



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

**FINANCIAL STATEMENTS FOR THE HALF-YEAR
ENDED 31 DECEMBER 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
31 DECEMBER 2023 ⁽¹⁾

	As at 31.12.2023 Unaudited RM'000	As at 31.12.2022 Audited RM'000
<u>ASSETS</u>		
Non-current assets		
Property, plant and equipment	20,520	20,088
Right-of-use assets	16,723	9,487
Other investment	3,075	3,147
Total non-current assets	40,318	32,722
Current assets		
Inventories	1,907	1,598
Trade and other receivables	1,210	1,452
Tax recoverable	1,125	1,249
Cash and cash equivalents	15,158	14,286
Total current assets	19,400	18,585
TOTAL ASSETS	59,718	51,307
<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
Retained earnings	19,212	16,692
Total equity	37,376	35,246
Non-current liabilities		
Borrowing	-	32
Deferred tax liabilities	595	1,042
Lease liabilities	15,982	9,407
Total non-current liabilities	16,577	10,481
Current liabilities		
Trade and other payables	3,920	4,779
Tax payables	-	36
Lease liabilities	1,845	765
Total current liabilities	5,765	5,580
TOTAL EQUITY AND LIABILITIES	59,718	51,307
Net assets per share (sen) ⁽²⁾	6.06	5.72



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.

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 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 31 December 2023 and 31 December 2022.*



UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 ⁽¹⁾

	Individual 6 months ended		Cumulative 12 months ended	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
	RM'000	RM'000	RM'000	RM'000
Revenue	22,984	20,767	44,686	40,273
Cost of sales	(13,799)	(12,462)	(26,607)	(24,267)
Gross profit	9,185	8,305	18,079	16,006
Other operating income	-	3,620	612	3,889
Other operating expenses	(4,733)	(7,811)	(9,417)	(12,119)
Operating profit	4,452	4,114	9,274	7,776
Finance cost	(374)	(198)	(732)	(398)
Profit before taxation	4,078	3,916	8,542	7,377
Taxation	(1,085)	(1,523)	(2,294)	(2,362)
Profit/Total comprehensive income for the financial period	2,993	2,393	6,248	5,015
Earnings per ordinary share ("EPS") (sen):				
- Basic ⁽²⁾	0.49	0.39	1.01	0.81
- Diluted ⁽³⁾	0.49	0.39	1.01	0.81

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 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 ordinary shares during the financial period ended 31 December 2023 and 31 December 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 FINANCIAL YEAR ENDED 31 DECEMBER 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	-	6,248	-	6,248
Share-based payment under ESOS	-	-	199	199
Termination of ESOS	-	589	(589)	-
Dividend paid	-	(4,317)	-	(4,317)
At 31 December 2023	18,164	19,212	-	37,376
At 1 January 2022	18,164	15,747	425	34,336
Profit/Total comprehensive income	-	5,015	-	5,015
ESOS reserve	-	-	(35)	(35)
Dividend paid	-	(4,070)	-	(4,070)
At 31 December 2022	18,164	16,692	390	35,246

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 2022 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 2023 ⁽¹⁾

	12 months ended	
	31.12.2023	31.12.2022
	RM'000	RM'000
Cash flows from operating activities		
Profit before taxation	8,542	7,377
<i>Adjustments for:</i>		
Depreciation of property, plant and equipment	2,795	2,676
Depreciation of right-of-use assets	2,218	4,105
Remeasurement of lease liabilities	(161)	(3,214)
Share-based payment under ESOS	199	(35)
Finance cost	732	398
Interest income	(107)	(72)
Waiver of rental	-	(5)
Gain on disposal of property, plant and equipment	(35)	(220)
Trade and other receivables written-off	-	4
Property, plant and equipment written-off	254	65
Gain on disposal of investment in quoted shares	-	(4)
Net fair value loss/(gain) on investment in quoted shares	72	(78)
Dividend income	(103)	(100)
Operating gain before changes in working capital	14,406	10,897
<i>Changes in working capital:</i>		
- Inventories	(309)	(148)
- Trade and other receivables	243	705
- Trade and other payables	(859)	1,056
Cash generated from operations	13,481	12,510
- Interest received	107	72
- Tax refunded	227	29
- Tax paid	(2,880)	(3,360)
Net cash generated from operating activities	10,935	9,251
Cash flows from investing activities:		
Acquisition of property, plant and equipment	(3,900)	(4,578)
Investment in quoted shares	-	(480)
Proceeds from disposal of property, plant and equipment	454	252
Proceeds from disposal of investment in quoted shares	-	67
Dividend received	103	100
Net cash used in investing activities	(3,343)	(4,639)



UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR
THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 ⁽¹⁾ (CONTINUED)

	12 months ended	
	31.12.2023	31.12.2022
	RM'000	RM'000
Cash flows from financing activities		
Repayment of borrowing	(32)	(392)
Repayment of lease liabilities	(2,371)	(1,124)
Dividend paid	(4,317)	(4,070)
Net cash used in financing activities	(6,720)	(5,586)
Net increase/(decrease) in cash and cash equivalents	872	(974)
Cash and cash equivalents at beginning of the financial period	14,286	15,260
Cash and cash equivalents at end of the financial period	15,158	14,286
Cash and cash equivalents at end of the financial period comprise:		
Cash and bank balances	11,797	10,488
Fixed deposits placed with a licensed bank	3,361	3,798
	15,158	14,286

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 INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 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 half-year ended 31 December 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. CHANGES IN 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” (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)

The above amendments to accounting standards effective during the financial year do not have any significant impact to the financial results and position of the Company.



A EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

A2. CHANGES IN ACCOUNTING POLICIES (CONTINUED)

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

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)
- Amendments to MFRS 107 “Statement of Cash Flows” and MFRS 7 “Financial Instruments: Disclosures” (Supplier Finance Arrangements)

Annual periods beginning on/after 1 January 2025

- Amendments to MFRS 121, “The Effects of Changes in Foreign Exchange Rates” (Lack of Exchangeability).

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 2023 (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 wound 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 RM44.69 million for the financial year ended 31 December 2023, as compared to RM40.27 million in the previous financial year, representing an increase of RM4.42 million or 10.98% mainly due to increase in number of visits by patients as a result of new healthcare facilities commenced operations during the financial year and additional doctors employed for the Group.

The Group recorded a gross profit of RM18.08 million for the financial year ended 31 December 2023, as compared to RM16.01 million in the previous financial year, representing an increase of RM2.07 million or 12.93%. The increase is in-line with the abovementioned revenue growth.

The Group recorded a profit before taxation of RM8.54 million for the financial year ended 31 December 2023, as compared to RM7.38 million in the previous financial year, representing an increase of RM1.16 million or 15.72% mainly as a result of the increase in revenue.

Current Period vs Preceding Corresponding Period

The Group recorded a revenue of RM22.98 million for the current financial period ended 31 December 2023, as compared to RM20.77 million in the preceding corresponding period, representing an increase of RM2.21 million or 10.64% mainly due to increase in number of visits by patients as a result of new healthcare facilities commenced operations during the financial year and additional doctors employed for the Group.

The Group recorded a gross profit of RM9.19 million for the current financial period ended 31 December 2023, as compared to RM8.31 million in the preceding corresponding period, representing an increase of RM0.88 million or 10.59%. The increase is in-line with the abovementioned revenue growth.

The Group recorded a profit before taxation of RM4.08 million for the current financial period ended 31 December 2023, as compared to RM3.92 million in the preceding corresponding period, representing an increase of RM0.16 million or 4.08% mainly as a result of the increase in revenue.



B ADDITIONAL INFORMATION REQUIRED UNDER THE LISTING REQUIREMENTS (CONTINUED)

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 2024.

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**".



C OTHER INFORMATION (CONTINUED)

C1. STATUS OF CORPORATE PROPOSALS (CONTINUED)

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 undertaking letters from minority shareholders remain valid and binding until the completion of the Proposed Withdrawal.

On 22 February 2024, the shareholders of Metro have approved the Proposed Transfer of Listing at the extraordinary general meeting.

Save as disclosed above, 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 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.