



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

**UNAUDITED FINANCIAL STATEMENTS FOR THE 1ST HALF-YEAR
ENDED 30 JUNE 2023**

**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 2023 ⁽¹⁾

	As at 30.06.2023	As at 31.12.2022
	Unaudited	Audited
	RM'000	RM'000
<u>ASSETS</u>		
Non-current assets		
Property, plant and equipment	20,353	20,088
Right-of-use assets	16,198	9,487
Other investment	2,932	3,147
Total non-current assets	39,483	32,722
Current assets		
Inventories	1,773	1,598
Trade and other receivables	1,773	1,452
Tax recoverable	1,374	1,249
Cash and cash equivalents	11,706	14,286
Total current assets	16,626	18,585
TOTAL ASSETS	56,109	51,307
<u>EQUITY AND LIABILITIES</u>		
Equity attributable to the owners of the Company		
Share capital	18,164	18,164
ESOS reserves	-	390
Retained earnings	15,630	16,692
Total equity	33,794	35,246
Non-current liabilities		
Borrowing	-	32
Deferred tax liabilities	1,042	1,042
Lease liabilities	15,876	9,407
Total non-current liabilities	16,918	10,481



UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT
30 JUNE 2023 ⁽¹⁾ (CONTINUED)

	As at 30.06.2023	As at 31.12.2022
	Unaudited	Audited
	RM'000	RM'000
Current liabilities		
Trade and other payables	4,152	4,780
Tax payables	21	35
Lease liabilities	1,224	765
Total current liabilities	5,397	5,580
TOTAL LIABILITIES	22,315	16,061
TOTAL EQUITY AND LIABILITIES	56,109	51,307
Net assets per share (sen) ⁽²⁾	5.48	5.72

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 2022 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 2023 and 31 December 2022.*



UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME FOR THE 1ST HALF-YEAR ENDED 30 JUNE 2023 ⁽¹⁾

	Individual 6 months ended		Cumulative 6 months ended	
	30.06.2023	30.06.2022	30.06.2023	30.06.2022
	RM'000	RM'000	RM'000	RM'000
Revenue	21,702	19,506	21,702	19,506
Cost of sales	(12,808)	(11,805)	(12,808)	(11,805)
Gross profit	8,894	7,701	8,894	7,701
Other operating income	657	269	657	269
Other operating expenses	(4,729)	(4,308)	(4,729)	(4,308)
Operating profit	4,822	3,662	4,822	3,662
Finance cost	(358)	(200)	(358)	(200)
Profit before taxation	4,464	3,462	4,464	3,462
Taxation	(1,209)	(839)	(1,209)	(839)
Profit/Total comprehensive income for the financial period	3,255	2,623	3,255	2,623
Earnings per ordinary share ("EPS") (sen):				
- Basic ⁽²⁾	0.53	0.43	0.53	0.43
- Diluted ⁽³⁾	0.53	0.43	0.53	0.43

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 2022 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 2023 and 30 June 2022.
- (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 2023 ⁽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 2023	18,164	16,692	390	35,246
Profit/Total comprehensive income	-	3,255	-	3,255
Dividend paid	-	(4,317)	-	(4,317)
Share-based payment under ESOS ⁽²⁾	-	-	(390)	(390)
At 30 June 2023	18,164	15,630	-	33,794
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

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 2022 and the accompanying explanatory notes attached to this interim financial report.*
- (2) Based on the announcement of the Company dated 26 May 2023 in relation to the ESOS, the Board announced that the existing ESOS of the Company is terminated.*



UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE 1ST
HALF-YEAR ENDED 30 JUNE 2023 ⁽¹⁾

	6 months ended	
	30.06.2023	30.06.2022
	RM'000	RM'000
Cash flows from operating activities		
Profit before taxation	4,464	3,462
<i>Adjustments for:</i>		
Depreciation of property, plant and equipment	1,368	1,116
Depreciation of right-of-use assets	1,156	520
Share-based payment under ESOS	(390)	-
Finance cost	358	200
Interest income	(50)	(32)
Gain on disposal of investment in quoted shares	-	(4)
Net fair value loss on investment in quoted shares	215	210
Gain on disposal of property, plant and equipment	-	(221)
Dividend income from investment in quoted shares	(61)	(55)
Operating profit before changes in working capital	7,060	5,196
<i>Changes in working capital:</i>		
- Inventories	(176)	(380)
- Trade and other receivables	(321)	20,871
- Trade and other payables	(628)	(19,734)
Cash generated from operations	5,935	5,953
- Interest paid	(358)	(200)
- Interest received	50	32
- Tax refunded	-	29
- Tax paid	(1,348)	(1,683)
Net cash generated from operating activities	4,279	4,131
Cash flows from investing activities:		
Acquisition of property, plant and equipment	(1,633)	(3,230)
Investment in quoted shares	-	(480)
Proceeds from disposal of investment in quoted shares	-	67
Proceeds from disposal of property, plant and equipment	-	252
Dividend received from investment in quoted shares	61	55
Net cash used in investing activities	(1,572)	(3,336)
Cash flows from financing activities		
Repayment of borrowings	(32)	-
Repayment of lease liabilities	(938)	(357)
Dividend paid	(4,317)	(4,070)
Net cash used in financing activities	(5,287)	(4,427)



UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE 1ST
HALF-YEAR ENDED 30 JUNE 2023 ⁽¹⁾ (CONTINUED)

	6 months ended	
	30.06.2023	30.06.2022
	RM'000	RM'000
Net decrease in cash and cash equivalents	(2,580)	(3,632)
Cash and cash equivalents at beginning of the financial period	14,286	15,260
Cash and cash equivalents at end of the financial period	11,706	11,628
Cash and cash equivalents at end of the financial period comprise:		
Cash and bank balances	11,706	11,628

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 2022 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 2023

A1. BASIS OF PREPARATION

Metro was incorporated in Malaysia under the Companies Act, 1965 and deemed registered under the Companies Act, 2016 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 2023 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 2022 and the accompanying explanatory notes attached to this unaudited interim financial report.

A2. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted are consistent with those of the previous financial year except for the adoption of the following amendments to published standards:

- 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)

Initial application of the above MFRS and amendments to MFRSs have no significant impact on the financial statement of the Group upon adoption.



A EXPLANATORY NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 1ST HALF-YEAR ENDED 30 JUNE 2023 (CONTINUED)

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.

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 RM21.70 million for the current financial period ended 30 June 2023, as compared to RM19.51 million in the previous corresponding financial period, representing an increase of RM2.19 million or 11.23% mainly due to increase in number of visits by patients as a result of new healthcare facilities opened and additional doctors employed for the Group.

The Group recorded a higher gross profit of RM8.89 million for the financial period ended 30 June 2023, as compared to RM7.70 million in the previous corresponding financial period, representing an increase of RM1.19 million or 15.45%. The increase is in-line with the abovementioned revenue growth.

The Group recorded a higher profit before taxation of RM4.46 million for the financial period ended 30 June 2023, as compared to RM3.46 million in the previous corresponding financial period, representing an increase of RM1.00 million or 28.90%. The increase is in-line with the abovementioned revenue growth.

B2. PROSPECTS

The Group will continue 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

On 13 April 2023, MIDF Amanah Investment Bank Berhad (“MIDF Investment”) on behalf of the Board of Directors of the Company, announced that the Company has received a letter from its major shareholder, Dr Tee Swi Peng @ Tay Swi Peng (“Letter from Major Shareholder”) requesting the Board to consider undertaking the Proposed Transfer of Listing for Metro (as defined below), comprising the following:

- (i) proposed voluntary withdrawal of listing of Metro from the LEAP Market of Bursa Malaysia Securities Berhad (“**Bursa Securities**”) pursuant to Rules 8.05 and 8.06 of the LEAP Market Listing Requirements of Bursa Securities (“**Proposed Withdrawal**”); and
- (ii) proposed listing of Metro on the ACE Market of Bursa Securities pursuant to Rules 3A.02(1) and 3A.02(2) of the ACE Market Listing Requirements of Bursa Securities (“**Proposed Listing**”).

The Proposed Withdrawal and Proposed Listing are collectively referred to as the “**Proposed Transfer of Listing**”.

On 25 May 2023, MIDF Investment on behalf of the Board, announced that the Board had deliberated on the Letter from Major Shareholder and agreed to undertake the Proposed Transfer of Listing. The Board had also on the same date informed that the Company intends to seek shareholders’ approval in respect of the proposed adoption of new constitution of the Company (“Proposed Adoption of New Constitution of the Company”) at the extraordinary general meeting to be convened. The Proposed Adoption of New Constitution of the Company is mainly to facilitate the implementation of the Proposed Transfer of Listing.

On 16 August 2023, MIDF Investment on behalf of the Board, announced that the Company had sought the approval of Bursa Securities for the exemptions from having to extend the shareholders a reasonable cash alternative or other reasonable alternatives (“**Exit Offer**”) and appointment of independent adviser to advise and make recommendations or the consideration of the shareholders in connection with the withdrawal of its listing as well as the fairness and reasonableness of the Exit Offer pursuant to Rules 8.06(1)(c) and 8.06(1)(d) of the LEAP Market Listing Requirements, respectively (“Exemption Application”). Pursuant thereto, Bursa Securities had, vide its letter dated 16 August 2023, resolved to approve the Exemption Application subject to the condition that the Minority Shareholders’ Undertaking Letters remain valid and binding until the completion of the Proposed Withdrawal.

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



METRO HEALTHCARE BERHAD (Registration No. 201001021746 (905516-M))
Registered Address: Third Floor, No.77, 79 & 81, Jalan SS21/60,
Damansara Utama, 47400 Petaling Jaya, Selangor.

C2. MATERIAL LITIGATION

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

C3. DIVIDENDS

The Board of Directors has on 8 March 2023 declared a single tier interim dividend of 0.70 sen per Metro Share in respect of the financial year ending 31 December 2023. The interim dividend amounting to RM4,316,970.02 was paid on 24 March 2023.