



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

ADDITIONAL INFORMATION ACCOMPANYING THE AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED (“FYE”) 31 DECEMBER 2019

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.



PART A: ADDITIONAL INFORMATION REQUIRED UNDER PART B OF APPENDIX 6A OF THE LEAP MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

1. Review of performance

(i) Revenue

Generally, Metro and its subsidiaries (“**Group**”)’s operations were not affected by seasonal or cyclical factors. The principal activity of the Group is provision of healthcare services and the Group’s revenue can be broadly categorised into 3 revenue streams, namely, inpatient services, outpatient services and ambulatory care as per the following table:

	Audited FYE			
	31 December 2019		31 December 2018	
	RM’000	%	RM’000	%
Inpatient services	3,667	16.15	3,531	17.41
Outpatient services	9,588	42.22	8,888	43.84
Ambulatory care	9,454	41.63	7,857	38.75
Total	22,709	100.00	20,276	100.00

From the above table, inpatient services, outpatient services and ambulatory care services contributed 16.15%, 42.22% and 41.63% respectively to the Group’s revenue for the FYE 31 December 2019.

The Group recorded a revenue of RM22.71 million for the FYE 31 December 2019, as compared to RM20.28 million in the previous financial year, representing an increase of RM2.43 million. The increase in revenue of outpatient services and ambulatory care services for the FYE 31 December 2019 was mainly due to improved operations of ambulatory care and outpatient business units coupled with the upgrading of the Group’s Melaka specialist clinic to a reproductive medicine ambulatory care centre, which include an in vitro fertilization (“**IVF**”) laboratory providing IVF services targeting patients from Melaka and Johor.

(ii) Gross profit (“**GP**”)

The Group recorded a GP of RM10.27 million for the FYE 31 December 2019, as compared to RM8.87 million in the previous financial year, representing an increase of RM1.40 million mainly as a result of the growth in revenue. The Group’s GP margin for the FYE 31 December 2019 increased from 43.74% in the previous financial year to 45.24%, which was mainly due to improvements made to the operating procedures of existing centres.

(iii) Profit before taxation (“**PBT**”)

The Group recorded a PBT of RM3.43 million for the FYE 31 December 2019, as compared to RM2.49 million in the previous financial year, representing an increase of RM0.94 million mainly due to the increase in revenue and improvements made to the operating procedures of existing centres.



2. Prospects

The Group is implementing strategic plans in order to:

- establish Metro 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
- increase the number of the Group's healthcare outlets in Malaysia.

The recent covid-19 pandemic has affected the Group's revenue during the initial and peak period of the movement control order ("MCO"). However, the Group has minimized the impact of MCO with innovative packages and attractive pricing in order to serve the needs of the public. As the situation returns to normal gradually and barring any unforeseen circumstances, the Board of Directors of the Company is of the opinion that the prospects of the Group's financial performance for the financial year ending 31 December 2020 will remain favourable.

PART B: OTHER INFORMATION

1. Corporate proposals

There were no corporate proposals announced during the FYE 31 December 2019.

However, the Company had announced on 10 March 2020 a proposal to undertake a private placement of up to 20,065,000 ordinary shares, representing 10% its total issued shares.

Subsequently, the first tranche for the issuance of shares pursuant to the private placement was completed on 27 March 2020. As a result, the issued share capital of the Company was increased from 200,650,000 ordinary shares to 202,270,000 ordinary shares through the private placement of 1,620,000 ordinary shares at a subscription price of RM0.90 per share.



2. Utilisation of proceeds

As of the date of this report, the entire proceeds raised from the Excluded Issue of RM4.62 million in conjunction with the Company's listing on the LEAP Market of Bursa Securities on 26 February 2018 were fully utilised in the following manner:

Purpose	Proposed utilisation	Actual utilisation	Deviation	Balance	Estimated timeframe for utilisation upon listing
	RM'000	RM'000	RM'000	RM'000	
Business expansion	3,418	3,418	319	-	Within 24 months
Marketing and accreditation program	300	178	(122)	-	Within 12 months
Estimated listing expenses	900	703	(197)	-	Within 3 months
Total	4,618	4,618	-	-	

Dated 14 May 2020