



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

**FINANCIAL STATEMENTS FOR THE 1<sup>ST</sup> HALF-YEAR  
ENDED 30 JUNE 2018**

**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 ("METRO" OR THE "COMPANY"). 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  
30 JUNE 2018 <sup>(1)</sup>

	As at 30.06.2018 Unaudited RM'000	As at 31.12.2017 Audited RM'000
<b><u>ASSETS</u></b>		
<b>Non-current assets</b>		
Property, plant and equipment	11,840	11,226
Other investment	2,522	3,327
Goodwill	713	-
<b>Total non-current assets</b>	<b>15,075</b>	<b>14,553</b>
<b>Current assets</b>		
Inventories	790	640
Trade and other receivables	925	794
Tax recoverable	35	85
Cash and cash equivalents	5,444	1,068
<b>Total current assets</b>	<b>7,194</b>	<b>2,587</b>
<b>TOTAL ASSETS</b>	<b>22,269</b>	<b>17,140</b>
<b><u>EQUITY AND LIABILITIES</u></b>		
<b>Equity attributable to the owners of the Company</b>		
Share capital	13,647	9,029
Retained earnings	2,053	1,402
<b>Total equity</b>	<b>15,700</b>	<b>10,431</b>
<b>Non-current liabilities</b>		
Borrowings	4,068	4,212
Deferred tax liabilities	545	489
<b>Total non-current liabilities</b>	<b>4,613</b>	<b>4,701</b>
<b>Current liabilities</b>		
Trade and other payables	1,740	1,798
Borrowings	216	210
<b>Total current liabilities</b>	<b>1,956</b>	<b>2,008</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>22,269</b>	<b>17,140</b>
Net assets per share (sen) <sup>(2)</sup>	7.82	5.78



*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 Financial Statements for the financial year ended 31 December 2017 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 of 200,650,000 shares as at 30 June 2018 and 180,570,500 shares as at 31 December 2017 respectively.*



UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME FOR THE 1<sup>ST</sup> HALF-YEAR ENDED 30 JUNE 2018 <sup>(1)</sup>

	Individual 6 months ended		Cumulative 6 months ended	
	30.06.2018	30.06.2017	30.06.2018	30.06.2017
	RM'000	RM'000	RM'000	RM'000
Revenue	9,822	-	9,822	-
Cost of sales	(5,332)	-	(5,332)	-
<b>Gross profit</b>	<b>4,490</b>	-	<b>4,490</b>	-
Other operating income	297	-	297	-
Other operating expenses	(3,399)	(2)	(3,399)	(2)
Operating profit/(loss)	1,388	(2)	1,388	(2)
Finance cost	(64)	-	(64)	-
<b>Profit/(Loss) before taxation</b>	<b>1,324</b>	(2)	<b>1,324</b>	(2)
Taxation	(673)	-	(673)	-
<b>Profit/(Loss) for the financial period</b>	<b>651</b>	(2)	<b>651</b>	(2)
Total number of shares (units)	200,650,000	20	200,650,000	20
<b>Earnings per ordinary share ("EPS")(sen):</b>				
- Basic <sup>(3)</sup>	0.33	N/A	0.33	N/A
- Diluted <sup>(4)</sup>	0.33	N/A	0.33	N/A

Notes:

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income are detailed in Note A1 and should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2017 and the accompanying explanatory notes attached to this interim financial report.
- (2) Less than RM1,000.
- (3) Basic earnings per ordinary share is calculated based on the Company's weighted average number of ordinary shares in issue of 194,992,240 during the financial period ended 30 June 2018.
- (4) Diluted earnings per ordinary share of the Company is equivalent to the basic earnings per ordinary share as the Company does not have any securities convertible into ordinary shares of the Company at the end of the reporting period.



UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR  
THE 1<sup>ST</sup> HALF-YEAR ENDED 30 JUNE 2018 <sup>(1)</sup>

	Attributable to owners of the Company		
	Share capital RM'000	Retained Earnings/ (Accumulated losses) RM'000	Total RM'000
At 1 January 2018	9,029	1,402	10,431
Profit for the financial period	-	651	651
Issuance of new shares	4,618	-	4,618
At 30 June 2018	<u>13,647</u>	<u>2,053</u>	<u>15,700</u>
At 1 January 2017	<sup>(2)</sup>	(246)	(246)
Loss for the financial period	-	<sup>(3)</sup>	<sup>(3)</sup>
Issuance of new shares	-	-	-
At 30 June 2017	<u><sup>(2)</sup></u>	<u>(246)</u>	<u>(246)</u>

Notes:

- (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 Financial Statements for the financial year ended 31 December 2017 and the accompanying explanatory notes attached to this interim financial report.*
- (2) *Issued share capital as at 1 January 2017 and 30 June 2017 was RM2 comprising 20 ordinary shares.*
- (3) *Less than RM1,000.*



UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE 1<sup>ST</sup> HALF-YEAR ENDED 30 JUNE 2018 <sup>(1)</sup>

	6 months ended	
	30.06.2018 RM'000	30.06.2017 RM'000
<b>Cash flow from operating activities</b>		
Profit/(Loss) before taxation	1,324	(2)
<i>Adjustment for:</i>		
Depreciation of property, plant and equipment	552	-
Finance cost	64	-
Loss on disposal of investment in quoted shares	289	-
Net fair value loss on investment in quoted shares	317	-
Dividend income from investment in quoted shares	(55)	-
Operating profit/(loss) before changes in working capital	2,491	(2)
- Inventories	(122)	-
- Receivables	(67)	-
- Payables	(1,283)	(2)
Cash generated from operations	1,019	(2)
- Finance cost paid	(64)	-
- Tax refunded	53	-
- Tax paid	(553)	-
<b>Net cash generated from operating activities</b>	<b>455</b>	(2)
<b>Cash flows from investing activities:</b>		
Acquisition of a subsidiary company, net off cash and cash equivalent acquired	(374)	-
Acquisition of property, plant and equipment	(437)	-
Investment in quoted shares	(1,058)	-
Proceeds from disposal of investment in quoted shares	1,256	-
Dividend received from investment in quoted shares	55	-
<b>Net cash used in investing activities</b>	<b>(558)</b>	-
<b>Cash flows from financing activities</b>		
Repayment of borrowings	(139)	-
Proceeds from issuance of new ordinary shares	4,618	-
<b>Net cash generated from financing activities</b>	<b>4,479</b>	-
<b>Net increase in cash and cash equivalents</b>	<b>4,376</b>	(2)
Cash and cash equivalents at beginning of the financial period	1,068	(2)
<b>Cash and cash equivalents at end of the financial period</b>	<b>5,444</b>	(2)
Cash and cash equivalents at end of the financial period comprise:		
Cash and bank balances	5,439	(2)
Fixed deposit with a licensed bank	5	-
	<b>5,444</b>	(2)



*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 Financial Statements for the financial year ended 31 December 2017 and the accompanying explanatory notes attached to this interim financial report.*
- (2) *Less than RM1,000.*



## **A EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE 1<sup>ST</sup> HALF-YEAR ENDED 30 JUNE 2018**

### **A1. BASIS OF PREPARATION**

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, Metro Medical Centre Sdn Bhd, K. W. Tee Sdn Bhd, Metro IVF Sdn Bhd and Vision One Diagnostic Sdn Bhd for a total purchase consideration of RM9,028,523 and was fully satisfied *via* the issuance of 180,570,460 ordinary shares in Metro at the issue price of RM0.05 per share.

On 15 May 2018, Metro completed the acquisition of 100% equity interest of a company, namely SSH Care Sdn Bhd (“SSH”) for a total purchase consideration of RM397,378 and was fully satisfied *via* cash from the proceeds of the listing of Metro on the LEAP Market of Bursa Securities on 26 February 2018.

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

This is the interim financial report on the consolidated results of the Group for the 1<sup>st</sup> half-year ended 30 June 2018 announced by the Company in compliance with the LEAP Market Listing Requirements.

The interim financial report should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2017 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 Financial Statements for the financial year ended 31 December 2017, 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 financial period.





## **A2. CHANGES IN ACCOUNTING POLICIES (CONTINUED)**

Accounting standards, amendments to accounting standards and IC Interpretation that are applicable for the Group in the following periods but are not yet effective:

### ***Annual periods beginning on/after 1 January 2018***

- MFRS 9, “Financial Instruments”
- MFRS 15, “Revenue from Contracts with Customers”
- Amendments to MFRS 1, “First-time Adoption of Malaysian Financial Reporting Standards” (Annual improvements 2014-2016 cycle)
- Amendments to MFRS 2, “Classification and Measurement of Share-Based Payment Transactions”
- Amendments to MFRS 4, “Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts”
- Amendments to MFRS 128, “Investments in Associates and Joint Ventures” (Annual improvements 2014-2016 cycle)
- Amendments to MFRS 140, “Transfers of Investment Property”
- IC Interpretation 22, “Foreign Currency Transactions and Advance Consideration”

### ***Annual periods beginning on/after 1 January 2019***

- MFRS 16, “Leases”
- Amendments to MFRS 3, “Business Combinations” (Annual Improvements to MFRS 2015-2017 cycle)
- Amendments to MFRS 9, “Prepayment Features with Negative Compensation”
- Amendments to MFRS 11, “Joint Arrangement” (Annual Improvements to MFRS 2015-2017 cycle)
- Amendments to MFRS 112, “Income Taxes” (Annual Improvements to MFRS 2015-2017 cycle)
- Amendments to MFRS 123, “Borrowing Costs” (Annual Improvements to MFRS 2015-2017 cycle)
- Amendments to MFRS 128, “Long-term Interests in Associates and Joint Ventures”
- IC Interpretation 23, “Uncertainty over Income Tax Treatments”

### ***Annual periods beginning on/after 1 January 2021***

- MFRS 17, “Insurance Contracts”

### ***Effective date yet to be determined by the Malaysian Accounting Standards Board***

- Amendments to MFRS 10 and MFRS 128, “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”



**A3. SEASONAL OR CYCLICAL FACTORS**

The Group's operations were not affected materially 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:

On 21 February 2018, 20,079,500 new ordinary shares of the Company were issued pursuant to an excluded issue at an issue price of RM0.23 per share to sophisticated investors within the meanings of Sections 229 and 230 of the Capital Markets and Services Act 2007 ("**Excluded Issue**"). Subsequently, on 26 February 2018, the Company's entire enlarged issued share capital of RM13,646,810 comprising 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 6 months ended	
	30.06.2018	30.06.2017	30.06.2018	30.06.2017
	RM'000	RM'000	RM'000	RM'000
Inpatient services	1,731	-	1,731	-
Outpatient services	4,261	-	4,261	-
Ambulatory care	3,830	-	3,830	-
Total	9,822	-	9,822	-

The Group recorded a revenue of RM9.82 million for the current financial period ended 30 June 2018. Outpatient, ambulatory care and inpatient services contributed 43%, 39% and 18% to the Group's revenue respectively.



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

There were no material events subsequent to the end of the current financial period.

**A9. CHANGES IN THE COMPOSITION OF THE GROUP**

There were no changes in the composition of the Group during the current financial period, save for the completion of the acquisition of SSH on 15 May 2018.

**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 additional 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 RM9.82 million with a gross profit of RM4.49 million and a profit before taxation of RM1.32 million for the 6-month financial period ended 30 June 2018.

### **B2. PROSPECTS**

With the proceeds from the Excluded Issue, the Group has embarked on several projects in line with its business strategies and future plans that have been disclosed in Section 5.10 of the Information Memorandum dated 19 January 2018.

Among others, the Group will continue to implement its strategic plans in order to:

- establish Metro Healthcare 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; and
- invest in modern and advanced technology.

To-date, the implementation of these plans is in progress within the management's control. Barring any unforeseen circumstances, the Board of Directors of the Company 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 <sup>(1)</sup>	Deviation	Balance	Estimated timeframe for utilisation upon listing
	RM'000	RM'000	RM'000	RM'000	
Business expansion	3,418	(912)	197	2,703	Within 24 months
Marketing and accreditation program	300	(58)	-	242	Within 12 months
Estimated listing expenses	900	(703)	(197) <sup>(2)</sup>	-	Within 3 months
<b>Total</b>	<b>4,618</b>	<b>(1,673)</b>	<b>-</b>	<b>2,945</b>	

*Notes:*

(1) Utilisation as at 30 June 2018.

(2) This amount has been relocated to the amount earmarked for business expansion, in particular working capital.

### **C3. MATERIAL LITIGATION**

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

### **C4. DIVIDENDS**

The Board of Directors will declare a single tier interim dividend of 0.5 sen per ordinary share in respect of financial year ending 31 December 2018. The interim dividend shall be paid on 18 September 2018.