



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

**UNAUDITED FINANCIAL STATEMENTS FOR THE 1ST HALF-YEAR
ENDED 30 JUNE 2022**

**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 2022 ⁽¹⁾

	As at 30.06.2022	As at 31.12.2021
	Unaudited	Audited
	RM'000	RM'000
<u>ASSETS</u>		
Non-current assets		
Property, plant and equipment	20,365	18,283
Right-of-use assets	10,401	10,184
Other investment	2,860	2,652
Total non-current assets	33,626	31,119
Current assets		
Inventories	1,830	1,450
Trade and other receivables	1,413	2,170
Tax recoverable	874	240
Cash and cash equivalents	11,628	15,260
Total current assets	15,745	19,120
TOTAL ASSETS	49,371	50,239
<u>EQUITY AND LIABILITIES</u>		
Equity attributable to the owners of the Company		
Share capital	18,164	18,164
ESOS reserves	425	425
Retained earnings	14,300	15,747
Total equity	32,889	34,336
Non-current liabilities		
Borrowing	424	424
Deferred tax liabilities	467	467
Lease liabilities	10,477	9,969
Total non-current liabilities	11,368	10,860



UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT
30 JUNE 2022 ⁽¹⁾ (CONTINUED)

	As at 30.06.2022	As at 31.12.2021
	Unaudited	Audited
	RM'000	RM'000
Current liabilities		
Trade and other payables	4,104	3,723
Tax payables	390	571
Lease liabilities	620	749
Total current liabilities	5,114	5,043
TOTAL EQUITY AND LIABILITIES	49,371	50,239
Net assets per share (sen) ⁽²⁾	5.33	5.57

Notes:

- (1) *The basis of preparation of the Unaudited Condensed Consolidated Statement of Financial Position is detailed in Note A1 and 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.*
- (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 30 June 2022 and 31 December 2021.*



UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME FOR THE 1ST HALF-YEAR ENDED 30 JUNE 2022 ⁽¹⁾

	Individual 6 months ended		Cumulative 6 months ended	
	30.06.2022	30.06.2021	30.06.2022	30.06.2021
	RM'000	RM'000	RM'000	RM'000
Revenue	19,506	20,824	19,506	20,824
Cost of sales	(11,805)	(10,804)	(11,805)	(10,804)
Gross profit	7,701	10,020	7,701	10,020
Other operating income	269	236	269	236
Other operating expenses	(4,308)	(3,844)	(4,308)	(3,844)
Operating profit	3,662	6,412	3,662	6,412
Finance cost	(200)	(191)	(200)	(191)
Profit before taxation	3,462	6,221	3,462	6,221
Taxation	(839)	(1,861)	(839)	(1,861)
Profit/Total comprehensive income for the financial period	2,623	4,360	2,623	4,360
Earnings per ordinary share ("EPS") (sen):				
- Basic ⁽²⁾	0.43	2.13	0.43	2.13
- Diluted ⁽³⁾	0.43	2.13	0.43	2.13

Notes:

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income is detailed in Note A1 and 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.
- (2) Basic earnings per ordinary share is calculated based on the Company's weighted average number of ordinary shares in issue of 616,710,000 during the financial period ended 30 June 2022 and 204,366,684 during the financial period ended 30 June 2021.
- (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 1ST HALF-YEAR ENDED 30 JUNE 2022 ⁽¹⁾

	Attributable to owners of the Company			
	Share capital	Retained earnings	ESOS reserve	Total
	RM'000	RM'000	RM'000	RM'000
At 1 January 2022	18,164	15,747	425	34,336
Profit/Total comprehensive income	-	2,623	-	2,623
Dividend paid	-	(4,070)	-	(4,070)
At 30 June 2022	18,164	14,300	425	32,889
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

Note:

- (1) *The basis of preparation of the Unaudited Condensed Consolidated Statements of Changes in Equity is detailed in Note A1 and 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.*



UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE 1ST
HALF-YEAR ENDED 30 JUNE 2022 ⁽¹⁾

	6 months ended	
	30.06.2022	30.06.2021
	RM'000	RM'000
Cash flows from operating activities		
Profit before taxation	3,462	6,221
<i>Adjustments for:</i>		
Depreciation of property, plant and equipment	1,116	864
Depreciation of right-of-use assets	520	343
Finance cost	200	191
Finance income	(32)	(11)
(Gain)/Loss on disposal of investment in quoted shares	(4)	6
Net fair value loss/(gain) on investment in quoted shares	210	(6)
Gain on disposal of property, plant and equipment	(221)	-
Dividend income from investment in quoted shares	(55)	(49)
Operating profit before changes in working capital	5,196	7,559
<i>Changes in working capital:</i>		
- Inventories	(380)	(39)
- Trade and other receivables	20,871	246
- Trade and other payables	(19,734)	1,824
Cash generated from operations	5,953	9,590
- Interest paid	(200)	(191)
- Interest received	32	11
- Tax refunded	29	29
- Tax paid	(1,683)	(902)
Net cash generated from operating activities	4,131	8,537
Cash flows from investing activities:		
Acquisition of property, plant and equipment	(3,230)	(3,399)
Investment in quoted shares	(480)	(589)
Proceeds from disposal of investment in quoted shares	67	121
Proceeds from disposal of property, plant and equipment	252	-
Dividend received from investment in quoted shares	55	49
Net cash used in investing activities	(3,336)	(3,818)
Cash flows from financing activities		
Repayment of borrowings	-	(187)
Proceeds from issuance of new ordinary shares (net of transaction costs)	-	3,121
Repayment of lease liabilities	(357)	(229)
Dividend paid	(4,070)	(1,336)
Net cash (used in)/generated from financing activities	(4,427)	1,369



UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE 1ST
HALF-YEAR ENDED 30 JUNE 2022 ⁽¹⁾ (CONTINUED)

	6 months ended	
	30.06.2022	30.06.2021
	RM'000	RM'000
Net (decrease)/increase in cash and cash equivalents	(3,632)	6,088
Cash and cash equivalents at beginning of the financial period	15,260	9,019
Cash and cash equivalents at end of the financial period	11,628	15,107
Cash and cash equivalents at end of the financial period comprise:		
Cash and bank balances	11,628	15,107

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 2021 and the accompanying explanatory notes attached to this interim financial report.*



A EXPLANATORY NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 1ST HALF-YEAR ENDED 30 JUNE 2022

A1. BASIS OF PREPARATION

Metro was incorporated in Malaysia under the Companies Act, 1965 and deemed registered under the Act on 23 June 2010 as a private limited company. Metro was converted to a public limited company and carried the legal name Metro Healthcare Berhad on 23 March 2011.

The unaudited interim financial statements of Metro and its subsidiaries (“**Group**”) and have been prepared in accordance with the Malaysian Financial Reporting Standard (“**MFRS**”) 134: Interim Financial Reporting.

This is the unaudited interim financial report on the consolidated results of the Group for the 1st half-year ended 30 June 2022 announced by the Company in compliance with the LEAP Market Listing Requirements of Bursa Securities.

The unaudited 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 unaudited interim financial report.

A2. SIGNIFICANT 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 2022 are as follows:

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 1, “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”



A EXPLANATORY NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 1ST HALF-YEAR ENDED 30 JUNE 2022 (CONTINUED)

A2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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)
- Amendments to MFRS 101, “Presentation of Financial Statements” (Disclosure of Accounting Policies)
- Amendments to MFRS 108, “Accounting Policies, Changes in Accounting Estimates and Errors” (Definition of Accounting Estimates)
- Amendments to MFRS 112, “Income Taxes” (Deferred Tax related to Assets and Liabilities arising from a Single Transaction)

Effective date yet to be determined by the Malaysian Accounting Standards Board

- Amendments to MFRS 10, “Consolidated Financial Statements” and MFRS 128, “Investments in Associates and Joint Ventures” (Sale or Contribution of Assets between an Investor and its Associate or Joint Venture)

The adoption of the accounting standards and amendments to accounting standards 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 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 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 UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 1ST HALF-YEAR ENDED 30 JUNE 2022 (CONTINUED)

A6. DEBT AND EQUITY SECURITIES

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

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 RM19.51 million for the current financial period ended 30 June 2022, as compared to RM20.82 million in the previous corresponding financial period, representing a decrease of RM1.31 million or 6.29% mainly due to decrease in the number of patients seeking for fertility services as the public fertility centres have resumed their operation as Malaysia transition to the endemic phase of the COVID-19.

The Group recorded a lower gross profit of RM7.70 million for the financial period ended 30 June 2022, as compared to RM10.02 million in the previous corresponding financial period, representing a decrease of RM2.32 million or 23.15% mainly due to the decrease in revenue and increase in cost of sales attributed to the increase in emoluments for appointment of medical professional for the new healthcare facilities.

The Group recorded a lower profit before taxation of RM3.46 million for the financial period ended 30 June 2022, as compared to RM6.22 million in the previous corresponding financial period, representing a decrease of RM2.76 million or 44.37%. This is in line with the decrease in revenue and increase in operating expenses mainly contributed by rental expenses for the abovementioned new healthcare facilities.

B2. PROSPECTS

The Group will continue to:

- uphold 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
- expand the Group's geographical presence 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

There were no corporate proposals announced but pending completion as at the date of this report.

C2. MATERIAL LITIGATION

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

C3. DIVIDENDS

The Board of Directors has on 30 March 2022 declared a single tier interim dividend of 0.66 sen per Metro Share in respect of the financial year ending 31 December 2022. The interim dividend amounting to RM4,070,286.02 was paid on 15 April 2022.