



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

**FINANCIAL STATEMENTS FOR THE 1<sup>ST</sup> HALF-YEAR  
ENDED 30 JUNE 2021**

**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 2021 <sup>(1)</sup>

	As at 30.06.2021 Unaudited RM'000	As at 31.12.2020 Audited RM'000
<b><u>ASSETS</u></b>		
<b>Non-current assets</b>		
Property, plant and equipment	18,340	15,805
Right-of-use assets	6,855	7,198
Other investment	3,763	3,294
Deferred tax assets	8	5
<b>Total non-current assets</b>	<b>28,966</b>	<b>26,302</b>
<b>Current assets</b>		
Inventories	1,001	962
Trade and other receivables	939	1,519
Tax recoverable	183	174
Cash and cash equivalents	15,107	9,019
<b>Total current assets</b>	<b>17,230</b>	<b>11,674</b>
<b>TOTAL ASSETS</b>	<b>46,196</b>	<b>37,976</b>
<b><u>EQUITY AND LIABILITIES</u></b>		
<b>Equity attributable to the owners of the Company</b>		
Share capital	18,164	15,043
Retained earnings	10,669	7,645
<b>Total equity</b>	<b>28,833</b>	<b>22,688</b>
<b>Non-current liabilities</b>		
Borrowing	3,217	3,368
Deferred tax liabilities	522	416
Lease liabilities	7,091	7,286
<b>Total non-current liabilities</b>	<b>10,830</b>	<b>11,070</b>
<b>Current liabilities</b>		
Trade and other payables	4,571	3,080
Current tax liabilities	1,298	403
Borrowing	254	290
Lease liabilities	410	445
<b>Total current liabilities</b>	<b>6,533</b>	<b>4,218</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>46,196</b>	<b>37,976</b>
Net assets per share (sen) <sup>(2)</sup>	14.03	11.22



*Notes:*

- (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 2020 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 205,570,000 ordinary shares as at 30 June 2021 and 202,270,000 ordinary shares as at 31 December 2020 respectively.*



UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE 1<sup>ST</sup> HALF-YEAR ENDED 30 JUNE 2021 <sup>(1)</sup>

	Individual 6 months ended		Cumulative 6 months ended	
	30.06.2021	30.06.2020	30.06.2021	30.06.2020
	RM'000	RM'000	RM'000	RM'000
Revenue	20,824	11,140	20,824	11,140
Cost of sales	(10,804)	(6,445)	(10,804)	(6,445)
<b>Gross profit</b>	<b>10,020</b>	<b>4,695</b>	<b>10,020</b>	<b>4,695</b>
Other operating income	236	1,323	236	1,323
Other operating expenses	(3,844)	(3,340)	(3,844)	(3,340)
Operating profit	6,412	2,678	6,412	2,678
Finance cost	(191)	(190)	(191)	(190)
<b>Profit before taxation</b>	<b>6,221</b>	<b>2,488</b>	<b>6,221</b>	<b>2,488</b>
Taxation	(1,861)	(583)	(1,861)	(583)
<b>Profit/Total comprehensive income for the financial period</b>	<b>4,360</b>	<b>1,905</b>	<b>4,360</b>	<b>1,905</b>
<b>Earnings per ordinary share ("EPS") (sen):</b>				
- Basic <sup>(2)</sup>	2.13	0.95	2.13	0.95
- Diluted <sup>(3)</sup>	2.13	0.95	2.13	0.95

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 2020 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 204,366,684 during the financial period ended 30 June 2021 and 201,504,506 during the financial period ended 30 June 2020.
- (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 1<sup>ST</sup> HALF-YEAR ENDED 30 JUNE 2021 <sup>(1)</sup>

	Attributable to owners of the Company		
	Share capital RM'000	Retained earnings RM'000	Total RM'000
At 1 January 2021	15,043	7,645	22,688
Profit/Total comprehensive income	-	4,360	4,360
Issuance of new ordinary shares (net of transaction costs)	3,121	-	3,121
Dividend paid	-	(1,336)	(1,336)
At 30 June 2021	18,164	10,669	28,833
At 1 January 2020	13,647	3,372	17,019
Profit/Total comprehensive income	-	1,905	1,905
Issuance of new ordinary shares	1,458	-	1,458
Dividend paid	-	(1,204)	(1,204)
At 30 June 2020	15,105	4,073	19,178

*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 2020 and the accompanying explanatory notes attached to this interim financial report.*



UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE 1<sup>ST</sup>  
HALF-YEAR ENDED 30 JUNE 2021 <sup>(1)</sup>

	6 months ended	
	30.06.2021	30.06.2020
	RM'000	RM'000
<b>Cash flows from operating activities</b>		
Profit before taxation	6,221	2,488
<i>Adjustments for:</i>		
Depreciation of property, plant and equipment	864	727
Depreciation of right-of-use assets	343	315
Finance cost	191	190
Finance income	(11)	(3)
Loss/(Gain) on disposal of investment in quoted shares	6	(1,343)
Net fair value (gain)/loss on investment in quoted shares	(6)	182
Dividend income from investment in quoted shares	(49)	(26)
Operating profit before changes in working capital	7,559	2,530
<i>Changes in working capital:</i>		
- Inventories	(39)	242
- Trade and other receivables	246	(212)
- Trade and other payables	1,824	1,110
Cash generated from operations	9,590	3,670
- Interest paid	(191)	(190)
- Interest received	11	3
- Tax refunded	29	-
- Tax paid	(902)	(593)
<b>Net cash generated from operating activities</b>	<b>8,537</b>	<b>2,890</b>
<b>Cash flows from investing activities:</b>		
Acquisition of property, plant and equipment	(3,399)	(2,413)
Investment in quoted shares	(589)	-
Proceeds from disposal of investment in quoted shares	121	2,016
Dividend received from investment in quoted shares	49	26
<b>Net cash used in investing activities</b>	<b>(3,818)</b>	<b>(371)</b>
<b>Cash flows from financing activities</b>		
Repayment of borrowings	(187)	(81)
Proceeds from issuance of new ordinary shares (net of transaction costs)	3,121	1,458
Repayment of lease liabilities	(229)	(115)
Dividend paid	(1,336)	(1,204)
<b>Net cash generated from financing activities</b>	<b>1,369</b>	<b>58</b>
<b>Net increase in cash and cash equivalents</b>	<b>6,088</b>	<b>2,577</b>
Cash and cash equivalents at beginning of the financial period	9,019	5,542
<b>Cash and cash equivalents at end of the financial period</b>	<b>15,107</b>	<b>8,119</b>



UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE 1<sup>ST</sup>  
HALF-YEAR ENDED 30 JUNE 2021 <sup>(1)</sup> (CONTINUED)

	6 months ended	
	30.06.2021	30.06.2020
	RM'000	RM'000
Cash and cash equivalents at end of the financial period comprise:		
Cash and bank balances	<b>15,107</b>	<b>8,119</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 2020 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 2021**

### **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 2021 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 2020 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 2021 are as follows:

#### *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)
- 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”





**A EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE 1<sup>ST</sup> HALF-YEAR ENDED 30 JUNE 2021 (CONTINUED)**

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

- 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 1<sup>ST</sup> HALF-YEAR ENDED 30 JUNE 2021 (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 a 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**”).

Subsequent to the FYE 31 December 2020, the Company had on 8 March 2021 issued the final tranche amounting to 3,300,000 new Metro Shares at an issue price of RM0.95 per Metro Share, marking the completion of the Private Placement. The issued share capital after the Private Placement increased to RM18,239,810 comprising 205,570,000 Metro Shares.

**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**

The Group recorded a revenue of RM20.82 million for the current financial period ended 30 June 2021, as compared to RM11.14 million in the previous corresponding financial period, representing an increase of RM9.68 million or 86.89% mainly due to increasing demand for the services offered in the Group's centres, as a result of the enhanced healthcare services offered by the Group's centres leading to an overall improvement in customers' experience and increase in obstetrics cases.

The Group recorded a higher gross profit of RM10.02 million for the financial period ended 30 June 2021, as compared to RM4.70 million in the previous corresponding financial period, representing an increase of RM5.32 million or 113.19% mainly as a result of the increase in revenue as mentioned above. The Group's gross profit margin increased from 42.1% in the previous corresponding financial period to 48.1% mainly due to increase in the number of patients served per doctor.

The Group recorded a higher profit before taxation of RM6.22 million for the financial period ended 30 June 2021, as compared to RM2.49 million in the previous corresponding financial period, representing an increase of RM3.73 million or 149.80% mainly due to the increase in revenue as mentioned above.

### **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:

- (i) On 22 April 2021, the Company proposed to establish an employees' share option scheme ("ESOS") involving the issuance of up to 10% of the total number of issued shares of the Company at any point in time over the duration of the ESOS for eligible Directors and employees of the Group ("**Proposed ESOS**"). The ESOS was approved by Metro's shareholders on 10 June 2021 and is currently pending implementation.
- (ii) On 29 July 2021, the Company proposed to undertake a bonus issue of up to 452,254,000 new Metro Shares ("**Bonus Shares**") on the basis of 2 Bonus Shares for every 1 existing Metro Share held on an entitlement date to be determined and announced later ("**Proposed Bonus Issue**").

### C2. UTILISATION OF PROCEEDS

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

Purpose	Actual proceeds received	Actual utilisation as at 30 June 2021	Balance	Estimated timeframe for utilisation from the date of listing of the Metro Shares
	RM'000	RM'000	RM'000	
Business expansion	2,162	2,162	-	Within 18 months
Working capital expenses	897	897	-	Within 18 months
Estimated expenses for the Private Placement	76	76	-	Within 1 month
Total	3,135	3,135	-	

### C3. MATERIAL LITIGATION

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

### C4. DIVIDENDS

The Board of Directors has on 22 February 2021 declared a single tier interim dividend of 0.65 sen per Metro Share in respect of the financial year ending 31 December 2021. The interim dividend amounting to RM1,336,205 was paid on 25 March 2021.