



METRO HEALTHCARE BERHAD
(Company No. 905516-M)
(Incorporated in Malaysia)

**FINANCIAL STATEMENTS FOR THE HALF-YEAR
ENDED 31 DECEMBER 2017**

CHARACTERISTICS OF THE LEAP MARKET OF BURSA MALAYSIA SECURITIES BERHAD (BURSA SECURITIES”)

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 SECURITIES. 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.



UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT
31 DECEMBER 2017 ⁽¹⁾

	As at 31.12.2017 Unaudited RM'000	As at 31.12.2016 Audited RM'000
<u>ASSETS</u>		
Non-current assets		
Property, plant and equipment	11,221	-
Investment	3,327	-
Goodwill	9	-
Deferred tax asset	7	-
Total non-current assets	14,564	-
Current assets		
Inventories	630	-
Trade and other receivables	794	-
Cash and bank balances	1,068	1
Tax recoverable	113	-
Total current assets	2,605	1
Total assets	17,169	1
<u>LIABILITIES AND EQUITY</u>		
Equity		
Share capital	9,029	- ⁽³⁾
Accumulated profit/(loss)	1,265	(246)
Total equity	10,294	(246)
Non-current liabilities		
Term loan	4,212	-
Deferred tax liabilities	557	-
Total non-current liabilities	4,769	-
Current liabilities		
Term loan	210	-
Trade and other payables	1,794	2
Amount owing to related companies	-	222
Amount owing to Director	-	23
Provision for taxation	102	-
Total current liabilities	2,106	247
Total liabilities and equity	17,169	1
Net assets per share (RM) ⁽²⁾	0.06	N/A



Notes:

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statements of Financial Position are detailed in Note A1 and should be read in conjunction with the Audited Combined Financial Statements as disclosed in the Information Memorandum of Metro Healthcare Berhad dated 19 January 2018 and the accompanying explanatory notes attached to this interim financial report.*
- (2) Net assets per share is calculated based on the Company's number of ordinary shares at the end of the reporting period of 180,570,500 shares.*
- (3) Issued share capital as at 31 December 2016 is RM2.00 comprising 20 shares.*



UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT AND LOSS AND OTHER
COMPREHENSIVE INCOME FOR THE HALF-YEAR ENDED 31 DECEMBER 2017 ⁽¹⁾

	Individual 6 months ended		Cumulative 12 months ended	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
	RM'000	RM'000	RM'000	RM'000
Revenue	246	-	246	-
Cost of sales	(174)	-	(174)	-
Gross profit	72	-	72	-
Other income	2,175	-	2,175	-
Administrative expenses	(107)	(4)	(107)	(4)
Non operating expenses	(626)	-	(626)	-
Finance costs	(3)	-	(3)	-
Profit/(Loss) before tax	1,511	(4)	1,511	(4)
Taxation	-	-	-	-
Profit/(Loss) for the financial period	1,511	(4)	1,511	(4)
Total number of shares (units)	180,570,500	20	180,570,500	20
Earnings / (Loss) per ordinary share ("EPS"/ "LPS")(RM) :				
- Basic	0.01	(200)	0.01	(200)
- Diluted	0.01	(200)	0.01	(200)

Note:

- (1) *The basis of preparation of the Unaudited Condensed Consolidated Statements of Comprehensive Income are detailed in Note A1 and should be read in conjunction with the Audited Combined Financial Statements as disclosed in the Information Memorandum of Metro Healthcare Berhad dated 19 January 2018 and the accompanying explanatory notes attached to this interim financial report.*



UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2017 ⁽¹⁾

		Distributable	
	Share capital	Retained Earnings / Accumulated losses	Total equity
	RM'000	RM'000	RM'000
Balance at 1 January 2016	- ⁽²⁾	(242)	(242)
Loss for the financial year	-	(4)	(4)
As at 31 December 2016	- ⁽²⁾	(246)	(246)
Balance at 1 January 2017	- ⁽²⁾	(246)	(246)
Issuance of new shares	9,029	-	9,029
Profit for the financial year	-	1,511	1,511
As at 31 December 2017	9,029	1,265	10,294

Note:

(1) *The basis of preparation of the Unaudited Condensed Consolidated Statements of Changes in Equity are detailed in Note A1 and should be read in conjunction with the Audited Combined Financial Statements as disclosed in the Information Memorandum of Metro Healthcare Berhad dated 19 January 2018 and the accompanying explanatory notes attached to this interim financial report.*

(2) *Issued share capital as at 31 December 2016 is RM2.00 comprising 20 shares.*



UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE
HALF-YEAR ENDED 31 DECEMBER 2017 ⁽¹⁾

	12 months ended	
	31.12.2017	31.12.2016
	RM'000	RM'000
Cash flow from operating activities		
Profit/(Loss) before taxation	1,511	(4)
Adjustment for:		
Depreciation of property, plant and equipment	14	-
Loss on disposal of investment in quoted shares	6	-
Net fair value gain on investment in quoted shares	(35)	-
Gain on acquisition of subsidiaries	(2,112)	-
Interest expenses	3	-
Operating loss before working capital changes	(613)	(4)
Changes in working capital:		
Inventories	17	-
Trade and other receivables	125	-
Trade and other payables	(128)	4
Net cash used in operating activities	(599)	-(2)
Cash flows from investing activities:		
Purchase of property, plant and equipment	(5)	-
Proceeds from disposal of investment in quoted shares	8	-
Net cash generated from investing activities	3	-
Cash flows from financing activities		
Net movement in advances from related parties	333	-
Repayment of amount owing to a Director	(23)	-
Net cash generated from financing activities	310	-
Net decrease in cash and cash equivalents	(286)	-
Cash and cash equivalents at beginning of the financial year	1,354	1
Cash and cash equivalents at end of the financial year	1,068	1
Cash and cash equivalents at end of the financial year comprise:		
Cash and bank balances	1,068	1

Notes:

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statements of Cash Flows are detailed in Note A1 and should be read in conjunction with the Audited Combined Financial Statements as disclosed in the Information Memorandum of Metro Healthcare Berhad dated 19 January 2018 and the accompanying explanatory notes attached to this interim financial report.
- (2) Net cash used in operating activities for the financial year ended 31 December 2016 amounted to RM74.



A EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2017

A1. BASIS OF PREPARATION

Metro Healthcare Berhad (“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 Hospital Wanita Metro Sdn Bhd (“HWM”), Metro Medical Centre Sdn Bhd (“MMC”), K. W. Tee Sdn Bhd (“KWT”), Metro IVF Sdn Bhd (“MIVF”) and Vision One Diagnostic Sdn Bhd (“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.

The interim financial statements of Metro and its subsidiaries (the “Group”) are unaudited and have been prepared in accordance with the Malaysian Financial Reporting Standards (“MFRS”) 134: Interim Financial Reporting.

This is the first interim financial report on the consolidated results for the half-year ended 31 December 2017 announced by the Company in compliance with the LEAP Market Listing Requirements of Bursa Securities (“Listing Requirements”).

The interim financial report should be read in conjunction with the Audited Combined Financial Statements as disclosed in the Information Memorandum of the Company dated 19 January 2018 and the accompanying explanatory notes attached to this interim financial report.

A2. CHANGES IN ACCOUNTING POLICIES

The significant accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in the Audited Combined Financial Statements as disclosed in the Information Memorandum of the Company dated 19 January 2018, except for the following:

<u>MFRSs</u>	<u>Effective date</u>
Amendments to MFRS 107 Disclosure Initiative	1 January 2017
Amendments to MFRS 112 Recognition of Deferred Tax Assets for Unrealised Losses	1 January 2017
Annual Improvements to FRS Standards 2014 – 2016 Cycle:	
- Amendments to MFRS 12 Disclosure of Interest in Other Entities	1 January 2017

The adoption of the above amendments to MFRSs do not have any significant financial impact on the results and financial position of the Group for the current period.



A3. SEASONAL OR CYCLICAL FACTORS

The Group's operations were not affected by seasonal or cyclical factors for the current financial period.

A4. UNUSUAL ITEMS

There were no material unusual items affecting assets, liabilities, equity, net income or cash flows of the Group during the current financial period.

A5. MATERIAL CHANGES IN ESTIMATES

There were no material changes in accounting estimates in the current financial period.

A6. DEBT AND EQUITY SECURITIES

Save as disclosed below, there were no other issuance, cancellation, repurchase, resale and repayment of debt and equity securities for the current financial period:

- (i) On 15 November 2017, the Company entered into a Share Sale Agreement 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. The acquisition was completed on 27 December 2017; and
- (ii) On 26 February 2018, 20,079,500 new ordinary shares of the Company were issued pursuant to the excluded issue at an issue price of RM0.23 per Issue Share to sophisticated investors within the meanings of Section 229 and 230 of the Capital Markets and Services Act 2017 ("Excluded Issue"). On the same date, the Company's entire enlarged issued share capital of RM13,646,810 comprising of 200,650,000 ordinary shares were listed on the LEAP Market of Bursa Securities.

A7. SEGMENTAL REPORTING

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

	Individual 6 months ended		Cumulative 12 months ended	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
	RM'000	RM'000	RM'000	RM'000
Inpatient services	44	-	44	-
Outpatient services	119	-	119	-
Ambulatory care	83	-	83	-
Total	246	-	246	-

The Group recorded a revenue of RM0.25 million for the current financial period ended 31 December 2017. This revenue was mainly coming from its outpatient services.



A8. MATERIAL EVENTS SUBSEQUENT TO THE END OF THE FINANCIAL PERIOD

Save as disclosed below, there were no material events subsequent to the end of the current financial period:

- (i) On 26 February 2018, the Company was successfully admitted to the Official List of Bursa Securities with the listing of and quotation for its entire enlarged issued share capital of RM13,646,810 comprising of 200,650,000 ordinary shares on the LEAP Market of Bursa Securities; and
- (ii) On 27 December 2017, the Company completed the acquisition of 5 companies, namely HWM, MMC, KWT, MIVF and VONE.

A9. CHANGES IN THE COMPOSITION OF THE GROUP

On 27 December 2017, the Company completed the acquisition of 5 companies, namely HWM, MMC, KWT, MIVF and VONE.

A10. CONTINGENT ASSETS AND CONTINGENT LIABILITIES

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

A11. CAPITAL COMMITMENTS

There were no material capital commitments in respect of property, plant and equipment as at the end of the current financial period.

B ADDITIONAL INFORMATION REQUIRED UNDER THE LISTING REQUIREMENTS

B1. REVIEW OF PERFORMANCE

The Group has recorded a revenue of RM0.25 million with a gross profit of RM0.07 million and a profit before taxation of RM1.51 million for the current financial period ended 31 December 2017. The profit before taxation was mainly derived from gain on acquisition of subsidiaries.

B2. PROSPECTS

As disclosed in the Company's Information Memorandum dated 19 January 2018, the Group has started and is maintaining its plans and strategies to:

- establish Metro as a brand name and a centre of excellence for women healthcare specialising in reproductive medicine, obstetrics and gynaecology
- build a pool of talented specialists, doctors and management staff
- build the Group's network in Malaysia
- invest in modern and advanced technology

Barring any unforeseen circumstances, the Board of Directors of the Company ("Board") is of the opinion that the prospects of the Group's financial performance for the financial year ending 31 December 2018 will remain favourable.



B3. VARIANCE OF ACTUAL PROFIT FROM PROFIT FORECAST AND PROFIT GUARANTEE

The Group has not issued any profit forecast or profit guarantee in any form of public documentation and announcement.

C OTHER INFORMATION

C1. STATUS OF CORPORATE PROPOSALS

There were no corporate proposals announced but pending completion as at the date of this report.

C2. UTILISATION OF PROCEEDS

The status of utilisation of the proceeds from the Excluded Issue of RM4.62 million are as follows:-

Purpose	Proposed utilisation	Actual utilisation ⁽¹⁾	Deviation	Balance	Estimated timeframe for utilisation upon listing
	RM'000	RM'000	RM'000	RM'000	
Business expansion	3,418	-	-	3,418	Within 24 months
Marketing and accreditation program	300	-	-	300	Within 12 months
Estimated listing expenses	900	(626)	-	274	Within 3 months
Total	4,618	(626)	-	3,992	

Notes:

⁽¹⁾ Utilisation as at 31 December 2017

C3. MATERIAL LITIGATION

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

C4. DIVIDENDS

The Board does not recommend any dividend for the current period.