



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

**FINANCIAL STATEMENTS FOR THE 1<sup>ST</sup> HALF-YEAR  
ENDED 30 JUNE 2019**

**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 STATEMENT OF FINANCIAL POSITION AS AT  
30 JUNE 2019 <sup>(1)</sup>

	As at 30.06.2019 Unaudited RM'000	As at 31.12.2018 Audited RM'000
<b><u>ASSETS</u></b>		
<b>Non-current assets</b>		
Property, plant and equipment	13,124	12,887
Other investment	2,542	2,519
Goodwill	713	713
Deferred tax assets	6	34
	<b>16,385</b>	<b>16,153</b>
<b>Current assets</b>		
Inventories	837	727
Trade and other receivables	1,129	726
Tax recoverable	415	579
Cash and cash equivalents	5,069	4,478
	<b>7,450</b>	<b>6,510</b>
<b>TOTAL ASSETS</b>	<b>23,835</b>	<b>22,663</b>
<b><u>EQUITY AND LIABILITIES</u></b>		
<b>Equity attributable to the owners of the Company</b>		
Share capital	13,647	13,647
Retained earnings	3,281	2,220
<b>Total equity</b>	<b>16,928</b>	<b>15,867</b>
<b>Non-current liabilities</b>		
Borrowings	3,737	3,907
Deferred tax liabilities	602	321
	<b>4,339</b>	<b>4,228</b>
<b>Current liabilities</b>		
Trade and other payables	2,186	2,130
Tax payables	151	215
Borrowings	231	223
	<b>2,568</b>	<b>2,568</b>
<b>TOTAL LIABILITIES</b>	<b>6,907</b>	<b>6,796</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>23,835</b>	<b>22,663</b>
Net assets per share (sen)	8.44	7.91



*Note:*

- (1) *The basis of preparation of the Unaudited Condensed Consolidated Statement 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 2018 and the accompanying explanatory notes attached to this interim financial report.*



UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE 1<sup>ST</sup> HALF-YEAR ENDED 30 JUNE 2019 <sup>(1)</sup>

	Individual 6 months ended		Cumulative 6 months ended	
	30.06.2019	30.06.2018	30.06.2019	30.06.2018
	RM'000	RM'000	RM'000	RM'000
Revenue	11,001	9,822	11,001	9,822
Cost of sales	(6,234)	(5,332)	(6,234)	(5,332)
<b>Gross profit</b>	<b>4,767</b>	<b>4,490</b>	<b>4,767</b>	<b>4,490</b>
Other operating income	198	297	198	297
Other operating expenses	(3,078)	(3,399)	(3,078)	(3,399)
Operating profit	1,887	1,388	1,887	1,388
Finance cost	(40)	(64)	(40)	(64)
<b>Profit before taxation</b>	<b>1,847</b>	<b>1,324</b>	<b>1,847</b>	<b>1,324</b>
Taxation	(786)	(673)	(786)	(673)
<b>Profit/total comprehensive income for the financial period</b>	<b>1,061</b>	<b>651</b>	<b>1,061</b>	<b>651</b>
<b>Earnings per ordinary share ("EPS") (sen):</b>				
- Basic	0.53	0.33	0.53	0.33
- Diluted <sup>(2)</sup>	0.53	0.33	0.53	0.33

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 2018 and the accompanying explanatory notes attached to this interim financial report.
- (2) Diluted earnings per ordinary share 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 STATEMENT OF CHANGES IN EQUITY FOR  
THE 1<sup>ST</sup> HALF-YEAR ENDED 30 JUNE 2019 <sup>(1)</sup>

	Attributable to owners of the Company		
	Share capital RM'000	Retained earnings RM'000	Total RM'000
At 1 January 2019	13,647	2,220	15,867
Profit/Total comprehensive income for the financial period	-	1,061	1,061
At 30 June 2019	13,647	3,281	16,928
At 1 January 2018	9,029	1,402	10,431
Profit/Total comprehensive income for the financial period	-	651	651
Issuance of new ordinary shares	4,618	-	4,618
At 30 June 2018	13,647	2,053	15,700

*Note:*

- (1) *The basis of preparation of the Unaudited Condensed Consolidated Statement 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 2018 and the accompanying explanatory notes attached to this interim financial report.*



UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE 1<sup>ST</sup>  
HALF-YEAR ENDED 30 JUNE 2019 <sup>(1)</sup>

	6 months ended	
	30.06.2019	30.06.2018
	RM'000	RM'000
<b>Cash flows from operating activities</b>		
Profit before taxation	1,847	1,324
<i>Adjustments for:</i>		
Depreciation of property, plant and equipment	619	552
Finance cost	40	64
Loss on disposal of investment in quoted shares	-	289
Net fair value (gain)/loss on investment in quoted shares	(23)	317
Dividend income from investment in quoted shares	(28)	(55)
Operating profit before changes in working capital	2,455	2,491
- Inventories	(110)	(122)
- Receivables	(403)	(67)
- Payables	56	(1,283)
Cash generated from operations	1,998	1,019
- Finance cost paid	(40)	(64)
- Tax refunded	144	53
- Tax paid	(521)	(553)
<b>Net cash generated from operating activities</b>	<b>1,581</b>	<b>455</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	(856)	(437)
Investment in quoted shares	-	(1,058)
Proceeds from disposal of investment in quoted shares	-	1,256
Dividend received from investment in quoted shares	28	55
<b>Net cash used in investing activities</b>	<b>(828)</b>	<b>(558)</b>
<b>Cash flows from financing activities</b>		
Repayment of borrowings	(162)	(139)
Proceeds from issuance of new ordinary shares	-	4,618
<b>Net cash (used in)/generated from financing activities</b>	<b>(162)</b>	<b>4,479</b>
<b>Net increase in cash and cash equivalents</b>	<b>591</b>	<b>4,376</b>
Cash and cash equivalents at beginning of the financial period	4,478	1,068
<b>Cash and cash equivalents at end of the financial period</b>	<b>5,069</b>	<b>5,444</b>



UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE 1<sup>ST</sup>  
HALF-YEAR ENDED 30 JUNE 2019 <sup>(1)</sup> (CONTINUED)

	6 months ended	
	30.06.2019	30.06.2018
	RM'000	RM'000
Cash and cash equivalents at end of the financial period comprise:		
Cash and bank balances	5,064	5,439
Fixed deposit with a licensed bank	5	5
	<b>5,069</b>	<b>5,444</b>

*Note:*

- (1) *The basis of preparation of the Unaudited Condensed Consolidated Statement 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 2018 and the accompanying explanatory notes attached to this interim financial report.*



## **A EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE 1<sup>ST</sup> HALF-YEAR ENDED 30 JUNE 2019**

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

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

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 2019 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 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 Financial Statements for the financial year ended 31 December 2018, except for the following:

- 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)
- Admenments to MFRS 119, “Employee Benefits”
- 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”

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





**A EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE 1<sup>ST</sup> HALF-YEAR ENDED 30 JUNE 2019 (CONTINUED)**

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

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

***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”

***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 interpretations are not expected to have any significant impact to the financial statements.



**A EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE 1<sup>ST</sup> HALF-YEAR ENDED 30 JUNE 2019 (CONTINUED)**

**A3. SEASONAL OR CYCLICAL FACTORS**

The Group's operations were not materially affected 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**

There were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities for the current financial period and financial year-to-date under review.

**A7. SEGMENTAL INFORMATION**

In general, the Group's revenue can be categorised into 3 revenue streams, namely, inpatient services, outpatient services and ambulatory care as per the following table:

	Individual 6 months ended		Cumulative 6 months ended	
	30.06.2019	30.06.2018	30.06.2019	30.06.2018
	RM'000	RM'000	RM'000	RM'000
Inpatient services	1,860	1,731	1,860	1,731
Outpatient services	4,755	4,261	4,755	4,261
Ambulatory care	4,386	3,830	4,386	3,830
<b>Total</b>	<b>11,001</b>	<b>9,822</b>	<b>11,001</b>	<b>9,822</b>

The Group recorded a revenue of RM11.00 million for the financial period ended 30 June 2019. Inpatient, outpatient services and ambulatory care contributed 17%, 43% and 40% to the Group's revenue respectively for the financial period ended 30 June 2019.



**A EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE 1<sup>ST</sup> HALF-YEAR ENDED 30 JUNE 2019 (CONTINUED)**

**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 that have not been reflected in this interim financial report.

**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.

**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 recorded a revenue of RM11.00 million for the financial period ended 30 June 2019, as compared to RM9.82 million in the previous financial period, representing an increase of RM1.18 million or 12% mainly as a result of improved operations of existing ambulatory care centres and upgrading Melaka's specialist clinic to a reproductive medicine ambulatory care centre which include an in vitro fertilization (IVF) laboratory providing IVF services targeting patients from Melaka and Johor.

The Group recorded a gross profit of RM4.77 million for the financial period ended 30 June 2019, as compared to RM4.49 million in the previous financial period, representing an increase of RM0.28 million or 6%. The increase in gross profit was mainly due to the growth in revenue. The Group's gross profit margin for the financial period ended 30 June 2019 was 43%, which was 3% lower than that of the financial period ended 30 June 2018. The lower gross profit margin was mainly due to higher cost of medical supplies.

The Group recorded a higher profit before taxation of RM1.85 million for the financial period ended 30 June 2019, as compared to RM1.32 million in the previous financial period, representing an increase of RM0.53 million or 40% mainly due to the revenue growth of ambulatory care and outpatient services.

### **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;
- invest in modern and advanced technology; and
- setting up a women's clinic in Johor Bahru.

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.



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

**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	3,096	319	641	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	3,977	-	641	

*Notes:*

*(1) Utilisation as at 30 June 2019.*

*(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 20 June 2019 declared a single tier interim dividend of 0.55 sen per ordinary share in respect of the financial year ending 31 December 2019. The interim dividend amounting to RM1,103,575 was paid on 10 July 2019.