



METRO HEALTHCARE BERHAD

(Incorporated in Malaysia)

HISTORICAL FINANCIAL INFORMATION

Combined Statements of Financial Position of Metro Healthcare Berhad (“Metro”) and its subsidiaries (“Metro Healthcare Group” or “Group”)

The following table sets out the summary of the combined statements of financial position prepared based on the unaudited financial statements of Metro Healthcare Group for the financial period ended (“FPE”) 30 September 2017.

	Note	RM
Non-current assets		
Property, plant and equipment	2	6,900,227
Investment	3	2,957,273
		<u>9,857,500</u>
Current assets		
Inventories	4	678,514
Trade receivables	5	433,665
Other receivables	6	849,143
Cash and cash equivalents		565,495
Total current assets		<u>2,526,817</u>
Current liabilities		
Trade payables	7	521,146
Other payables	8	592,583
Amount owing to a Director	9	236,446
Provision for taxation		95,486
		<u>1,445,661</u>
Net current assets		<u>1,081,156</u>
		<u>10,938,656</u>
Financed by :		
Share capital	10	1,731,105
Retained earnings		8,925,748
		<u>10,656,853</u>
Non-current liabilities		
Deferred tax liabilities	11	281,803
		<u>10,938,656</u>



METRO HEALTHCARE BERHAD

(Incorporated in Malaysia)

Combined Statements of Profit or Loss and other Comprehensive Income of Metro Healthcare Group

The following table sets out the financial results prepared based on the unaudited financial statements of Metro Healthcare Group for the FPE 30 September 2017.

	Note	RM
Revenue	12	14,160,033
Direct operating expenses	13	<u>(6,724,254)</u>
Gross profit ("GP")		7,435,779
Other operating income		308,775
Administrative expenses		(3,964,485)
Profit before taxation ("PBT")	14	<u>3,780,069</u>
Taxation	15	(750,000)
Profit after taxation ("PAT")		<u>3,030,069</u>
Other comprehensive income		-
Total comprehensive income during the period		<u>3,030,069</u>
Total number of shares (units)		1,731,105
Earnings before interest and tax ("EBIT")		3,779,437
Earnings before interest, tax, depreciation and amortisation ("EBITA")		4,241,119
Earnings per shares (RM)		1.75
GP margin		53%
PBT margin		27%
PAT margin		21%
Effective tax rate		<u>20%</u>



METRO HEALTHCARE BERHAD
(Incorporated in Malaysia)

Combined Statements of Changes in Equity of Metro Healthcare Group

The following table sets out the changes in equity prepared based on the unaudited financial statements of Metro Healthcare Group for the FPE 30 September 2017.

	Share Capital RM	Retained Earnings RM	Total RM
Group			
At 1 January 2016	1,731,105	13,016,015	14,747,120
Profit/Total comprehensive income for the financial period	-	3,030,069	3,030,069
Dividend paid	-	(7,120,336)	(7,120,336)
At 30 September 2016	<u>1,731,105</u>	<u>8,925,748</u>	<u>10,656,853</u>

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]



METRO HEALTHCARE BERHAD

(Incorporated in Malaysia)

Combined Statements of Cash Flow of Metro Healthcare Group

The following table sets out the summary of cash flow prepared based on the unaudited financial statements of Metro Healthcare Group for the FPE 30 September 2017.

	RM
Cash flows from operating activities	
Profit before taxation	3,780,069
Adjustments for:	
Depreciation	779,575
Interest income	(632)
Operating profit before working capital changes	<u>4,559,012</u>
Changes in working capital:	
Inventories	(96,946)
Trade and other receivables	5,591,783
Trade and other payables	(76,887)
Cash generated from operations	<u>9,976,962</u>
Interest received	632
Tax paid	(659,883)
Net cash generated from operating activities	<u>9,317,711</u>
Cash flows from investing activities	
Purchase of property, plant and equipment	(2,122,020)
Purchase of investments	(63,665)
Net cash used in investing activities	<u>(2,185,685)</u>
Cash flows from financing activities	
Advances of amount owing to a Director	34,334
Dividend paid	(7,120,336)
Net cash used in financing activities	<u>(7,086,002)</u>
Net decrease in cash and cash equivalents	46,024
Cash and cash equivalents at beginning of the financial year	<u>519,471</u>
Cash and cash equivalents at end of the financial period	<u>565,495</u>

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]



1. Basis of Preparation

Metro Healthcare Group has not been established as at the end of FPE 30 September 2017 and hence, there are no consolidated financial statements of the Group for FPE 30 September 2017.

Entities under common control are entities which are ultimately controlled by the same parties and that control is not transitory. Control exists when the same parties have, as a result of contractual agreements, ultimate collective power to govern the financial and operating policies of each of the combining entities so as to obtain benefits from their activities, and that ultimate collective power is not transitory. The financial statements of common controlled entities are included in the combined financial statements from the day that control commences until the date that control ceases.

The combined financial statements of the Group for the relevant years are prepared in a manner similar to the “pooling-of-interest” method, as if the entities within the Group were operating as a single economic enterprise from the beginning of the earliest comparative year covered by the relevant year or the dates of incorporation of entities within the Group, if later. Such manner of presentation reflects the economic substance of the combining companies, which were under common control throughout the relevant period.

The identifiable assets and liabilities of all commonly controlled entities are accounted for at their historical costs. The accounting policies of common controlled entities have been changed where necessary to align them with the policies adopted by the Group.

The combined financial statements of the Group have been prepared in accordance with the provisions of the Malaysian Financial Reporting Standards (“MFRS”), International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

The combined financial statements have been prepared under the historical cost convention.

The combined financial statements of the Group for the FPE 30 September 2017 represents the financial statements prepared in accordance with MFRS.



2. Property, Plant and Equipment

Group	Shop lot	Computer	Medical	Motor	Office	Plant and	Signboard	Renovation	Total
Cost	RM	and software	Instrument	vehicles	equipment,	machinery	RM	RM	RM
		RM	RM	RM	furniture	RM			
					and fitting				
					RM				
At 1.1.2017	-	224,395	4,963,713	1,184,606	2,832,297	149,397	62,408	2,643,312	12,060,128
Additions	1,236,687	40,046	677,191	64,849	-	-	81,519	21,728	2,122,020
At 30.9.2017	1,236,687	264,441	5,640,904	1,249,455	2,832,297	149,397	143,927	2,665,040	14,182,148
Accumulated depreciation									
At 1.1.2017	-	72,928	2,485,465	898,695	1,500,722	103,611	21,901	1,419,024	6,502,346
Charge for the financial period	-	101,079	312,099	67,887	84,609	5,793	50,282	157,826	779,575
At 30.9.2017	-	174,007	2,797,564	966,582	1,585,331	109,404	72,183	1,576,850	7,281,921
Carrying amount									
At 30.9.2017	1,236,687	90,434	2,843,340	282,873	1,246,966	39,993	71,744	1,088,190	6,900,227



3. Investments

RM

Quoted investment at cost	
- Shares quoted in Malaysia	<u>2,957,273</u>

Investments are denominated in Ringgit Malaysia.

4. Inventories

RM

Finished goods, at cost	<u>678,514</u>
-------------------------	----------------

5. Trade Receivables

RM

Trade receivables	451,270
Less: Impairment losses	<u>(17,605)</u>
	<u>433,665</u>

Trade receivables are non-interest bearing and are generally on 30 days term. They are recognised at their original invoice amounts which represent their fair value on initial recognition. Other credit terms are assessed and approved on a case by case basis. The ageing analysis of the Group's trade receivables is as follows:

RM

Neither past due nor impaired	433,665
Impaired	<u>17,605</u>
	<u>451,270</u>

Receivables that are neither past due nor impaired

The trade receivables arose from patients during the financial year. Based on the past experiences, receivable will be fully recovered within a month.



6. Other Receivables

	RM
Other receivables	
- Third parties	159,486
- Related parties	247,192
Deposits and prepayments	442,465
	<u>849,143</u>

Related parties refer to company in which the Directors of the Company have substantial financial interests. The amount owing from related parties are unsecured, interest free advances and is repayable on demand.

7. Trade Payables

Credit terms of trade payables of Metro Healthcare Group ranged from 30 to 60 days.

8. Other Payables

	RM
Other payables	498,239
Deposit received	6,300
Accruals	88,044
	<u>592,583</u>

9. Amount owing to a Director

This represents unsecured interest-free advances and is repayable on demand.

10. Share Capital

	RM
Issued and fully paid	
Ordinary shares of RM0.10 each:	
- Metro Healthcare Berhad	2
Ordinary shares of RM1.00 each:	
- Hospital Wanita Metro Sdn Bhd	1,186,000
- Metro IVF Sdn Bhd	100
- Metro Medical Centre Sdn Bhd	245,003
- K. W. Tee Sdn Bhd	100,000
- Vision One Diagnostic Sdn Bhd	200,000
At 1 January/31 December	<u>1,731,105</u>



11. Deferred Tax Liabilities

	RM
At 1 January / 30 September	<u>281,803</u>

The components of deferred tax assets and liabilities of the Metro Healthcare Group during the financial period prior to offsetting are as follows:

	RM
Deferred tax assets:	
- provisions	<u>(14,281)</u>
Net deferred tax assets	<u>(14,281)</u>
Deferred tax liabilities:	
- property, plant and equipment	<u>296,084</u>
Net deferred tax liabilities	<u>296,084</u>

12. Revenue

This represents invoiced value of hospitalisation and consultation fee less discounts allowed.

13. Cost of Sales

Cost of sales consist of purchases and other attributable overheads which include the following:-

	RM
Emoluments of medical professional	4,336,463
Purchases drugs and medical disposables	1,720,512
Depreciation of property, plant and equipment	317,893
Others	<u>349,386</u>
	<u>6,724,254</u>



14. Profit before Taxation

Profit before taxation is determined after charging/(crediting) amongst others, the following items:

	RM
This is stated after charging/(crediting) :-	
Director's remuneration	
- Fees	344,500
- Salaries and other emoluments	164,433
Depreciation of property, plant and equipment	461,682
Rental of premises	769,450
Education seminar	(94,731)
Dividend income	(117,475)
Room rental income	(3,400)
Interest income	(632)
	<hr/>

15. Taxation

	RM
Current taxation:	<hr/> 750,000

16. Dividends Paid

	RM
Interim single tier dividend of 30% on 1,186,000 ordinary share declared and paid by Hospital Wanita Metro Sdn Bhd	355,800
Interim single tier dividend of 1,210% on 245,003 ordinary share declared and paid by Metro Medical Centre Sdn Bhd	2,964,536
Interim single tier dividend of 400,000% on 100 ordinary share declared and paid by Metro IVF Sdn Bhd	400,000
Interim single tier dividend of 3,400% on 100,000 ordinary share declared and paid by K. W. Tee Sdn Bhd	3,400,000
	<hr/> 7,120,336

The Directors have not recommended any final dividends in respect of the financial period.

17. Employee Benefits Expenses

	RM
Employee benefits expenses (excluding Directors)	
Salaries, bonuses and allowance	2,746,286
Contribution to defined contribution plan	280,059
	<hr/> 3,026,345



18. Related Party Disclosures

a) Identifying related parties

For the purposes of these financial statements, parties are considered to be related to the Metro Healthcare Group if the Metro Healthcare Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where Metro Healthcare Group and the parties are subject to common control or common significant influence. Related parties may be individuals or other entities.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of Metro Healthcare Group either directly or indirectly. The key management personnel include all the Directors of Metro Healthcare Group and certain members of senior management and executive officer of subsidiaries of Metro Healthcare Group.

(b) Significant related party transactions

Related party transactions have been entered into the ordinary course of business under normal trade term. The significant related party transactions of Metro Healthcare Group are as follows:

	RM
<u>Common Directors or Shareholders</u>	
<i>Hospital Wanita Metro Sdn Bhd</i>	
Rental charges by Country Range Sdn Bhd	36,000
Rental charges by Pangkor Fishing Sdn Bhd	171,000
<i>Metro IVF Sdn Bhd</i>	
Rental charges by Pangkor Fishing Sdn Bhd	117,000
Rental charges by Dr Tay Swi Feng @ Tee Swi Peng	40,500
Rental charges by Country Range Sdn Bhd	108,000
<i>K. W. Tee Sdn Bhd</i>	
Consultancy fees charged by Country Range Sdn Bhd	112,500
Rental charges by Pangkor Fishing Sdn Bhd	54,000
<i>Vision One Diagnostic Sdn Bhd</i>	
Rental charges by Dr Tay Swi Feng @ Tee Swi Peng	49,500
<i>Metro Medical Centre Sdn Bhd</i>	
Rental charges by First Look Corporation Sdn Bhd	<u>64,800</u>