



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

**FINANCIAL STATEMENTS FOR THE HALF-YEAR
ENDED 31 DECEMBER 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
31 DECEMBER 2021 ⁽¹⁾

	As at 31.12.2021 Unaudited RM'000	As at 31.12.2020 Audited RM'000
<u>ASSETS</u>		
Non-current assets		
Property, plant and equipment	19,358	15,805
Right-of-use assets	16,076	7,198
Other investment	2,652	3,294
Deferred tax assets	8	5
Total non-current assets	38,094	26,302
Current assets		
Inventories	1,450	962
Trade and other receivables	1,377	1,519
Tax recoverable	209	174
Cash and cash equivalents	15,260	9,019
Total current assets	18,296	11,674
TOTAL ASSETS	56,390	37,976
<u>EQUITY AND LIABILITIES</u>		
Equity attributable to the owners of the Company		
Share capital	18,164	15,043
Retained earnings	15,702	7,645
Employee share options scheme (“ESOS”) reserve	230	-
Total equity	34,096	22,688
Non-current liabilities		
Borrowing	424	3,368
Deferred tax liabilities	522	416
Lease liabilities	15,933	7,286
Total non-current liabilities	16,879	11,070
Current liabilities		
Trade and other payables	3,858	3,080
Current tax liabilities	808	403
Borrowing	-	290
Lease liabilities	749	445
Total current liabilities	5,415	4,218
TOTAL EQUITY AND LIABILITIES	56,390	37,976
Net assets per share (sen) ⁽²⁾	5.53	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 616,710,000 ordinary shares as at 31 December 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 FINANCIAL YEAR ENDED 31 DECEMBER 2021 ⁽¹⁾

	Individual 6 months ended		Cumulative 12 months ended	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
	RM'000	RM'000	RM'000	RM'000
Revenue	21,433	17,194	42,257	28,334
Cost of sales	(11,012)	(8,706)	(21,816)	(15,151)
Gross profit	10,421	8,488	20,441	13,183
Other operating income	997	893	1,233	2,216
Other operating expenses	(4,568)	(4,400)	(8,412)	(7,740)
Operating profit	6,850	4,981	13,262	7,658
Finance cost	(195)	(197)	(386)	(387)
Profit before taxation	6,655	4,784	12,876	7,272
Taxation	(1,622)	(1,212)	(3,483)	(1,795)
Profit/Total comprehensive income for the financial period	5,033	3,572	9,393	5,477
Earnings per ordinary share ("EPS") (sen):				
- Basic ⁽²⁾	1.71	1.77	3.19	2.71
- Diluted ⁽³⁾	1.71	1.77	3.19	2.71

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 293,986,877 ordinary shares during the financial period ended 31 December 2021 and 201,888,301 ordinary shares during the financial period ended 31 December 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 FINANCIAL YEAR ENDED 31 DECEMBER 2021 ⁽¹⁾

	Attributable to owners of the Company			Total RM'000
	Share capital RM'000	Retained earnings RM'000	ESOS reserve RM'000	
At 1 January 2021	15,043	7,645	-	22,688
Profit/Total comprehensive income	-	9,393	-	9,393
Issuance of new ordinary shares (net of transaction costs)	3,121	-	-	3,121
Employee share options scheme ("ESOS") reserve	-	-	230	230
Dividend paid	-	(1,336)	-	(1,336)
At 31 December 2021	18,164	15,702	230	34,096
At 1 January 2020	13,647	3,372	-	17,019
Profit/Total comprehensive income	-	5,477	-	5,477
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	7,645	-	22,688

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
FINANCIAL YEAR ENDED 31 DECEMBER 2021 ⁽¹⁾

	12 months ended	
	31.12.2021 RM'000	31.12.2020 RM'000
Cash flows from operating activities		
Profit before taxation	12,876	7,272
<i>Adjustments for:</i>		
Depreciation of property, plant and equipment	2,030	1,497
Depreciation of right-of-use assets	838	616
Employee share options scheme (“ESOS”) reserve	230	-
Finance cost	386	387
Finance income	(35)	(16)
Impairment loss on goodwill	-	361
Trade and other receivables written off	-	30
Gain on disposal of investment in quoted shares	(795)	(1,576)
Net fair value loss/(gain) on investment in quoted shares	219	(244)
Dividend income from investment in quoted shares	(74)	(58)
Operating profit before changes in working capital	15,675	8,269
<i>Changes in working capital:</i>		
- Inventories	(488)	177
- Trade and other receivables	1,985	(613)
- Trade and other payables	(1,063)	1,090
Cash generated from operations	16,109	8,923
- Interest paid	(386)	(42)
- Interest received	35	16
- Tax refunded	29	-
- Tax paid	(3,041)	(1,586)
Net cash generated from operating activities	12,746	7,311
Cash flows from investing activities:		
Acquisition of property, plant and equipment	(5,583)	(4,540)
Investment in quoted shares	(589)	(1,829)
Proceeds from disposal of other investment	1,807	3,074
Dividend received from investment in quoted shares	74	58
Net cash used in investing activities	(4,291)	(3,237)
Cash flows from financing activities		
Proceeds from issuance of new ordinary shares, net of transaction costs	3,121	1,396
Dividend paid	(1,336)	(1,204)
Repayment of borrowing	(3,235)	(154)
Repayment of lease liabilities	(764)	(635)
Net cash used in financing activities	(2,214)	(597)
Net increase in cash and cash equivalents	6,241	3,477
Cash and cash equivalents at beginning of the financial period	9,019	5,542
Cash and cash equivalents at end of the financial period	15,260	9,019



UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE
FINANCIAL YEAR ENDED 31 DECEMBER 2021 ⁽¹⁾ (CONTINUED)

	12 months ended	
	31.12.2021	31.12.2020
	RM'000	RM'000
Cash and cash equivalents at end of the financial period comprise:		
Cash and bank balances	15,260	9,019

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 FINANCIAL YEAR ENDED 31 DECEMBER 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 half-year ended 31 December 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 2021 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 FINANCIAL YEAR ENDED 31 DECEMBER 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 FINANCIAL YEAR ENDED 31 DECEMBER 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 completed the second and final tranche of the Private Placement with the listing of 3,300,000 new Metro Shares at an issue price of RM0.95 per Metro Share on the LEAP Market of Bursa Malaysia Securities Berhad. The issued share capital after the abovesaid allotment 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

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

The Group recorded a revenue of RM42.26 million for the financial year ended 31 December 2021, as compared to RM28.33 million in the previous financial year, representing an increase of RM13.93 million or 49.17% 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 gross profit of RM20.44 million for the financial year ended 31 December 2021, as compared to RM13.18 million in the previous financial year, representing an increase of RM7.26 million or 55.08% mainly due to increase in the number of patients served per doctor.

The Group recorded a profit before taxation of RM12.88 million for the financial year ended 31 December 2021, as compared to RM7.27 million in the previous financial year, representing an increase of RM5.61 million or 77.17% mainly due to the increase in revenue as mentioned above.

Current Period vs Preceding Corresponding Period

The Group recorded a revenue of RM21.43 million for the current financial period ended 31 December 2021, as compared to RM17.19 million in the preceding corresponding period, representing an increase of RM4.24 million or 24.67% 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 gross profit of RM10.42 million for the current financial period ended 31 December 2021, as compared to RM8.49 million in the preceding corresponding period, representing an increase of RM1.93 million or 22.73% mainly due to increase in the number of patients served per doctor.

The Group recorded a profit before taxation of RM6.66 million for the current financial period ended 31 December 2021, as compared to RM4.78 million in the preceding corresponding period, representing an increase of RM1.88 million or 39.33% mainly due to the increase in revenue as mentioned above.



**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 2022.

**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 the effective date for the implementation of the ESOS is 4 October 2021, being the date on which the Company is in full compliance with all relevant requirements in relation to the ESOS.
- (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"). On 14 October 2021, 411,140,000 Bonus Shares have been issued pursuant to the Bonus Issue and the bonus issue has been completed following the listing of and quotation for the Bonus Shares on the LEAP Market of Bursa Securities on 15 October 2021.

C2. MATERIAL LITIGATION

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

C3. DIVIDENDS

The Board of Directors has on 25 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.