



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

**FINANCIAL STATEMENTS FOR THE HALF-YEAR  
ENDED 31 DECEMBER 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  
31 DECEMBER 2018 <sup>(1)</sup>

	As at 31.12.2018 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	12,887	11,226
Other investment	2,520	3,327
Goodwill	713	-
Deferred tax assets	34	-
<b>Total non-current assets</b>	<b>16,154</b>	<b>14,553</b>
<b>Current assets</b>		
Inventories	727	640
Trade and other receivables	777	794
Tax recoverable	578	85
Cash and cash equivalents	4,470	1,068
<b>Total current assets</b>	<b>6,552</b>	<b>2,587</b>
<b>TOTAL ASSETS</b>	<b>22,706</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	2,220	1,402
<b>Total equity</b>	<b>15,867</b>	<b>10,431</b>
<b>Non-current liabilities</b>		
Borrowings	3,907	4,212
Deferred tax liabilities	321	489
<b>Total non-current liabilities</b>	<b>4,228</b>	<b>4,701</b>
<b>Current liabilities</b>		
Trade and other payables	2,173	1,798
Tax payables	215	-
Borrowings	223	210
<b>Total current liabilities</b>	<b>2,611</b>	<b>2,008</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>22,706</b>	<b>17,140</b>
Net assets per share (sen) <sup>(2)</sup>	7.91	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 total number of issued shares of 200,650,000 ordinary shares as at 31 December 2018 and 180,570,500 ordinary shares as at 31 December 2017 respectively.*



UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018 <sup>(1)</sup>

	Individual 6 months ended		Cumulative 12 months ended	
	31.12.2018	31.12.2017	31.12.2018	31.12.2017
	RM'000	RM'000	RM'000	RM'000
Revenue	10,454	246	20,276	246
Cost of sales	(6,075)	(172)	(11,407)	(172)
<b>Gross profit</b>	<b>4,379</b>	<b>74</b>	<b>8,869</b>	<b>74</b>
Other operating income	138	2,312	435	2,312
Other operating expenses	(3,310)	(735)	(6,709)	(735)
Operating profit	1,207	1,651	2,595	1,651
Finance cost	(42)	(3)	(106)	(3)
<b>Profit before taxation</b>	<b>1,165</b>	<b>1,648</b>	<b>2,489</b>	<b>1,648</b>
Taxation	5	-	(668)	-
<b>Profit/total comprehensive income for the financial period/year</b>	<b>1,170</b>	<b>1,648</b>	<b>1,821</b>	<b>1,648</b>
Total number of shares (units)	200,650,000	180,570,500	200,650,000	180,570,500
<b>Earnings per ordinary share ("EPS")(sen):</b>				
- Basic <sup>(2)</sup>	0.58	0.91	0.92	0.91
- Diluted <sup>(3)</sup>	0.58	0.91	0.92	0.91

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) Basic earnings per ordinary share for the financial year ended 31 December 2018 is calculated based on the Company's weighted average number of ordinary shares in issue of 197,869,522 during the financial year ended 31 December 2018. The Company's issued shares prior to the Excluded Issue (as defined in Note A6) of 180,570,500 were assumed to be issued at the beginning of the financial period ended 31 December 2017.
- (3) 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 FINANCIAL YEAR ENDED 31 DECEMBER 2018 <sup>(1)</sup>

	Attributable to owners of the Company		
	Share capital RM'000	Retained earnings RM'000	Total RM'000
At 1 January 2018	9,029	1,402	10,431
Profit for the financial year	-	1,821	1,821
Issuance of new ordinary shares	4,618	-	4,618
Dividend paid	-	(1,003)	(1,003)
At 31 December 2018	13,647	2,220	15,867
At 1 January 2017	<sup>(2)</sup>	(246)	(246)
Profit for the financial year	-	1,648	1,648
Issuance of new ordinary shares	9,029	-	9,029
At 31 December 2017	9,029	1,402	10,431

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 was RM2 comprising 20 ordinary shares.*



UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE  
FINANCIAL YEAR ENDED 31 DECEMBER 2018 <sup>(1)</sup>

	12 months ended	
	31.12.2018	31.12.2017
	RM'000	RM'000
<b>Cash flows from operating activities</b>		
Profit before taxation	2,489	1,648
<i>Adjustment for:</i>		
Depreciation of property, plant and equipment	1,139	15
Gain on bargain purchase arising from acquisition of subsidiaries	-	(2,275)
Finance cost	106	3
Loss on disposal of investment in quoted shares	289	6
Net fair value loss/(gain) on investment in quoted shares	515	(35)
Dividend income from investment in quoted shares	(99)	-
Operating profit/(loss) before changes in working capital	4,439	(638)
- Amount owing from/to related parties	(73)	150
- Amount owing to a Director	(15)	(23)
- Inventories	(59)	18
- Receivables	80	253
- Payables	(763)	28
Cash generated from/(used in) operations	3,609	(212)
- Finance cost paid	(106)	(3)
- Tax refunded	53	-
- Tax paid	(1,134)	-
<b>Net cash generated from/(used in) operating activities</b>	<b>2,422</b>	<b>(215)</b>
<b>Cash flows from investing activities:</b>		
Acquisition of a subsidiary company, net of cash and cash equivalent acquired	(374)	-
Acquisition of property, plant and equipment	(2,071)	(5)
Investment in quoted shares	(1,253)	-
Proceeds from disposal of investment in quoted shares	1,256	8
Dividend received from investment in quoted shares	99	-
<b>Net cash (used in)/generated from investing activities</b>	<b>(2,343)</b>	<b>3</b>
<b>Cash flows from financing activities</b>		
Repayment of borrowings	(292)	-
Proceeds from issuance of new ordinary shares	4,618	-
Dividend paid	(1,003)	-
<b>Net cash generated from financing activities</b>	<b>3,323</b>	<b>-</b>
<b>Net increase/(decreased) in cash and cash equivalents</b>	<b>3,402</b>	<b>(212)</b>
Cash and cash equivalents at beginning of the financial year	1,068	1,280
<b>Cash and cash equivalents at end of the financial year</b>	<b>4,470</b>	<b>1,068</b>



UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE  
FINANCIAL YEAR ENDED 31 DECEMBER 2018 <sup>(1)</sup> (CONTINUED)

	12 months ended	
	31.12.2018	31.12.2017
	RM'000	RM'000
Cash and cash equivalents at end of the financial year comprise:		
Cash and bank balances	4,465	1,068
Fixed deposit with a licensed bank	5	-
	<b>4,470</b>	<b>1,068</b>

*Note:*

- (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.*



## **A EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 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 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 issuance of new ordinary shares pursuant to 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 half-year ended 31 December 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:

- 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”

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 year.





**A EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018 (CONTINUED)**

**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 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 2020*

Amendments to References to the Conceptual Framework in MFRS Standards:

- Amendments to MFRS 2, “Share Based Payments”
- Amendments to MFRS 3, “Business Combinations”
- Amendments to MFRS 6, “Exploration for and Evaluation of Mineral Resources”
- Amendments to MFRS 14, “Regulatory Deferral Accounts”
- Amendments to MFRS 101, “Presentation of Financial Statements”
- Amendments to MFRS 108, “Accounting Policies, Changes in Accounting Estimates and Errors”
- Amendments to MFRS 134, “Interim Financial Reporting”
- Amendment to MFRS 137, “Provisions, Contingent Liabilities and Contingent Assets”
- Amendment to MFRS 138, “Intangible Assets”
- Amendment to IC Interpretation 12, “Service Concession Arrangements”
- Amendment to IC Interpretation 19, “Extinguishing Financial Liabilities with Equity Instruments”
- Amendment to IC Interpretation 20, “Stripping Costs in the Production Phase of a Surface Mine”
- Amendment to IC Interpretation 22, “Foreign Currency Transactions and Advance Considerations”
- Amendments to IC Interpretation 132, “Intangible Assets- Web Site Costs”



**A EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018 (CONTINUED)**

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

*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”

The above accounting standards, amendments to accounting standards and interpretation do not have any significant impact to the financial statement.

**A3. SEASONAL OR CYCLICAL FACTORS**

The Group’s operations were not affected materially by seasonal or cyclical factors for the current financial period and financial year-to-date under review.

**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 and financial year-to-date under review.

**A5. MATERIAL CHANGES IN ESTIMATES**

There were no material changes in accounting estimates in the current financial period and financial year-to-date under review.

**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 and financial year-to-date under review:

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 Section 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.



**A EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018 (CONTINUED)**

**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	
	31.12.2018	31.12.2017	31.12.2018	31.12.2017
	RM'000	RM'000	RM'000	RM'000
Inpatient services	1,800	44	3,531	44
Outpatient services	4,626	119	8,887	119
Ambulatory care	4,028	83	7,858	83
<b>Total</b>	<b>10,454</b>	<b>246</b>	<b>20,276</b>	<b>246</b>

The Group recorded a revenue of RM20.28 million for the financial year ended 31 December 2018. Inpatient, outpatient services and ambulatory care contributed 17%, 44% and 39% to the Group's revenue respectively for the financial year ended 31 December 2018.

**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 for the current financial period and financial year-to-date, 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**

#### Financial Year-To-Date vs Previous Financial Year-To-Date

The Group recorded a revenue of RM20.28 million for the financial year ended 31 December 2018, as compared to RM0.25 million in the previous financial year, representing an increase of RM20.03 million or 8,012% mainly due to full year consolidation of 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 financials during the financial year ended 31 December 2018 arising from its acquisition on 27 December 2017.

The Group recorded a gross profit of RM8.87 million for the financial year ended 31 December 2018, as compared to RM0.07 million in the previous financial year, representing an increase of RM8.80 million or 12,571% as a result of the full year consolidation as explained above.

The Group recorded a profit before taxation of RM2.49 million for the financial year ended 31 December 2018, as compared to RM1.65 million in the previous financial year, representing an increase RM0.84 million or 51% mainly due to full year consolidation as explained above.

#### Current Period vs Immediate Preceding Period

The Group recorded a revenue of RM10.45 million for the current financial period ended 31 December 2018, as compared to RM9.82 million in the immediate preceding period, representing an increase of RM0.63 million or 6% as a result of full operation of the ambulatory care centre in Puchong as well as enhanced marketing programmes undertaken by the Group.

The Group recorded a gross profit of RM4.38 million for the current financial period ended 31 December 2018, as compared to RM4.49 million in the immediate preceding period, representing a drop of RM0.11 million or 2% mainly due to higher cost of sales from the full operation of the ambulatory care services.

The Group recorded a profit before taxation of RM1.17 million for the current financial period ended 31 December 2018, as compared to RM1.32 million in the immediate preceding period, representing a drop RM0.15 million or 11% mainly due to lower gross profit recorded as explained above.



**B ADDITIONAL INFORMATION REQUIRED UNDER THE LISTING REQUIREMENTS  
(CONTINUE)**

**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 2019 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	2,953	319	784	Within 24 months
Marketing and accreditation program	300	178	(122) <sup>(2)</sup>	-	Within 12 months
Estimated listing expenses	900	703	(197) <sup>(2)</sup>	-	Within 3 months
Total	4,618	3,834	-	784	

*Notes:*

*(1) Utilisation as at 31 December 2018.*

*(2) This amount has been reallocated 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 has on 9 August 2018 declared a single tier interim dividend of 0.5 sen per ordinary share in respect of the financial year ended 31 December 2018. The interim dividend amounting to RM1,003,250 was paid on 18 September 2018.