



METRO HEALTHCARE BERHAD  
(Registration No. 201001021746 (905516-M))  
(Incorporated in Malaysia)

**FINANCIAL STATEMENTS FOR THE HALF-YEAR  
ENDED 31 DECEMBER 2020**

**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 2020<sup>(1)</sup>

	As at 31.12.2020 Unaudited RM'000	As at 31.12.2019 Audited RM'000
<b><u>ASSETS</u></b>		
<b>Non-current assets</b>		
Property, plant and equipment	15,782	12,762
Right-of-use assets	7,283	6,065
Other investment	3,294	2,720
Goodwill	-	361
Deferred tax assets	5	5
<b>Total non-current assets</b>	<b>26,364</b>	<b>21,913</b>
<b>Current assets</b>		
Inventories	962	1,139
Trade and other receivables	1,519	936
Tax recoverable	332	95
Cash and cash equivalents	9,019	5,542
<b>Total current assets</b>	<b>11,832</b>	<b>7,712</b>
<b>TOTAL ASSETS</b>	<b>38,196</b>	<b>29,625</b>
<b><u>EQUITY AND LIABILITIES</u></b>		
<b>Equity attributable to the owners of the Company</b>		
Share capital	15,043	13,647
Retained earnings	7,597	3,373
<b>Total equity</b>	<b>22,640</b>	<b>17,020</b>
<b>Non-current liabilities</b>		
Borrowings	3,377	3,575
Deferred tax liabilities	559	411
Lease liabilities	7,360	6,020
<b>Total non-current liabilities</b>	<b>11,296</b>	<b>10,006</b>
<b>Current liabilities</b>		
Trade and other payables	3,088	1,990
Tax payables	434	120
Borrowings	281	238
Lease liabilities	457	251
<b>Total current liabilities</b>	<b>4,260</b>	<b>2,599</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>38,196</b>	<b>29,625</b>
Net assets per share (sen) <sup>(2)</sup>	11.19	8.48



*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 2019 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 202,270,000 ordinary shares as at 31 December 2020 and 200,650,000 ordinary shares as at 31 December 2019 respectively.*



UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020<sup>(1)</sup>

	Individual 6 months ended		Cumulative 12 months ended	
	31.12.2020	31.12.2019	31.12.2020	31.12.2019
	RM'000	RM'000	RM'000	RM'000
Revenue	17,194	11,708	28,334	22,709
Cost of sales	(8,729)	(6,200)	(15,174)	(12,434)
<b>Gross profit</b>	<b>8,465</b>	<b>5,508</b>	<b>13,160</b>	<b>10,275</b>
Other operating income	884	308	2,207	506
Other operating expenses	(4,415)	(3,978)	(7,755)	(7,056)
Operating profit	4,934	1,838	7,612	3,725
Finance cost	(184)	(253)	(374)	(293)
<b>Profit before taxation</b>	<b>4,750</b>	<b>1,585</b>	<b>7,238</b>	<b>3,432</b>
Taxation	(1,226)	(390)	(1,809)	(1,176)
<b>Profit/Total comprehensive income for the financial period/year</b>	<b>3,524</b>	<b>1,195</b>	<b>5,429</b>	<b>2,256</b>
<b>Earnings per ordinary share ("EPS")(sen):</b>				
- Basic <sup>(2)</sup>	1.74	0.59	2.69	1.12
- Diluted <sup>(3)</sup>	1.74	0.59	2.69	1.12

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 2019 and the accompanying explanatory notes attached to this interim financial report.
- (2) Basic earnings per ordinary share is calculated based on the Company's weighted average number of ordinary shares in issue of 202,270,200 ordinary shares during the financial period ended 31 December 2020 and 201,888,301 ordinary shares during the financial year ended 31 December 2019.
- (3) Diluted EPS is equivalent to the basic EPS 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 2020<sup>(1)</sup>

	Attributable to owners of the Company		
	Share capital RM'000	Retained earnings RM'000	Total RM'000
At 1 January 2020	13,647	3,372	17,019
Profit/Total comprehensive income	-	5,429	5,429
Issuance of new ordinary shares (net of transaction costs)	1,396	-	1,396
Dividend paid	-	(1,204)	(1,204)
At 31 December 2020	15,043	7,597	22,640
At 1 January 2019	13,647	2,220	15,867
Profit/Total comprehensive income	-	2,256	2,256
Dividend paid	-	(1,104)	(1,104)
At 31 December 2019	13,647	3,372	17,019

*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 Financial Statements for the financial year ended 31 December 2019 and the accompanying explanatory notes attached to this interim financial report.*



UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR  
THE FINANCIAL YEAR ENDED 31 DECEMBER 2020<sup>(1)</sup>

	12 months ended	
	31.12.2020	31.12.2019
	RM'000	RM'000
<b>Cash flows from operating activities</b>		
Profit before taxation	7,238	3,432
<i>Adjustments for:</i>		
Depreciation of property, plant and equipment	1,520	1,393
Depreciation of right-of-use assets	660	411
Finance cost	374	293
Finance income	(16)	(5)
Impairment of goodwill	361	352
Trade receivables written off	-	7
Gain on disposal of investment in quoted shares	(1,576)	-
Net fair value gain on investment in quoted shares	(244)	(200)
Dividend income from investment in quoted shares	(58)	(73)
Operating profit before changes in working capital	8,259	5,610
<i>Changes in working capital:</i>		
- Inventories	177	(412)
- Receivables	(583)	(217)
- Payables	1,099	(141)
Cash generated from operations	8,952	4,840
- Finance cost paid	(374)	(80)
- Finance income received	16	5
- Tax refunded	-	604
- Tax paid	(1,585)	(1,273)
<b>Net cash generated from operating activities</b>	<b>7,009</b>	<b>4,096</b>
<b>Cash flows from investing activities:</b>		
Acquisition of property, plant and equipment	(4,541)	(1,267)
Investment in quoted shares	(1,829)	-
Proceeds from disposal of investment in quoted shares	3,074	-
Dividend received from investment in quoted shares	58	73
<b>Net cash used in investing activities</b>	<b>(3,238)</b>	<b>(1,194)</b>
<b>Cash flows from financing activities</b>		
Repayment of borrowings	(154)	(317)
Repayment of lease liabilities	(332)	(417)
Net proceeds from issuance of new ordinary shares	1,396	-
Dividend paid	(1,204)	(1,104)
<b>Net cash used in financing activities</b>	<b>(294)</b>	<b>(1,838)</b>
<b>Net increase in cash and cash equivalents</b>	<b>3,477</b>	<b>1,064</b>
Cash and cash equivalents at beginning of the financial year	5,542	4,478
<b>Cash and cash equivalents at end of the financial year</b>	<b>9,019</b>	<b>5,542</b>



UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE  
FINANCIAL YEAR ENDED 31 DECEMBER 2020<sup>(1)</sup> (CONTINUED)

	12 months ended	
	31.12.2020	31.12.2019
	RM'000	RM'000
Cash and cash equivalents at end of the financial year comprise:		
Cash and bank balances	9,019	5,542

*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 2019 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 2020**

### **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 half-year ended 31 December 2020 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 2019 and the accompanying explanatory notes attached to this interim financial report.

### **A2. CHANGES IN ACCOUNTING POLICIES**

Accounting standards, amendments to accounting standards, IC Interpretation and amendments to IC Interpretation that are effective for the Group’s financial year beginning on or after 1 January 2020 are as follows:

#### ***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”





**A EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTINUED)**

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

- Amendments to IC Interpretation 132, “Intangible Assets- Web Site Costs”
- Amendments to MFRS 3, “Business Combinations” (Definition of a Business)
- Amendments to MFRS Standards arising from Definition of Material:
  - Amendments to MFRS 101, “Presentation of Financial Statements”
  - Amendments to MFRS 108, “Accounting Policies, Changes in Accounting Estimates and Errors”
- Amendments to MFRS Standards arising from Interest Rate Benchmark Reform:
  - Amendments to MFRS 7, “Financial Instruments: Disclosures”
  - Amendments to MFRS 9, “Financial Instruments”
  - Amendments to MFRS 139, “Financial Instruments: Recognition and Measurement”

The above accounting standards, amendments to accounting standards and IC interpretation effective during the financial year do not have any significant impact to the financial results and position of the Group and of the Company.

The Group and the Company early adopted amendment to MFRS 16, “COVID-19-Related Rent Concessions” which exempts lessees from having to determine whether rent concessions on individual lease contracts as a direct consequence of the COVID-19 pandemic are lease modifications and allows lessees to account for such rent concessions as if they were not lease modifications.

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

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

- Amendments to MFRS Standards arising from Interest Rate Benchmark Reform – Phase 2:
  - Amendments to MFRS 4, “Insurance Contracts”
  - Amendments to MFRS 7, “Financial Instruments: Disclosures”
  - Amendments to MFRS 9, “Financial Instruments”
  - Amendments to MFRS 16, “Leases”
  - Amendments to MFRS 139, “Financial Instruments: Recognition and Measurement”

***Annual periods beginning on/after 1 January 2022***

- Amendments to MFRS 3, “Business Combinations” (Reference to the Conceptual Framework)
- Amendments to MFRS 116, “Property, Plant and Equipment” (Proceeds before Intended Use)



**A EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTINUED)**

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

- Amendments to MFRS 137, “Provision, Contingent Liabilities and Contingent Assets” (Onerous Contracts - Cost of Fulfilling a Contract)
- Annual Improvement to MFRS Standards 2018 – 2020:
  - Amendment to MFRS 101, “First-time Adoption of Malaysian Financial Reporting Standards”
  - Amendment to MFRS 9, “Financial Instruments”
  - Amendment to Illustrative Examples accompanying MFRS 16, “Leases”
  - Amendment to MFRS 141, “Agriculture”

***Annual periods beginning on/after 1 January 2023***

- MFRS 17, “Insurance Contracts”
- Amendments to MFRS 17, “Insurance Contracts”
- Amendments to MFRS 101, “Presentation of Financial Statements” (Classification of Liabilities as Current or Non-current)

***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 adoption of the accounting standards, amendments to accounting standards, IC Interpretation and amendments to IC Interpretation are not expected to have any significant impact to the financial statements of the Group and of the Company.

**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.



**A EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTINUED)**

**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 10 March 2020, the Company proposed to undertake private placement of up to 20,065,000 new ordinary shares in Metro (“**Metro Shares**”), representing up to 10% of its total number of issued shares (“**Private Placement**”). On 27 March 2020, the first tranche amounting to 1,620,000 new Metro Shares were issued under this Private Placement at an issue price of RM0.90 per Metro Share.

**A7. SEGMENTAL REPORTING**

There is no segmental information presented as the Group is predominantly involved in the provision of healthcare services in Malaysia.

**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**

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

The Group recorded a revenue of RM28.33 million for the financial year ended 31 December 2020, as compared to RM22.71 million in the previous financial year, representing an increase of RM5.62 million or 24.75% mainly due to growth of patients to the Group's centres, that resulted from the enhanced healthcare services offered by the Group and an increase in the number of doctors.

The Group recorded a gross profit of RM13.16 million for the financial year ended 31 December 2020, as compared to RM10.28 million in the previous financial year, representing an increase of RM2.88 million or 28.02% mainly as a result of the increase in revenue.

The Group recorded a profit before taxation of RM7.24 million for the financial year ended 31 December 2020, as compared to RM3.43 million in the previous financial year, representing an increase of RM3.81 million or 111.08% mainly due to the increase in revenue and gain from disposal of investment in quoted shares.

#### Current Period vs Preceding Corresponding Period

The Group recorded a revenue of RM17.19 million for the current financial period ended 31 December 2020, as compared to RM11.71 million in the preceding corresponding period, representing an increase of RM5.48 million or 46.80% mainly due to growth of patients to the Group's centres, that resulted from the enhanced healthcare services offered by the Group and an increase in the number of doctors.

The Group recorded a gross profit of RM8.47 million for the current financial period ended 31 December 2020, as compared to RM5.51 million in the preceding corresponding period, representing an increase of RM2.96 million or 53.72% was mainly as a result of the increase in revenue.

The Group recorded a profit before taxation of RM4.75 million for the current financial period ended 31 December 2020, as compared to RM1.59 million in the preceding corresponding period, representing an increase of RM3.16 million or 198.74% mainly due to the increase in revenue and gain from disposal of investment in quoted shares.



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

**B2. PROSPECTS**

The Group is implementing strategic plans in order to:

- establish Metro Healthcare as a trusted brand for women healthcare specialising in reproductive medicine, obstetrics and gynaecology;
- develop and retain a pool of talented specialists, doctors and management staff; and
- increase the number of the Group's healthcare outlets in Malaysia.

The ongoing COVID-19 pandemic has thus far not significantly affected the Group's business operations negatively, but for the coming year, its impact is uncertain.

Barring any unforeseen circumstances, the Board of Directors of the Company is optimistic of the prospects of the Group's financial performance for the financial year ending 31 December 2021.

**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**

Save as disclosed below, there were no corporate proposals announced but pending completion as at the date of this report:

On 10 March 2020, the Company proposed to undertake the Private Placement. On 27 March 2020, the first tranche amounting to 1,620,000 new Metro Shares were issued under this Private Placement at an issue price of RM0.90 per Metro Share.



## C OTHER INFORMATION (CONTINUED)

### C2. UTILISATION OF PROCEEDS

The proceeds raised from the first tranche of the Private Placement were fully utilised in the following manner:

Purpose	Actual proceeds received	Actual utilisations at 31 December 2020	Balance	Estimated timeframe for utilisation from the date of listing of the Metro Shares
	RM'000	RM'000	RM'000	
Business expansion	1,193	1,193	-	Within 18 months
Working capital expenses	203	203	-	Within 18 months
Total	1,396	1,396	-	

### C3. MATERIAL LITIGATION

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

### C4. DIVIDENDS

The Board of Directors has on 24 February 2020 declared a single tier interim dividend of 0.60 sen per Metro Share in respect of the financial year ended 31 December 2020. The interim dividend amounting to RM1,203,900 was paid on 2 April 2020.

On 18 February 2021, the Board of Directors recommended a single tier interim dividend of 0.65sen per ordinary share in respect of the financial year ending 31 December 2021.