



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

**FINANCIAL STATEMENTS FOR THE HALF-YEAR
ENDED 31 DECEMBER 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
31 DECEMBER 2022 ⁽¹⁾

| | As at 31.12.2022 Unaudited RM'000 | As at 31.12.2021 Audited RM'000 |
|---|---|---------------------------------------|
| <u>ASSETS</u> | | |
| Non-current assets | | |
| Property, plant and equipment | 20,088 | 18,282 |
| Right-of-use assets | 9,687 | 10,184 |
| Other investment | 3,147 | 2,652 |
| Total non-current assets | 32,922 | 31,118 |
| Current assets | | |
| Inventories | 1,598 | 1,450 |
| Trade and other receivables | 1,452 | 2,170 |
| Tax recoverable | 1,040 | 240 |
| Cash and cash equivalents | 14,266 | 15,260 |
| Total current assets | 18,356 | 19,120 |
| TOTAL ASSETS | 51,278 | 50,238 |
| <u>EQUITY AND LIABILITIES</u> | | |
| Equity attributable to the owners of the Company | | |
| Share capital | 18,164 | 18,164 |
| Employee share options scheme (“ESOS”) reserve | 390 | 425 |
| Retained earnings | 16,766 | 15,747 |
| Total equity | 35,320 | 34,336 |
| Non-current liabilities | | |
| Borrowing | 32 | 424 |
| Deferred tax liabilities | 976 | 467 |
| Lease liabilities | 9,407 | 9,968 |
| Total non-current liabilities | 10,415 | 10,859 |
| Current liabilities | | |
| Trade and other payables | 4,779 | 3,723 |
| Tax payables | - | 571 |
| Lease liabilities | 764 | 749 |
| Total current liabilities | 5,543 | 5,043 |
| TOTAL EQUITY AND LIABILITIES | 51,278 | 50,238 |
| Net assets per share (sen) ⁽²⁾ | 5.73 | 5.57 |



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 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 31 December 2022 and 31 December 2021.*



UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 ⁽¹⁾

| | Individual 6 months ended | | Cumulative 12 months ended | |
|---|---------------------------|---------------|----------------------------|---------------|
| | 31.12.2022 | 31.12.2021 | 31.12.2022 | 31.12.2021 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Revenue | 20,767 | 21,433 | 40,273 | 42,257 |
| Cost of sales | (12,460) | (11,360) | (24,265) | (22,164) |
| Gross profit | 8,307 | 10,073 | 16,008 | 20,093 |
| Other operating income | 3,523 | 4,107 | 3,792 | 4,343 |
| Other operating expenses | (7,533) | (7,616) | (11,841) | (11,460) |
| Operating profit | 4,297 | 6,564 | 7,959 | 12,976 |
| Finance cost | (198) | (181) | (398) | (372) |
| Profit before taxation | 4,099 | 6,383 | 7,561 | 12,604 |
| Taxation | (1,633) | (1,305) | (2,472) | (3,166) |
| Profit/Total comprehensive income for the financial period | 2,466 | 5,078 | 5,089 | 9,438 |
| Earnings per ordinary share ("EPS") (sen): | | | | |
| - Basic ⁽²⁾ | 0.40 | 1.73 | 0.83 | 3.23 |
| - Diluted ⁽³⁾ | 0.40 | 1.73 | 0.83 | 3.19 |

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 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 ordinary shares during the financial period ended 31 December 2022 and 292,451,643 ordinary shares during the financial period ended 31 December 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 FINANCIAL YEAR ENDED 31 DECEMBER 2022 ⁽¹⁾

| | Attributable to owners of the Company | | | |
|--|---------------------------------------|-----------------------------|------------------------|-----------------|
| | Share capital RM'000 | Retained earnings RM'000 | ESOS reserve RM'000 | Total RM'000 |
| At 1 January 2022 | 18,164 | 15,747 | 425 | 34,336 |
| Profit/Total comprehensive income | - | 5,089 | - | 5,089 |
| Employee share options scheme (“ESOS”) reserve | - | - | (35) | (35) |
| Dividend paid | - | (4,070) | - | (4,070) |
| At 31 December 2022 | 18,164 | 16,766 | 390 | 35,320 |
| At 1 January 2021 | 15,043 | 7,645 | - | 22,688 |
| Profit/Total comprehensive income | - | 9,438 | - | 9,438 |
| Issuance of new ordinary shares (net of transaction costs) | 3,121 | - | - | 3,121 |
| Employee share options scheme (“ESOS”) reserve | - | - | 425 | 425 |
| Dividend paid | - | (1,336) | - | (1,336) |
| At 31 December 2021 | 18,164 | 15,747 | 425 | 34,336 |

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 2021 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 2022 ⁽¹⁾

| | 12 months ended | |
|---|-----------------|----------------|
| | 31.12.2022 | 31.12.2021 |
| | RM'000 | RM'000 |
| Cash flows from operating activities | | |
| Profit before taxation | 7,561 | 12,604 |
| <i>Adjustments for:</i> | | |
| Depreciation of property, plant and equipment | 2,676 | 2,005 |
| Depreciation of right-of-use assets | 1,036 | 3,563 |
| Remeasurement of lease liabilities | (3,214) | (3,008) |
| Net changes in share-based payment under ESOS | (35) | 425 |
| Finance cost | 397 | 372 |
| Interest income | (52) | (35) |
| Waiver of rental | - | (67) |
| Gain on disposal of property, plant and equipment | - | (23) |
| Impairment loss on property, plant and equipment | 65 | 169 |
| Trade and other receivables written-off | 4 | 48 |
| Property, plant and equipment written-off | - | 247 |
| Right-of-use assets written-off | 2,869 | - |
| Gain on disposal of investment in quoted shares | (4) | (795) |
| Net fair value (gain)/loss on investment in quoted shares | (78) | 219 |
| Dividend income | (100) | (74) |
| Operating profit before changes in working capital | 11,125 | 15,650 |
| <i>Changes in working capital:</i> | | |
| - Inventories | (148) | (488) |
| - Trade and other receivables | 714 | (699) |
| - Trade and other payables | 1,156 | 643 |
| Cash generated from operations | 12,847 | 15,106 |
| - Interest paid | - | (28) |
| - Interest received | 52 | 35 |
| - Tax refunded | 29 | 29 |
| - Tax paid | (3,360) | (3,037) |
| Net cash generated from operating activities | 9,568 | 12,105 |
| Cash flows from investing activities: | | |
| Acquisition of property, plant and equipment | (4,648) | (4,898) |
| Investment in quoted shares | (480) | (589) |
| Proceeds from disposal of property, plant and equipment | - | 23 |
| Proceeds from disposal of investment in quoted shares | 67 | 1,807 |
| Dividend received | 100 | 74 |
| Net cash used in investing activities | (4,961) | (3,583) |



UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE
FINANCIAL YEAR ENDED 31 DECEMBER 2022 ⁽¹⁾ (CONTINUED)

| | 12 months ended | |
|---|-----------------|----------------|
| | 31.12.2022 | 31.12.2021 |
| | RM'000 | RM'000 |
| Cash flows from financing activities | | |
| Repayment of borrowing | (392) | (3,235) |
| Proceeds from issuance of new ordinary shares | - | 3,121 |
| Repayment of lease liabilities | (1,139) | (831) |
| Dividend paid | (4,070) | (1,336) |
| Net cash used in financing activities | (5,601) | (2,281) |
| Net (decrease)/increase in cash and cash equivalents | (994) | 6,241 |
| Cash and cash equivalents at beginning of the financial period | 15,260 | 9,019 |
| Cash and cash equivalents at end of the financial period | 14,266 | 15,260 |
| Cash and cash equivalents at end of the financial period comprise: | | |
| Cash and bank balances | 14,266 | 15,260 |

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 INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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 2022 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 2022 and the accompanying explanatory notes attached to this interim financial report.

A2. CHANGES IN ACCOUNTING POLICIES

Amendments to accounting standards that are effective for the Group’s financial year beginning on or after 1 January 2022 are as follows:

- 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”

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



A EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

A2. CHANGES IN ACCOUNTING POLICIES (CONTINUED)

Annual periods beginning on/after 1 January 2023

- MFRS 17, “Insurance Contracts”
- Amendments to MFRS 17, “Insurance Contracts” (Initial application of MFRS 17 and MFRS 9 - Comparative Information)
- 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)

Annual periods beginning on/after 1 January 2024

- Amendments to MFRS 16, “Leases” (Lease Liability in a Sale and Leaseback)
- Amendments to MFRS 101, “Presentation of Financial Statements” (Non-current Liabilities with Covenants)

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)

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 2022 (CONTINUED)

A6. DEBT AND EQUITY SECURITIES

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.

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 except for the Group has approved to apply for voluntary wind up of two subsidiaries.

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 RM40.27 million for the financial year ended 31 December 2022, as compared to RM42.26 million in the previous financial year, representing a decrease of RM1.99 million or 4.70% 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 gross profit of RM16.01 million for the financial year ended 31 December 2022, as compared to RM20.09 million in the previous financial year, representing a decrease of RM4.08 million or 20.31% 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 profit before taxation of RM7.56 million for the financial year ended 31 December 2022, as compared to RM12.60 million in the previous financial year, representing a decrease of RM5.04 million or 40.00%. This is in line with the decrease in revenue and increase in operating expenses mainly due to expenses incurred for opening the new healthcare facilities.

Current Period vs Preceding Corresponding Period

The Group recorded a revenue of RM20.77 million for the current financial period ended 31 December 2022, as compared to RM21.43 million in the preceding corresponding period, representing a decrease of RM0.66 million or 3.08% 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 gross profit of RM8.31 million for the current financial period ended 31 December 2022, as compared to RM10.07 million in the preceding corresponding period, representing a decrease of RM1.76 million or 17.48% 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 profit before taxation of RM4.10 million for the current financial period ended 31 December 2022, as compared to RM6.38 million in the preceding corresponding period, representing a decrease of RM2.28 million or 35.74% due to the decrease in revenue and operating expenses incurred for opening the new healthcare facilities.



**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 fertility treatments, obstetrics and gynaecology; and
- develop and retain a pool of talented specialists, doctors and management staff.

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 2023.

**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 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

There were no dividends declared by the Board of Directors or paid for the current period under review.