



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

**UNAUDITED FINANCIAL STATEMENTS FOR THE 1ST HALF-YEAR
ENDED 30 JUNE 2024**

**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 2024 ⁽¹⁾

	As at 30.06.2024 Unaudited RM'000	As at 31.12.2023 Audited RM'000
<u>ASSETS</u>		
Non-current assets		
Property, plant and equipment	21,860	20,520
Right-of-use assets	15,614	16,723
Other investment	3,675	3,075
Total non-current assets	41,149	40,318
Current assets		
Inventories	2,140	1,907
Trade and other receivables	2,440	1,210
Tax recoverable	847	1,185
Cash and cash equivalents	11,310	15,158
Total current assets	16,737	19,460
TOTAL ASSETS	57,886	59,778
<u>EQUITY AND LIABILITIES</u>		
Equity attributable to the owners of the Company		
Share capital	18,164	18,164
Retained earnings	18,306	19,211
Total equity	36,470	37,375
Non-current liabilities		
Deferred tax liabilities	682	655
Lease liabilities	15,083	15,983
Total non-current liabilities	15,765	16,638
Current liabilities		
Trade and other payables	3,753	3,920
Tax liabilities	2	-
Lease liabilities	1,896	1,845
Total current liabilities	5,651	5,765
TOTAL LIABILITIES	21,416	22,403
TOTAL EQUITY AND LIABILITIES	57,886	59,778
Net assets per share (sen) ⁽²⁾	5.91	6.06



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 is detailed in Note A1 and should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2023 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 2024 and 31 December 2023.*



UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE 1ST HALF-YEAR ENDED 30 JUNE 2024 ⁽¹⁾

	Individual 6 months ended		Cumulative 6 months ended	
	30.06.2024	30.06.2023	30.06.2024	30.06.2023
	RM'000	RM'000	RM'000	RM'000
Revenue	24,484	21,702	24,484	21,702
Cost of sales	(13,744)	(12,808)	(13,744)	(12,808)
Gross profit	10,740	8,894	10,740	8,894
Other operating income	506	657	506	657
Other operating expenses	(5,740)	(4,729)	(5,740)	(4,729)
Operating profit	5,506	4,822	5,506	4,822
Finance cost	(357)	(358)	(357)	(358)
Profit before taxation	5,149	4,464	5,149	4,464
Taxation	(1,614)	(1,209)	(1,614)	(1,209)
Profit/Total comprehensive income for the financial period	3,535	3,255	3,535	3,255
Earnings per ordinary share ("EPS") (sen):				
- Basic ⁽²⁾	0.57	0.53	0.57	0.53
- Diluted ⁽³⁾	0.57	0.53	0.57	0.53

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 2023 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 2024 and 30 June 2023.*
- (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 2024 ⁽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 2024	18,164	19,211	-	37,375
Profit/Total comprehensive income	-	3,535	-	3,535
Dividend paid	-	(4,440)	-	(4,440)
At 30 June 2024	18,164	18,306	-	36,470
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

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 2023 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 2024 ⁽¹⁾

	6 months ended	
	30.06.2024	30.06.2023
	RM'000	RM'000
Cash flows from operating activities		
Profit before taxation	5,149	4,464
<i>Adjustments for:</i>		
Depreciation of property, plant and equipment	1,513	1,368
Depreciation of right-of-use assets	1,110	1,156
Share-based payment under ESOS	-	(390)
Finance cost	357	358
Interest income	(50)	(50)
Loss on disposal of investment in quoted shares	34	-
Net fair value (gain)/loss on investment in quoted shares	(208)	215
Dividend income from investment in quoted shares	(104)	(61)
Operating profit before changes in working capital	7,801	7,060
<i>Changes in working capital:</i>		
- Inventories	(233)	(176)
- Trade and other receivables	(1,230)	(321)
- Trade and other payables	(167)	(628)
Cash generated from operations	6,171	5,935
- Interest paid	-	(358)
- Interest received	50	50
- Tax refunded	5	-
- Tax paid	(1,253)	(1,348)
Net cash generated from operating activities	4,973	4,279
Cash flows from investing activities:		
Acquisition of property, plant and equipment	(2,855)	(1,633)
Investment in quoted shares	(830)	-
Proceeds from disposal of investment in quoted shares	405	-
Dividend received from investment in quoted shares	104	61
Net cash used in investing activities	(3,176)	(1,572)
Cash flows from financing activities		
Repayment of borrowings	-	(32)
Repayment of lease liabilities	(1,205)	(938)
Dividend paid	(4,440)	(4,317)
Net cash used in financing activities	(5,645)	(5,287)



UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE 1ST
HALF-YEAR ENDED 30 JUNE 2024 ⁽¹⁾ (CONTINUED)

	6 months ended	
	30.06.2024	30.06.2023
	RM'000	RM'000
Net decrease in cash and cash equivalents	(3,848)	(2,580)
Cash and cash equivalents at beginning of the financial period	15,158	14,286
Cash and cash equivalents at end of the financial period	11,310	11,706
Cash and cash equivalents at end of the financial period comprise:		
Cash and bank balances	11,310	11,706

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 2023 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 2024

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 2024 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 2023 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)

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.

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



A EXPLANATORY NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 1ST HALF-YEAR ENDED 30 JUNE 2024 (CONTINUED)

A2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 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.



A EXPLANATORY NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 1ST HALF-YEAR ENDED 30 JUNE 2024 (CONTINUED)

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

Save as disclosed below, there were no other additional material capital commitments in respect of property, plant and equipment as at the end of the current financial period.

	<u>RM'000</u>
Authorised and contracted for:	
Property, plant and equipment	
- Refurbishment of facility in Klang	222
- Renovation and equipment in Kelantan	253
- Refurbishment of facility in Kuala Selangor	269
	<u>744</u>



B ADDITIONAL INFORMATION REQUIRED UNDER THE LISTING REQUIREMENTS

B1. REVIEW OF PERFORMANCE

The Group recorded a revenue of RM24.48 million for the current financial period ended 30 June 2024, as compared to RM21.70 million in the previous corresponding financial period, representing an increase of RM2.78 million or 12.82% mainly due to increase in number of visits by patients.

The Group recorded a higher gross profit of RM10.74 million for the financial period ended 30 June 2024, as compared to RM8.89 million in the previous corresponding financial period, representing an increase of RM1.85 million or 20.76% mainly due to the increase in revenue as mentioned above.

The Group recorded a higher profit before taxation of RM5.15 million for the financial period ended 30 June 2024, as compared to RM4.46 million in the previous corresponding financial period, representing an increase of RM0.69 million or 15.34%. 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 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**”.

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.

On 10 May 2024, MIDF Investment on behalf of the Board of Director of Metro, announced that the following applications in relation to the Proposed Transfer of Listing have been submitted to the relevant authorities:

- the listing application, draft prospectus and application for the Proposed Withdrawal pursuant to the Proposed Transfer of Listing;
- the additional listing application for the Proposed Bonus Issue;



C OTHER INFORMATION (CONTINUED)

C1. STATUS OF CORPORATE PROPOSALS (CONTINUED)

- the application to the Equity Compliance Unit of the Securities Commission Malaysia for the resultant equity structure of the Company pursuant to the Proposed Transfer of Listing; and
- the application to Ministry of Investment, Trade and Industry, Malaysia in relation to the Proposed Transfer of Listing.

On 8 August 2024, MIDF Investment on behalf of the Board of Director of Metro, announced that Bursa Securities had, vide its letter dated 8 August 2024, resolved the following:

- i. to approve the proposed transfer of listing of and quotation for the entire enlarged issued share capital of Metro from the LEAP Market to the ACE Market of Bursa Securities comprising 978,905,000 Shares on the ACE Market of Bursa Securities; and
- ii. to grant approval-in-principle for registration of the listing prospectus of Metro. In this regard, MIDF Investment is required to provide a confirmation of registration before 12.30 p.m. at least seven (7) market days prior to the intended date of registration.

Metro and/or MIDF Investment are required to comply with the following:

- i. Submit the following information with respect to the moratorium on the shareholdings of the specified shareholders to Bursa Malaysia Depository Sdn Bhd:
 - a. Name of shareholders;
 - b. Number of shares; and
 - c. Date of expiry of the moratorium for each block of shares.
- ii. Confirm that approvals from other relevant authorities have been obtained for implementation of the Proposed Transfer of Listing;
- iii. The Bumiputera equity requirements for public listed companies as approved/exempted by the Securities Commission Malaysia including any conditions imposed thereon;
- iv. Make the relevant announcements pursuant to Paragraphs 8.1 and 8.2 of Guidance Notes 15 of the ACE Market Listing Requirements (“ACE LR”);
- v. Furnish to Bursa Securities a copy of the schedule of distribution showing compliance with the public shareholding spread requirements based on the entire issued share capital of the Company on the first day of listing on the ACE Market;
- vi. In relation to the public offering to be undertaken by the Company, to announce at least 2 market days prior to the listing date, the result of the offering including the following:
 - a. Level of subscription of public balloting and placement;
 - b. Basis of allotment/allocation;
 - c. A table showing the distribution of placement tranche as per the format in Appendix I; and
 - d. Disclosure of placees who become substantial shareholders of the Company arising from the public offering, if any.

MIDF Investment must ensure that the overall distribution of the Company’s securities is properly carried out to mitigate any disorderly trading in the secondary market; and

- vii. Metro / MIDF Investment to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities’ approval upon the admission of the Company to the Official List of the ACE Market.



C OTHER INFORMATION (CONTINUED)

C1. STATUS OF CORPORATE PROPOSALS (CONTINUED)

Metro and MIDF Investment are required to ensure full compliance with all requirements as provided under the ACE LR at all times.

On 13 August 2024, MIDF Investment on behalf of the Board of Director of Metro, announced that he SC had, vide its letter dated 12 August 2024, approved the resultant equity structure of the Company pursuant to the Proposed Listing under the Bumiputera equity requirement for public listed companies, subject to the following conditions:

1. Metro to allocate shares equivalent to 12.5% of its enlarged number of issued shares to Bumiputera investors to be approved by the Ministry of Investment, Trade and Industry in conjunction with the Proposed Listing; and
2. Metro to make available at least 50% of the shares offered to the Malaysian public investors via balloting to Bumiputera public investors.

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 18 March 2024 declared a single tier interim dividend of 0.72 sen per Metro Share in respect of the financial year ending 31 December 2024. The interim dividend amounting to RM4.44 million was paid on 5 April 2024.