	Landlord and tenant	Rental	54	41
Country Range Sdn Bhd and MIVF	Landlord and tenant	Rental	144	108
Country Range Sdn Bhd and HWM	Landlord and tenant	Rental	48	36
Pangkor Fishing Sdn Bhd and KWT	Landlord and tenant	Rental	72	54
First Look Corporation Sdn Bhd and MMC	Landlord and tenant	Rental	86	65
Tay Swi Peng @ Tee Swi Peng and VONE	Landlord and tenant	Rental	66	50

Historically, our Group made advances and/or loans, which are non-interest bearing and are repayable upon demand, to related parties. The Group's advances and/or loans to related parties as at FYE 31 December 2016 and FPE 30 September 2017 are approximately RM6.25 million and RM0.25 million respectively. The purpose of the advances and/or loans is to assist the related parties to purchase properties which will then be leased to our Group. As shown in the table above, our Group has entered into tenancy agreements with related parties.

Our Group has taken this approach and the Promoters do not include the premises of the business in the listing Group due to the following reasons:

- (i) The segregation of hospital management and property ownership. It is noted that the business strategy to lease hospitals is not uncommon.
- (ii) Our Group enjoys potential cost savings as it does not need to incur the interest expenses assuming a direct purchase which entails depreciation charges; and
- (iii) Assuming that our Group were to lease / rent such properties for its operation from third party, there is a potential risk that those tenancy agreements may not be renewed. The relocation of operations may lead to our Group incurring additional cost.



## 8. RELATED PARTY TRANSACTIONS AND CONFLICT OF INTERESTS

The Group and its existing shareholders believe that the abovementioned arrangement is to the best interests to the operation of the Metro Group, and our Board takes the view that the rental rates are at or lower than the market rate.

Our Directors are of the view that the above related party transactions were carried out on an arm's length basis and on commercial terms which are not more favourable to the related parties than those generally available to third parties.

In the event there are any proposed related party transactions that require the prior approval of shareholders, the Directors, major shareholders and/or persons connected with a Director or major shareholder, which have any interest, direct or indirect, in the proposed related party transaction will abstain from voting in respect of their direct and/or indirect shareholdings. Where a person connected with a Director or major shareholder has interest, direct or indirect, in any proposed related party transactions, the Director or major shareholder concerned will also abstain from voting in respect of his direct and/or indirect shareholdings. Such interested Directors and/or major shareholders will also undertake that he shall ensure that the persons connected with him will abstain from voting on the resolution approving the proposed related party transaction at the general meeting.

### 8.2 Interests in similar businesses and in businesses of our customers or suppliers

Save as disclosed below, as at the LPD, none of our Promoters, substantial shareholders, Directors and/or key management personnel have any interests, direct or indirect, in the following:

- (i) any other businesses and corporations carrying on a similar trade as our Group; and/or
- (ii) any other businesses and corporations which are the customers or suppliers of our Group.

Promoter / substantial shareholder / Director / key management	Company	Principal activities	Nature of Interest
Tay Swi Peng @ Tee Swi Peng	SSH	Healthcare services	Director and shareholder holding 50% equity interests
Kong Lan Moon	SSH	Healthcare services	Director and shareholder holding 50% equity interests

Our Board is of the opinion that the potential conflict of interests situation arising from the interests of our Promoters and/or Director in other businesses or corporations which are also providing healthcare services is mitigated given that both Tay Swi Peng @ Tee Swi Peng and Kong Lan Moon are not involved in the day-to-day operations of SSH. Further, as disclosed in Sections 3.5 and 10.3 of this Information Memorandum, Metro had entered into a conditional sale and purchase agreement to acquire the entire issued share capital of SSH. Upon completion of the acquisition, SSH will become a subsidiary of the Group.

Notwithstanding the above, in the event of a potential conflict of interests situation, such Promoters, substantial shareholders and/or Director and/or persons connected with them are obliged, if required by law or regulations, to abstain from voting on the resolutions relating to such matters or transactions that require the approval of our shareholders in respect their direct and indirect interest.

For information purposes, the purchase consideration of approximately RM0.40 million for the acquisition of SSH was arrived at based on the adjusted net asset value of SSH as at 30 September 2017, details as follows:

	RM
Unaudited NA as at 30 September 2017	(46,057)
Capitalisation of amounts due to director and related parties	443,435
<b>Adjusted NA</b>	<b>397,378</b>

**8. RELATED PARTY TRANSACTIONS AND CONFLICT OF INTERESTS**

A summary of the financial performance of SSH as at 30 September 2017 is as follows:

	<b>Unaudited FPE 30 September 2017 RM'000</b>
Revenue	265
Profit before tax	(186)
Profit after tax	(186)
Share capital	200
Shareholders' fund / NA	(46)
NA per share (RM)	(0.23)
Current ratio (times)	0.47
Total borrowings	-
Gearing (times)	-

**8.3 Other transaction**

There are no transactions that are unusual in nature or conditions, involving goods, services, tangible or intangible assets, to which we were a party during the FYE 31 December 2016 up to the LPD.

There are no outstanding loans, including guarantees of any kind made by our Group to or for the benefit of related parties during the FYE 31 December 2016 up to the LPD.

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## 9. FINANCIAL INFORMATION

### 9.1 Historical financial information

#### 9.1.1 Audited combined statement of profit or loss and other comprehensive income

The following table sets out a summary of the audited combined statements of profit or loss and other comprehensive income for the FYE 31 December 2015 and FYE 31 December 2016, and unaudited financial statements of profit or loss and other comprehensive income for 9-month FPE 30 September 2017 and should be read in conjunction with the 'Management Discussion and Analysis' of financial condition and results of operation in Section 9.2 of this Information Memorandum:

	← Audited →		Unaudited
	FYE 31 December 2015	FYE 31 December 2016	FPE 30 September 2017
	RM'000	RM'000	RM'000
Revenue	16,048	16,755	14,160
Direct operating expenses	(7,695)	(8,201)	(6,724)
Gross profit	8,353	8,554	7,436
Other operating income	347	528	308
Administrative expenses	(4,356)	(4,978)	(3,964)
<b>PBT</b>	4,344	4,104	3,780
Taxation	(1,070)	(770)	(750)
<b>PAT</b>	3,274	3,334	3,030
EBIT	4,344	4,102	3,779
EBITDA	5,148	5,012	4,241
Gross profit margin (%)	52	51	53
PBT margin (%)	27	24	27
PAT margin (%)	20	20	21
Gross EPS (sen)	4.83	4.94	4.30
Net EPS (sen)	1.89	1.93	1.75

#### 9.1.2 Audited combined statements of financial position

The following table sets out a summary of the audited combined statements of financial position for the FYE 31 December 2015 and 31 December 2016, and unaudited combined statements of financial position for 9-month FPE 30 September 2017 and should be read in conjunction with the 'Management discussion and analysis of financial condition and results of operation' in Section 9.2 of this Information Memorandum:

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**9. FINANCIAL INFORMATION**

	← Audited →		Unaudited
	FYE 31 December 2015	FYE 31 December 2016	FPE 30 September 2017
	RM'000	RM'000	RM'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4,297	5,558	6,900
Investment <sup>(1)</sup>	1,832	2,894	2,957
Deferred tax assets	-	14	-
	6,129	8,466	9,857
<b>Current assets</b>			
Inventories	518	582	679
Trade receivables	148	148	434
Other receivables <sup>(2)</sup>	6,683	6,726	849
Tax recoverable	75	114	-
Cash and cash equivalents	627	519	565
	8,051	8,089	2,527
<b>Total assets</b>	14,180	16,555	12,384
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	1,731	1,731	1,731
Retained earnings	10,038	13,016	8,926
	11,769	14,747	10,657
<b>Non-Current Liabilities</b>			
Deferred tax liabilities	322	296	282
	322	296	282
<b>Current Liabilities</b>			
Trade payables	608	409	521
Other payables	660	782	593
Amount owing to a Director	408	202	236
Provision for taxation	413	119	95
	2,089	1,512	1,445
<b>Total equity and liabilities</b>	14,180	16,555	12,384
Number of Shares in issue ('000) <sup>(3)</sup>	1,731	1,731	1,731
NA per Share (RM)	6.80	8.52	6.16

**9. FINANCIAL INFORMATION**

Notes:

(1) Comprise of quoted investment (i.e. quoted shares) in Malaysia.

(2) The breakdown of the other receivables is as follows:

	FYE 31 December 2015	FYE 31 December 2016	FPE 30 September 2017
	RM'000	RM'000	RM'000
Other receivables			
- Third parties	19	70	160
- Related parties	6,333	6,255	247
Deposits and prepayments	331	401	442
	<b>6,683</b>	<b>6,726</b>	<b>849</b>

Majority of the other receivables arises from advances and payments made on behalf of related parties. The amount owing by related parties contributed 95% and 93% to other receivables for FYE 31 December 2015 and 31 December 2016 respectively. These advances to related parties, which are non-interest bearing and are repayable upon demand, are to assist the related parties to purchase properties which will then be leased to our Group. Further details on such arrangement are as set out in Section 8.1 of this Information Memorandum.

As of 30 September 2017, a significant portion of the amounts owing by related parties have been settled. The remaining amount of approximately RM0.25 million was fully settled in October 2017.

(3) The total number of Shares in issue of 1.731 million is calculated based on the total number of shares in issue of all the companies in our Group. Details of the share capital of the respective companies are set out in Appendix I, Note 11 to the Combined Financial Statements of Metro Group.

Our Group had not been established as of FPE 30 September 2017. Therefore, the financial statements of our Group for FYE 31 December 2015, FYE December 2016 and FPE 30 September 2017 are prepared by combining the financials of all the companies in our Group. Accordingly, the share capital is calculated based on the combination of the share capital of all the companies in our Group, instead of the consolidated share capital of our Group as at the LPD which comprises of 180,570,500 Shares.

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## 9. FINANCIAL INFORMATION

### 9.1.3 Combined statements of cash flows

The following table sets out a summary of the audited combined statements of cash flows for the FYE 31 December 2015 and 31 December 2016, and unaudited combined statements of financial position for 9-month FPE 30 September 2017 and should be read in conjunction with the 'Management Discussion and Analysis' of financial condition and results of operation in Section 9.2 of this Information Memorandum.

	← Audited →		Unaudited
	FYE 31 December 2015	FYE 31 December 2016	FPE 30 September 2017
	RM'000	RM'000	RM'000
Net cash generated from operating activities	4,314	3,235	9,318
Net cash used in investing activities	(2,758)	(3,098)	(2,186)
Net cash used in financing activity	(1,579)	(244)	(7,086)
Net increase / (decrease) in cash and cash equivalents	(23)	(107)	46
Cash and cash equivalents at beginning of the year	650	627	519
Cash and cash equivalents at the end of the year	627	519	565

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## 9. FINANCIAL INFORMATION

### 9.2 Management discussion and analysis of financial condition and results of operations

Our Group is principally involved in the provision of women healthcare services offering fertility, O&G, and paediatrics services as set out in Section 5 of this Information Memorandum.

The details of our revenue, direct operating expenses and GP margin are as follows:

	← Audited →		Unaudited
	FYE 31 December 2015	FYE 31 December 2016	FPE 30 September 2017
	RM'000	RM'000	RM'000
Revenue	16,048	16,755	14,160
Direct operating expenses	7,695	8,201	6,724
GP margin (%)	52	51	53

Our Gross Profit margin was fairly consistent for each financial period; at 52% for FYE 31 December 2015 and 51% for FYE 31 December 2016, and 53% for FPE 30 September 2017.

#### Revenue

All of our Group's revenue for FYE 31 December 2015, FYE 31 December 2016 and FPE 30 September 2017 was generated locally by our Subsidiaries via our 3 hospitals, 3 ambulatory care centres (2 independent and 1 attached to Hospital Wanita Metro, Klang) and 4 clinics. Details on our facilities are set out in Section 5.4 of this Information Memorandum.

In general, our revenue can be categorised into inpatient, outpatient and ambulatory care as per the following table:

	← Audited →				Unaudited	
	FYE 31 December 2015		FYE 31 December 2016		FPE 30 September 2017	
	RM'000	%	RM'000	%	RM'000	%
Inpatient services	4,669	29	4,217	25	3,031	21
Outpatient services	6,886	43	7,080	42	5,726	40
Ambulatory care	4,493	28	5,458	33	5,403	39
<b>Total</b>	<b>16,048</b>	<b>100</b>	<b>16,755</b>	<b>100</b>	<b>14,160</b>	<b>100</b>

For FYE 31 December 2016, our revenue increased by RM706,503, representing a 4% increase compared to the FYE 31 December 2015. The increase was mainly attributable to the growth in ambulatory care services, which grew by approximately 21% in FYE 31 December 2016. However, the revenue for FYE 31 December 2015 slightly dampened by the introduction of goods and services tax in April 2015 which affected the market balance between the public and private healthcare systems.

For FPE 30 September 2017, our Group's revenue continued to move in an upward trend.

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## 9. FINANCIAL INFORMATION

In general, the main factors that contributed to the growth in our revenue for the past 3 financial periods are as follows:

- Klinik Pakar Wanita SetiaWalk (Puchong) was set up in 2015 and the volume of patients has been growing steadily over time because the clinic offers convenient accessibility and affordable healthcare services to the local community; and
- HWM completed the upgrade of its existing ambulatory care centre at Hospital Wanita Metro, Klang in 2015 and the upgraded facility has been a pulling factor for new patients.

In addition, the new ambulatory care centre, Metro IVF (Puchong) has began to generate revenue in June 2017. Klinik Mey (Shah Alam) has also been set up in the same year and it began to generate revenue in October 2017. However, these are not significant contributors for the financial periods under review. For information purposes, a new clinic or ambulatory care centre will typically require gestation period of 6 to 12 months waiting period before it can start to generate sustainable streams of revenue.

Over the 3 financial periods, our outpatient services and ambulatory care has demonstrated progressive growth in revenue while the inpatient services has recorded negative growth. Such trend shows that the Group has shifted its focus from inpatient services to ambulatory care. Among the 3 segments, we are of the opinion that ambulatory care services has the highest potential of growth in mid- to long-term given that ARS is still a niche segment in which we specialise, as opposed to the O&G and paediatrics segment which are relatively saturated.

### Direct operating expenses

	← Audited →				Unaudited	
	FYE 31 December 2015		FYE 31 December 2016		FPE 30 September 2017	
	RM'000	%	RM'000	%	RM'000	%
Emoluments of medical professional <sup>#</sup>	4,979	65	5,445	66	4,336	64
Drugs and medical disposables	1,814	23	1,769	22	1,721	26
Others <sup>^</sup>	902	12	986	12	667	10
<b>Total direct operating expenses</b>	<b>7,695</b>	<b>100</b>	<b>8,200</b>	<b>100</b>	<b>6,724</b>	<b>100</b>

Notes:

<sup>#</sup> Medical professionals include doctors, nurses, midwives, clinical embryologists, medical ultrasonographers, laboratory technologists, patient counsellors and personal care aides.

<sup>^</sup> Mainly comprises of depreciation of medical instrument, outsourced laboratory tests, food catering for patients, outsourced laundry, credit card merchant fees and patient-care related transportation.

For the FYE 31 December 2016, our direct operating expenses increased by RM505,788, which represents a 7% increase compared with the FYE 31 December 2015. The increase was mainly attributable to the rise of the emoluments of medical professional. Nonetheless, our direct operating ratio expenses were relatively stable. For FPE 30 September 2017, our Group's direct operating expenses moved on a downward trend.

The drugs and medical disposables for FYE 31 December 2016 decreases by RM44,028 which represents approximately 2% compared to FYE 31 December 2015 due to the correction on drug prices. The said correction resulted from the expansion of National Essential Medicines List for zero-rated supplies. For FPE 30 September 2017, an increase in drug prices caused the upward movement of direct operating expenses in drugs and medical disposables.



## 9. FINANCIAL INFORMATION

### Administrative expenses

	← Audited →				Unaudited	
	FYE 31 December 2015		FYE 31 December 2016		FPE 30 September 2017	
	RM'000	%	RM'000	%	RM'000	%
Rental	836	19	973	20	769	19
Staff remuneration #	1,068	25	1,414	28	1,074	27
Directors' remuneration	471	11	613	12	509	13
Depreciation	512	12	566	11	462	12
Utility	413	9	444	9	355	9
Advertisement	148	3	271	6	205	5
Maintenance	202	5	156	3	156	4
Security Fee	94	2	109	2	102	3
Others ^	612	14	432	9	332	8
<b>Total administrative expenses</b>	<b>4,356</b>	<b>100</b>	<b>4,978</b>	<b>100</b>	<b>3,964</b>	<b>100</b>

Notes:

# Comprises of remuneration of administrative staff, supporting staff and commission related to marketing programs.

^ Comprises of staff training, transport and travelling, insurance, office supplies and miscellaneous.

As shown above, our administrative expenses ratio was 27%, 30% and 28% for the FYE 31 December 2015, FYE 31 December 2016 and FPE 30 September 2017, respectively.

For FYE 31 December 2016, our administrative expenses increased by RM621,593 which represents a 14% increase as compared to FYE 31 December 2015. Rental, staff remuneration, directors' remuneration and advertisement were the main factors accountable for 88% of the total increase in administrative expenses. Such increase was moderated by the decrease in maintenance and other components which then leads to an increase of 14% for the total administrative expenses.

For FPE 30 September 2017, our administrative expenses exhibit a slight downward trend due to improved cost control in other administrative expenses.

### PBT and PBT margin

	← Audited →		Unaudited
	FYE 31 December 2015	FYE 31 December 2016	FPE 30 September 2017
	RM'000	RM'000	RM'000
PBT	4,344	4,104	3,780
PBT margin (%)	27	24	27

Our PBT margin was 27%, 24% and 27% for the FYE 31 December 2015, FYE 31 December 2016 and FPE 30 September 2017, respectively.

## 9. FINANCIAL INFORMATION

For the FYE 31 December 2016, our PBT decreased RM239,956 which represents a 6% decrease as compared to the FYE 31 December 2015. The decrease in PBT is attributable to the increase in administrative expenses. The administrative expenses increased approximately 14% in FYE 31 December 2016 as discussed in the section above.

For the FPE 30 September 2017, both the PBT and PBT margin moved in a positive trend.

### Taxation

	← Audited →		Unaudited
	FYE 31 December 2015	FYE 31 December 2016	FPE 30 September 2017
	RM'000	RM'000	RM'000
Income tax expense	1,070	770	750
Effective tax rate (%)	25	19	20

As shown above, we recorded effective tax rates of 25%, 19% and 20% for the FYE 31 December 2015, FYE 31 December 2016 and FPE 30 September 2017, respectively.

For the FYE 31 December 2016, there was net additional assets of RM1,170,068 that qualifies for 30% capital allowance. The utilisation of the said capital allowance contributed to a lower effective tax rate compared to the FYE 31 December 2015.

For the FYE 31 December 2015 and the FYE 31 December 2016, the Group was not yet formed formally and therefore each member company was subject to independent taxation. The applicable statutory tax rate for the first RM500,000 of chargeable income was 19% for the FYE 31 December 2015 and the FYE 31 December 2016. However, upon formalisation of the Group in the FYE 31 December 2017, then the standard corporate tax rate of 24% will be applicable.

### PAT and PAT margin

	← Audited →		Unaudited
	FYE 31 December 2015	FYE 31 December 2016	FPE 30 September 2017
	RM'000	RM'000	RM'000
PAT	3,274	3,334	3,030
PAT margin (%)	20	20	21

Our PAT margin was 20%, 20% and 21% for the FYE 31 December 2015, FYE 31 December 2016 and FPE 30 September 2017, respectively.

For the FYE 31 December 2016, our PAT increased by RM59,913 which represents approximately 2% increase as compared with FYE 31 December 2015. Although the PBT for FYE 31 December 2016 was 6% lower than that of the FYE 31 December 2015, the significant decrease of 28% of income tax expenses in FYE 31 December 2016 off set the adverse effect of a lower PBT thereby resulting in a marginally higher PAT.

For the FPE 30 September 2017, the PAT and PAT margin trended upward in view of progressive revenue, steady direct and indirect expenses and a manageable effective tax rate as discussed above.

## 9. FINANCIAL INFORMATION

### Cash flows

	← Audited →	→ Unaudited	
	FYE 31 December 2015	FYE 31 December 2016	FPE 30 September 2017
	RM'000	RM'000	RM'000
<b>Net cash generated from operating activities</b>	4,314	3,235	9,318
<b>Net cash used in investing activities</b>	(2,758)	(3,098)	(2,186)
<b>Net cash used in financing activity</b>	(1,579)	(244)	(7,086)
<b>Cash and cash equivalents at the end of the year</b>	627	519	565

Our Group's capital expenditures, taxes and working capital requirements for FYE 31 December 2015, FYE 31 December 2016 and FPE 30 September 2017 are financed by cash generated from operations. We generated a positive cash flow of RM4.31 million for FYE 31 December 2015, RM3.23 million for FYE 31 December 2016, and RM9.32 million for FPE 30 September 2017 from operating activities. As shown above, our cash and cash equivalents maintained at RM0.63 million, RM0.52 million, and RM0.57 million for the FYE 31 December 2015, FYE 31 December 2016 and FPE 30 September 2017, respectively without bank borrowings.

#### Net cash generated from operating activities

For FYE 31 December 2015, our Group generated operating cash flows before working capital changes of RM5.11 million. After adjusting for the following key items, our Group's net cash from operating activities was approximately RM4.31 million:

- (i) RM0.03 million decrease in inventories;
- (ii) RM1.36 million increase in trade and other receivables mainly due to advances to related parties and RM1.67 million increase in trade and other payables mainly due to increase in investment of quoted shares; and
- (iii) RM1.13 million in payment of tax.

For FYE 31 December 2016, our Group generated operating cash flows before working capital changes of RM4.90 million. After adjusting for the following key items, our Group's net cash from operating activities was approximately RM3.23 million:

- (i) RM0.06 million increase in inventories;
- (ii) RM1.03 million increase in trade and other receivables mainly due to advances to related parties and RM0.57 million increase in trade and other payables mainly attributable to increase in costs incurred for preparation of new facilities; and
- (iii) RM1.14 million in payment of tax.

For FPE 30 September 2017, our Group generated operating cash flows before working capital changes of RM4.56 million. After adjusting for the following key items, our Group's net cash from operating activities was approximately RM9.32 million:

- (i) RM0.10 million increase in inventories;
- (ii) RM5.59 million decrease in trade and other receivables mainly due to decrease in amount owing from related parties, and RM0.08 million decrease in trade and other payables due to payments made to creditors; and
- (iii) RM0.66 million in payment of tax.

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**9. FINANCIAL INFORMATION**

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Net cash used in investing activities

Our Group recorded net cash used in investing activities of approximately RM2.76 million in FYE 31 December 2015 mainly due to our purchase of property, plant and equipment of RM1.02 million. The costs are primarily related to the establishment of Klinik Pakar Wanita at Setia Walk, Puchong and the upgrading works for the existing IVF laboratory at Hospital Wanita Metro (Klang). In the same year, our investments in quoted shares increased to RM1.83 million due to purchase of RM2.02 million shares which was offset by the proceeds received from disposal of RM0.19 million shares.

In FYE 31 December 2016, our Group's net cash used in investing activities increased to approximately RM3.10 million mainly due preparation costs for the setting up of Metro IVF in Puchong and Klinik Mey in Shah Alam. Our investments in quoted shares also increased by RM1.06 million attributed to the purchase of RM2.10 million shares and proceeds receive from disposal of RM1.18 million shares.

In FPE 30 September 2017, the net cash used in investing activities was RM2.19 million of which approximately RM2.12 million was due to purchase of property, plant and equipment for Metro IVF in Puchong and Klinik Mey in Shah Alam. Our Group invested in RM0.06 million of shares in the same financial period.

Net cash used in financing activities

Our net cash used in financing activities was approximately RM1.58 million, RM0.24 million and RM7.09 million for the FYE 31 December 2015, FYE 31 December 2016 and FPE 30 September 2017, respectively.

For the FYE 31 December 2016, our net cash used in financing activities decreased by RM1.34 million as compared to the FYE 31 December 2015 mainly due to a lower of amount of dividend paid and a higher amount of repayment from related parties.

For the FPE 30 September 2017, we recorded a higher net cash used in financing activities of approximately RM7.09 million due to a higher dividend payment. Historically, the Group recorded a low dividend payout in view of the Group's practice to take into consideration the total advances and/or loans to related parties. In FPE 30 September 2017, a significant portion of the amounts owing by related parties have been settled. The high distribution of dividend in the same financial period was mainly to crystallise the intended payout to shareholders as per the past financial years.

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## 9. FINANCIAL INFORMATION

### 9.3 Pro forma consolidated statement of financial position

The pro forma consolidated statement of financial position as at 31 December 2016 as set out below is provided for illustrative purposes only and is based on the assumption that the current structure of our Group had been in existence on 31 December 2016 and that the Listing had been completed on that date.

	Audited as at 31 December 2016	(I) After acquisition of the 5 Subsidiaries	(II) After (I) and Upon Listing
	RM'000	RM'000	RM'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	-	5,558	5,558
Investment	-	2,894	2,894
Deferred tax assets	-	14	14
	-	8,466	8,466
<b>Current assets</b>			
Inventories	-	582	582
Trade receivables	-	148	148
Other receivables	-	6,726	6,726
Tax recoverable	-	114	114
Cash and cash equivalents	1	519	4,238
	1	8,089	11,808
<b>Total assets</b>	1	16,555	20,274
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	- <sup>(1)</sup>	9,028	13,647
Consolidation reserve	-	(7,297)	(7,297)
Retained earnings	(246)	13,016	12,116
	(246)	14,747	18,466
<b>Non-Current Liabilities</b>			
Deferred tax liabilities	-	296	296
	-	296	296

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**9. FINANCIAL INFORMATION**

	<b>Audited as at 31 December 2016</b>	<b>(I) After acquisition of the 5 Subsidiaries</b>	<b>(II) After (I) and Upon Listing</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Current Liabilities</b>			
Trade payables	-	383	383
Other payables	222	782	782
Amount owing to a Director	25	228	228
Provision for taxation	-	119	119
	247	1,512	1,512
<b>Total equity and liabilities</b>	1	16,555	20,274
Number of Shares in issue ('000)	0.02	180,571	200,650
NA per Share (RM)	(12,297)	0.08	0.09

*Note:*

<sup>(1)</sup> *The share capital of Metro as at 31 December 2016 is RM2.*

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## 10. OTHER GENERAL INFORMATION

### 10.1 Responsibility statements

Our Directors and the Promoters have seen and approved this Information Memorandum, and they collectively and individually accept full responsibility for the accuracy of the information contained herein, and confirm that after making all reasonable enquiries and to the best of their knowledge and belief, there are no false or misleading statements or other facts which if omitted, would make any statement in this Information Memorandum false or misleading.

Mercury Securities acknowledge that, based on all available information and to the best of its knowledge and belief, this Information Memorandum constitutes a full and true disclosure of all material facts concerning the Listing.

### 10.2 Material litigation and contingent liabilities

As at the LPD, we are not engaged in any material litigation, claim or arbitration either as plaintiff or defendant and our Directors do not know of any proceeding pending or threatened or of any fact likely to give rise to any proceeding which might materially or adversely affect our position or business.

As at the LPD, our Directors confirm that there are no contingent liabilities incurred by us or our Subsidiaries, which upon becoming enforceable, may have a material effect on our financial position or our Subsidiaries.

### 10.3 Material contracts

Save as disclosed below, there are no contracts which are or may be material (not being contracts entered into the ordinary course of business) which have been entered by our Group, within the past 2 years immediately preceding the date of this Information Memorandum:

- (i) share sale agreement, dated 5 December 2017, between the vendors of SSH Care Sdn Bhd (“SSH”) and Metro Healthcare, in relation to the sale and purchase of SSH, for a total purchase consideration of RM397,378 only (“SSH SSA”) to be satisfied wholly via cash from the proceeds of the listing, payable to the vendors of SSH in their respective proportions. As at the LPD, the SSH SSA is pending completion;
- (ii) share sale agreement, dated 15 November 2017, between the vendors of HWM, MMC, MIVF, VONE and KWT and Metro, in relation to the sale and purchase of HWM, MMC, MIVF, VONE and KWT, for a total purchase consideration of RM9,028,523 only, to be satisfied wholly by the issuance of 180,570,460 new Shares at RM0.05 each payable to the vendors in their respective proportions (“SSA”). As at the LPD, the SSA has been completed;
- (iii) tenancy agreement, dated 23 October 2017, between Pangkor Fishing Sdn Bhd (Company No. 55886-M) and HWM, in relation to the rental of a 4 and a ½ storey shop lot at No. 32A, 32B, 32C, 34A, 34B, 34C, 36A, 36B, 36C and 38A, Jalan Pasar, 41400 Klang, Selangor Darul Ehsan, with each shop lot measuring approximately 16,000 square feet, for a term commencing from 1 November 2017 till 31 October 2018, at an agreed rental of RM19,000 only, per month, with an option by HWM to renew the tenancy for a further 2 years at a rental to be mutually agreed between the parties (“Klang Tenancy Agreement I”). As at the LPD, the Klang Tenancy Agreement I is subsisting;
- (iv) tenancy agreement dated 23 October 2017, between Pangkor Fishing Sdn Bhd (Company No. 55886-M) and MIVF, in relation to the rental of the Ground floor shop lot at No. F-6-G and No. F-7-G and the First floor shop lot at No. F-7-1, Persiaran Wawasan, Pusat Bandar Puchong, 47160 Puchong, Selangor Darul Ehsan, with each shop lot measuring approximately 5,913 square feet, for a term commencing from 1 November 2017 till 31 October 2020, at an agreed rental of RM13,000 only, per month, with an option to renew for 3 years at 10% rental increment per term (“Puchong Tenancy Agreement I”). As at the LPD, the Puchong Tenancy Agreement I is subsisting;

## 10. OTHER GENERAL INFORMATION

- (v) tenancy agreement dated 23 October 2017, between Tay Swi Peng @ Tee Swi Peng and MIVF, in relation to the rental of the Fourth floor shop lot at No. F-10-3A, Persiaran Wawasan, Pusat Bandar Puchong, 47160 Puchong, Selangor Darul Ehsan, measuring approximately 4,809 square feet, for a term commencing from 1 November 2017 till 31 October 2020, at an agreed rental of RM4,500 only, per month, with an option to renew for 3 years at 10% rental increment per term (“**Puchong Tenancy Agreement II**”). As at the LPD, the Puchong Tenancy Agreement II is subsisting;
- (vi) tenancy agreement dated 23 October 2017, between Country Range Sdn Bhd and MIVF, in relation to the rental of a 2 storey shop lot at No. 33, 35, 37 and 39, Jalan Rhu 1, Taman Rhu, Jalan Klang, 45000 Kuala Selangor, Selangor Darul Ehsan, measuring approximately 12,555 square feet, for a term commencing from 1 November 2017 till 31 October 2020, at an agreed rental of RM12,000 only, per month, with an option to renew for 3 years at 10% rental increment per term (“**Taman Rhu Tenancy Agreement**”). As at the LPD, the Taman Rhu Tenancy Agreement is subsisting;
- (vii) tenancy agreement dated 23 October 2017, between First Look Corporation Sdn Bhd (Company No. 243546-A) and MMC, in relation to the rental of a 2 storey shop lot at No. 22, 24, 26 and 28, Jalan Emas 1, Bandar Sungai Emas, Sungai Manggis, 42700 Banting, Selangor Darul Ehsan, measuring approximately 11,005 square feet, for a term commencing from 1 November 2017 till 31 October 2020, at an agreed rental of RM7,200 only, per month, with an option to renew for 3 years at 10% rental increment per term (“**Banting Tenancy Agreement**”). As at the LPD, the Banting Tenancy Agreement is subsisting;
- (viii) tenancy agreement dated 23 October 2017, between Pangkor Fishing Sdn Bhd (Company No. 55886-M) and KWT, in relation to the rental of a 4 ½ storey shop lot at No. 32G, 32M, 34G and 34M, Jalan Pasar, 41400 Klang, Selangor Darul Ehsan, measuring approximately 4,800 square feet, for a term commencing from 1 November 2017 till 31 October 2020, at an agreed rental of RM6,000 only, per month, with an option to renew for 3 years at 10% rental increment per term (“**Klang Tenancy Agreement II**”). As at the LPD, the Klang Tenancy Agreement II is subsisting;
- (ix) tenancy agreement dated 23 October 2017, between Tay Swi Peng @ Tee Swi Peng and VONE, in relation to the rental of the ground floor and mezzanine floor shop lot at No. 2, Jalan Gopeng, 41400 Klang, Selangor Darul Ehsan, measuring approximately 3,585 square feet, for a term commencing from 1 November 2017 till 31 October 2020, at an agreed rental of RM5,500 only, per month, with an option to renew for 3 years at 10% rental increment per term (“**Jalan Gopeng Tenancy Agreement**”). As at the LPD, the Jalan Gopeng Tenancy Agreement is subsisting;
- (x) sale and purchase agreement, dated 19 July 2017, between Tang Ren Development Sdn Bhd (Company No. 854488-X) (“**Tang Ren Development**”) and KWT in relation to the sale and purchase of all that piece of land held under Geran 514373, Lot 154443 (formerly known as HS(D) 545574 PTD 175948) in the Mukim of Tebrau, District of Johor Bahru, State of Johor Darul Takzim, together with a 4 storey shop office erected thereon, measuring approximately 14,292 square feet, in a project known as “Austin Avenue II” and bearing the postal address of No. 125, 125-01, 125-02 and 125-03, Jalan Mutiara Emas 2A, Taman Mount Austin, 81100 Johor Bahru, Johor Darul Takzim (“**Property**”), for a total purchase consideration of RM4,910,000 only, excluding goods and services tax (“**SPA**”). The SPA states that the Property has been designated or allocated by the relevant authority as a Bumiputera lot and that Tang Ren Development shall in due course and at its own expense apply to the relevant authority for the written consent to release the Bumiputera lot. Should the said application be rejected by the relevant authority or if the Property is taken up by any Bumiputera purchaser, Tang Ren Development shall refund to KWT, all monies paid by KWT, without interest and the SPA shall be null and void and neither parties shall have any claims or make any claims whatsoever against the other, pursuant to the SPA.. However, pursuant to the land title and the land search results of the Property, the Property is not identified as a Bumiputera lot.



## 10. OTHER GENERAL INFORMATION

KWT had taken up a fixed loan from Public Bank Berhad, to finance the purchase of the Property and the goods and services tax pertaining thereto. Further details of the said loan are set out in (xi) below. As at the LPD, the SPA has been completed;

- (xi) letter of offer by Public Bank Berhad, dated 5 July 2017, which was duly accepted by KWT on 6 July 2017, in relation to the fixed loan taken up by KWT, amounting to RM4,409,180 only, to finance the purchase of the Property, as set out in (x) above and the goods and services tax pertaining thereto (“**Letter of Offer**”). As at the LPD, the Letter of Offer is subsisting;
- (xii) agreement, dated 1 January 2017, between VONE and HWM, in relation to VONE agreeing to assign existing consultant radiologists to perform radiological and medical services as directed and requested by HWM, for a term commencing from 1 January 2017 till 31 December 2017, for a total consideration amounting to RM480,000 only (“**Agreement between VONE and HWM**”). As at the LPD, the Agreement between VONE and HWM is subsisting;
- (xiii) agreement, dated 1 January 2017, between Country Range Sdn Bhd (Company No. 363092-H) (“**Country Range**”) and KWT, in relation to Country Range agreeing to assign existing doctors to provide medical advice as directed and requested by KWT, for a term commencing from 1 January 2017 till 31 December 2017, for a total consideration amounting to RM150,000 only (“**Agreement between Country Range and KWT**”). As at the LPD, Tay Swi Peng @ Tee Swi Peng is the doctor involved in the Agreement between Country Range and KWT and the same is subsisting. However, the Agreement between Country Range and KWT will not be renewed after its expiry on 31 December 2017;
- (xiv) tenancy agreement, dated 1 December 2016, between Tan Chang Seah (“**TCS**”) and KWT, in relation to the rental of the ground floor of a 3 storey shop lot at No. A-5-G, Jalan Zuhai, U5/179, Seksyen U5, 40150 Shah Alam, Selangor Darul Ehsan, measuring approximately 24 feet by 70 feet, for a term commencing from 16 February 2017 till 15 February 2020, at an agreed rental of RM5,000 only, per month, with an automatic renewal of an additional 2 terms of tenancy without notice to be given by KWT to TCS, as follows, (a) the second term of the 3 years tenancy with the same terms and conditions, save and except that the monthly rental for the second term of the 3 years to be increased by 10% of the monthly rental of the first term of the 3 years, per month and (b) the third term of the 3 years tenancy with the same terms and conditions, save and except that the monthly rental for the third term of the 3 years tenancy be increased by 10% of the monthly rental of the second term of the 3 years, per month (“**Shah Alam Tenancy Agreement**”). As at the LPD, the Shah Alam Tenancy Agreement is subsisting.
- (xv) management agreement, between HWM and MIVF, dated 21 December 2015, in relation to HWM engaging MIVF to manage Metro Maternity Kuala Selangor, situated at No. 33, 35, 37 & 39, Jalan Rhu 1, Taman Rhu, Jalan Kelang, 45000 Kuala Selangor, Selangor Darul Ehsan, commencing from 1 January 2016 onwards and MIVF shall be entitled to the revenue of Metro Maternity Kuala Selangor (“**Management Agreement I**”). As at the LPD, the Management Agreement I is subsisting; and
- (xvi) management agreement, between HWM and MMC, dated 21 December 2015, in relation to HWM engaging MMC to manage Hospital Wanita Metro situated at No. 22-26, Jalan Emas 1, Bandar Sungai Emas, Sungai Manggis, 42700 Banting, Selangor Darul Ehsan, commencing from 1 January 2016 onwards and MMC shall be entitled to the revenue of Hospital Wanita Metro (“**Management Agreement II**”). As at the LPD, the Management Agreement II is subsisting.

### 10.4 Consents

The written consents of the Approved Adviser, Auditors, Solicitors, Internal Control and Risk Management Consultant, Company Secretary and Share Registrar for inclusion in this Information Memorandum of their names and all reference thereto in the form and context in which such names appear have been given before the issuance of this Information Memorandum and have not subsequently been withdrawn.

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**10. OTHER GENERAL INFORMATION**

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**10.5 Conflict of interests**

Mercury Securities confirms that there is no existing or potential conflict of interests in relation to its capacity as the Approved Adviser and Placement Agent for our Listing.

Morison AAC confirms that there is no existing or potential conflict of interests in relation to its capacity as the reporting accountants for our Listing.

Messrs. Lee Choon Wan & Co. confirms that there is no existing or potential conflict of interests in relation to its capacity as the Solicitor for our Listing.

Insight Advisory Services Sdn Bhd confirms that there is no existing or potential conflict of interests in relation to its capacity as the internal control and risk management consultant for our Listing.

CAREsec Advisory Sdn Bhd confirms that there is no existing or potential conflict of interests in relation to its capacity as the Company Secretary for our Listing.

Mega Corporate Services Sdn Bhd confirms that there is no existing or potential conflict of interests in relation to its capacity as the Share Registrar for our Listing.

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