



METRO HEALTHCARE BERHAD
(Registration No. 201001021746 (905516-M))
(Incorporated in Malaysia under the Companies Act, 1965)



**Your Accessible
Healthcare Provider**

ANNUAL REPORT 2024

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ABOUT US

VISION

To be a leading service provider of fertility treatments and procedures in Malaysia.

MISSION



To help every couple to achieve their dreams of having children.



To strive for a success rate that exceeds the world standard for IVF cycles.



To develop a dedicated professional team that is effective and efficient in delivering our services to every customer.



OUR CORES VALUES

Guiding Our Purpose. Driving Sustainable Healthcare Impact.

Integrity First

Trust is earned through transparency.

We uphold the highest ethical standards across all functions — from clinical care to corporate governance. Integrity is the foundation of every decision and relationship we build.

Purposeful Hard Work

Excellence comes from effort, not chance.

We take pride in consistent, mission-driven work. Our teams go above and beyond to serve patients and stakeholders with diligence, accountability, and care.

Responsible Stewardship

Efficiency today, sustainability tomorrow.

We manage capital, time, and resources with care. Frugality enables us to remain agile, invest wisely, and deliver long-term value without compromising quality.

Patient-Centered Excellence

Every decision starts with the patient.

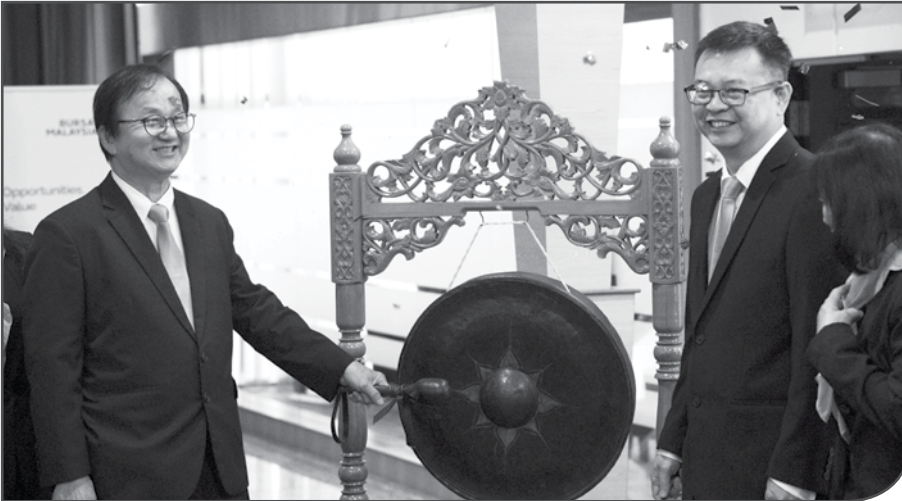
We deliver high-quality, accessible care with compassion. Patient safety, experience, and outcomes are central to our innovation and operations.

Resilience with Humility

We grow by listening, adapting, and improving.

We face challenges head-on, learn from experience, and remain open to change. Our strength lies in staying humble and striving for better every day.

METRO IN THE NEWS



◀ Metro Healthcare Berhad's debut on the Bursa Malaysia ACE Market, 15 November 2024.

The official launch of Metro IVF Ipoh and the Impian Dua Garis programme on 22 February 2025, officiated by YAB Dato' Seri Saarani Bin Mohamad.



Metro IVF Melaka celebrating its fifth anniversary and the launch of Permata Laksamana IVF, officiated by YB Tuan Low Chee Leong on 11 August 2024.



YB Jamaliah Jamaluddin at the launch of IVF Rahmah Rakyat, held at Metro IVF Puchong on 16 December 2023.

PRINCIPAL ACTIVITIES AND SERVICES

O&G HEALTHCARE SERVICES



Fertility Services

- Assisted Reproductive Technology (“ART”) procedures ⁽¹⁾
- Specialised fertility procedures ⁽²⁾



Obstetrics Services

- Pre-pregnancy screening and counselling
- Family planning counselling
- Antenatal checkup
- Delivery



Gynaecology Services




- Hysterectomy
- Oophorectomy
- Colposcopy
- Hysteroscopy
- Laparoscopy
- Tubal ligation
- Dilation and curettage
- Marsupialisation

Notes:

⁽¹⁾ ART procedures consist of In vitro fertilisation (IVF), intracytoplasmic sperm injection (ICSI) procedure and intracytoplasmic morphologically selected sperm injection (IMSI) procedure.

⁽²⁾ Specialised fertility procedures consist of intrauterine insemination (IUI), blastocyst culture, surgical sperm, retrieval, cryopreservation, assisted hatching, intralipid infusion and preimplantation genetic diagnosis or preimplantation genetic screening (PGT).

BUSINESS MODEL

	O&G healthcare services	Complementary services
BUSINESS SEGMENT/ SERVICES 	<ul style="list-style-type: none"> • Fertility services • Other O&G healthcare services 	<ul style="list-style-type: none"> • Paediatric services
FACILITIES 	<ul style="list-style-type: none"> • 3 maternity hospitals • 6 fertility centres • 6 clinics • 1 diagnostic imaging centre 	
PRINCIPAL BUSINESS OPERATIONS 	<ul style="list-style-type: none"> • Kuala Lumpur • Selangor • Negeri Sembilan • Melaka • Johor • Penang • Perak 	

OUR HISTORY AND KEY MILESTONES

1989

Tee Maternity and Gynae Specialist Center was established to offer O&G healthcare services

1994

K.W. Tee Sdn Bhd was incorporated to manage the outpatient O&G healthcare services for Tee Maternity and Gynae Specialist Center

1991

Hospital Wanita Metro Sdn Bhd ("HWM") was incorporated to manage the business of Tee Maternity and Gynae Specialist Center

1998

Began to offer IUI and IVF procedure and fertility screening under Metro IVF Sdn Bhd and started the operations of IVF laboratory in HWM Klang

2024

Listed on the ACE Market of Bursa Securities

2022

Discontinued the offering of dental services

2023

Discontinued the offering of TCM services

2020

Started to offer dental services and fertility traditional Chinese medicine ("TCM")

1999-2000

First IVF baby was successfully conceived in 1999 and began to offer frozen embryo procedure in 2000

2006

Began to offer outpatient paediatrics services

2004

The first babies conceived from a frozen embryo and through inhouse ICSI procedure were born at Metro IVF in Klang

2010

Began to offer surgical sperm retrieval procedures

2018

Listed on the LEAP Market of Bursa Securities

2015

Vision One Diagnostic Sdn Bhd commenced the business of diagnostic imaging centre for O&G procedures

2016

HWM started preimplantation genetic testing services

CORPORATE INFORMATION



BOARD OF DIRECTORS

DR YEE MENG KHEONG

Independent Non-Executive Chairman

DR TAY SWI PENG @ TEE SWI PENG

Executive Vice Chairman

LIM WAI KHONG

Managing Director

DR KONG LAN MOON

Non-Independent Non-Executive Director

SEAH CHEONG WEI

Independent Non-Executive Director

ROSE ZILAWATI BINTI MOHAMED ARIFIN

Independent Non-Executive Director

CHUA LENG LEEK

Independent Non-Executive Director

AUDIT AND RISK MANAGEMENT COMMITTEE

Seah Cheong Wei (**Chairman**)
Rose Zilawati binti Mohamed Arifin
Chua Leng Leek

REMUNERATION COMMITTEE

Chua Leng Leek (**Chairperson**)
Rose Zilawati binti Mohamed Arifin
Seah Cheong Wei

NOMINATION COMMITTEE

Rose Zilawati binti Mohamed Arifin (**Chairperson**)
Seah Cheong Wei
Chua Leng Leek

COMPANY SECRETARIES

Tea Sor Hua (MACS 01324)
(SSM PC No.: 201908001272)

Lee Siew Fun (MAICSA 7063623)
(SSM PC No.: 202008000735)

SPONSOR

MIDF Amanah Investment Bank Berhad
Level 25, Menara MBSB Bank
PJ Sentral
Lot 12, Persiaran Barat, Seksyen 52
46200 Petaling Jaya
Selangor Darul Ehsan
Tel : +603-2173 8888
Fax : +603-2173 8777

CORPORATE OFFICE

No. 32 Jalan Pasar
41400 Klang
Selangor Darul Ehsan
Tel : +603 3341 2277
Fax : +603-3342 4479
Website : <https://www.metrohealthcare.my>

SHARE REGISTRAR

Mega Corporate Services Sdn. Bhd.
Level 15-2
Bangunan Faber Imperial Court
Jalan Sultan Ismail
50250 Kuala Lumpur
W.P. Kuala Lumpur
Tel : +603-2692 4271
Fax : +603-2732 5388
Email : mega-sharereg@megacorp.com.my

REGISTERED OFFICE

Third Floor, No. 77, 79 & 81
Jalan SS 21/60
Damansara Utama
47400 Petaling Jaya
Selangor Darul Ehsan
Tel : +603-7725 1777
Fax : +603-7722 3668
Email : cms_cospec@yahoo.com

AUDITORS

HLB Ler Lum Chew PLT
(201906002362 & AF 0276)
Chartered Accountants
A-23-1, Level 23
Hampshire Place Office
157 Hampshire
No. 1, Jalan Mayang Sari
Off Jalan Tun Razak
50450 Kuala Lumpur
W.P. Kuala Lumpur
Tel : +603-7890 5588
Email : general@hlblerlumchew.com

PRINCIPAL BANKERS

Public Bank Berhad
Malayan Banking Berhad

STOCK EXCHANGE LISTING

ACE Market of Bursa Malaysia
Securities Berhad
Stock Name : METRO
Stock Code : 0329

CORPORATE STRUCTURE



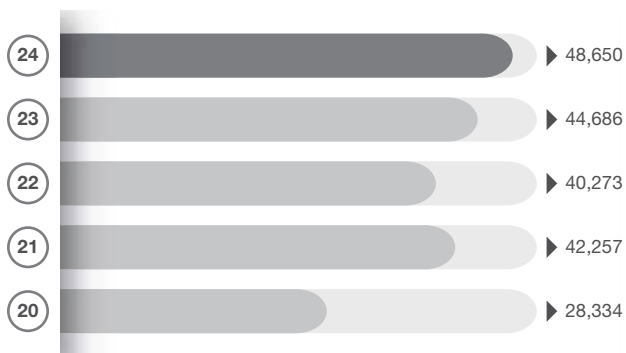
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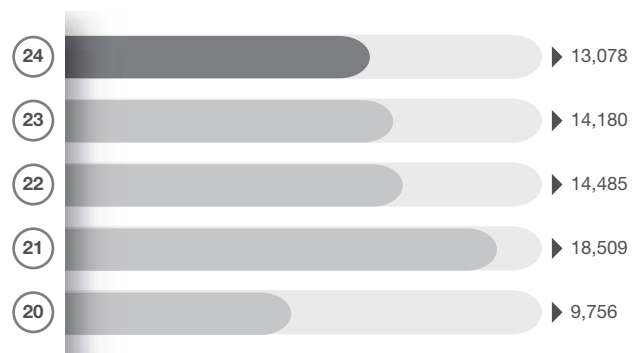
GROUP FINANCIAL HIGHLIGHTS

	2020 RM'000	2021 RM'000	2022 RM'000	2023 RM'000	2024 RM'000
Revenue	28,334	42,257	40,273	44,686	48,650
Earnings before interest, tax, depreciation and amortisation ("EBITDA")	9,756	18,509	14,485	14,180	13,078
Profit Before Taxation ("PBT")	7,272	12,604	7,378	8,542	7,172
Profit Attributable to Owners of the Company	5,477	9,438	5,016	6,248	4,559
Earnings Per Share - Basic (sen)	0.67	1.15	0.61	0.76	0.47
Earnings Per Share - Diluted (sen)	0.67	1.15	0.61	0.76	0.47

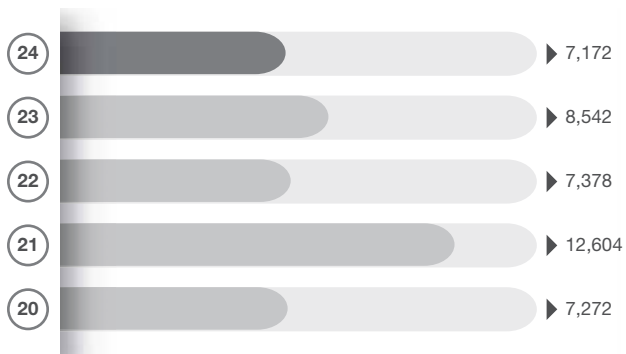
REVENUE (RM'000)



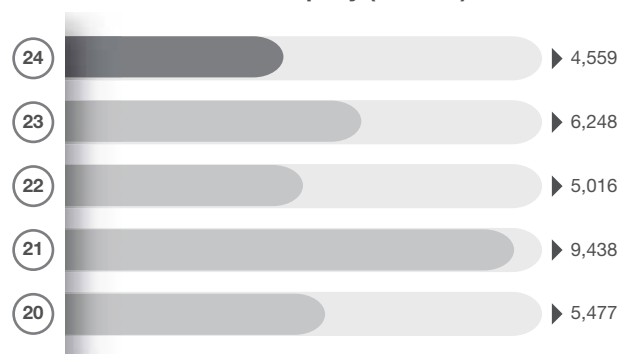
Earnings Before Interest, Taxes, Depreciation and Amortisation (RM'000)



Profit Before Taxation (RM'000)



Profit Attributable to Owners of the Company (RM'000)



MANAGEMENT DISCUSSION AND ANALYSIS



Dear Valued Shareholders,

It gives us great pleasure to present the Management's Discussion and Analysis ("MD&A") of Metro Healthcare Berhad ("Metro" or "Company") and its subsidiaries ("Group") for the financial year ended 31 December 2024 ("FYE 2024"). Despite the fluid economic landscape, our Group remains steadfast in its commitment to deliver enhanced, patient-centric healthcare solutions, with a special emphasis on fertility and obstetrics & gynaecology ("O&G") services.

In 2024, we achieved a key corporate milestone by successfully transferring our listing from the LEAP Market to the ACE Market of Bursa Malaysia Securities Berhad ("Bursa Securities"). This marks a new chapter in our corporate journey, positioning us to capture the growth potential of Malaysia's fertility, obstetrics, and gynaecology market — an industry forecasted to reach RM469.9 million by 2026 at a CAGR of approximately 11.00%.

In this MD&A, we aim to provide you with relevant insights into the Group's operating environment, financial performance, key operational highlights, risk management strategies, and future prospects.

BUSINESS OVERVIEW

Metro operates as an O&G healthcare service provider, concentrating on reproductive medicine and O&G to meet the dynamic healthcare needs of women and families in Malaysia. Since its establishment, the Group has built a strong presence by expanding strategically into key regions within the central, northern, and southern parts of Peninsular Malaysia.

As of 2024, the Group commands a network of 16 facilities, each designed to deliver a comprehensive suite of treatments and services that encompass fertility services, O&G healthcare offerings, and complementary paediatric care. This emphasis on holistic care, beginning with pre-pregnancy planning and extending to paediatric follow-ups, has been a defining feature of the Group's approach to women's health and family well-being.

Fertility Services

Metro's fertility offerings remain a cornerstone of its operations. Advanced assisted reproductive technology (ART) procedures, such as in-vitro fertilisation (IVF) and intracytoplasmic sperm injection (ICSI), provide patients with cutting-edge options to increase their chances of

conception. Specialised fertility protocols, including Pre-implantation Genetic Testing (PGT), address more complex reproductive issues and significantly raise success rates for individuals or couples seeking to conceive. The Group complements these medical interventions with robust counselling and patient education programmes, reflecting a deeply personalised approach to reproductive healthcare.

O&G Healthcare Services

Beyond fertility-focused solutions, the Group's O&G offerings address a wide range of women's healthcare needs. Obstetrics services include comprehensive antenatal check-ups, labour delivery services, and post-natal support, all overseen by specialised doctors and trained medical professionals who prioritise patient comfort and positive clinical outcomes. Gynaecology services cater to various aspects of women's reproductive health, covering routine screenings, minimally invasive procedures, and targeted treatments for conditions affecting the uterus, ovaries, and other components of the female reproductive system. This continuum of care ensures that women receive attentive medical services at every stage, from pre-pregnancy guidance through postpartum recovery.

MANAGEMENT DISCUSSION AND ANALYSIS

(Cont'd)

Paediatric Services

To provide a family-centric healthcare experience, Metro supplements its core O&G business with paediatric care. The Group's paediatric services focus on monitoring the health and development of newborns and children up to 12 years old. In-house paediatricians administer standard immunisation schedules and treat common paediatric ailments. By integrating paediatric services alongside obstetrics and fertility treatments, Metro ensures a seamless transition of care for parents and their young children in a single, trusted medical environment.

A major milestone in 2024 was the successful transfer of Metro's listing from the LEAP Market to the ACE Market of Bursa Securities. This achievement reflects the Group's steady progression in scaling its operations to serve a broader patient base, while also upholding the clinical quality and patient-centricity that underpins its reputation. The transfer exercise has positioned Metro advantageously to capitalise on the growth of the fertility and O&G market, which is expected to expand at a robust pace over the next few years. By actively broadening its geographical reach, integrating innovative medical technologies, and recruiting highly qualified medical professionals, the Group aims to further enhance its service range and reinforce brand recognition in the healthcare sector.

REVIEW OF FINANCIAL PERFORMANCE

The favourable outlook for Malaysia's fertility, O&G services industry—highlighted in the Independent Market Research (IMR) report in Metro's Prospectus—has played a key role in propelling the Group's performance in 2024. The IMR report projects a compound annual growth rate of 11.00% in the fertility, obstetrics, and gynaecology market through 2026, underscoring an expanding demographic of women requiring specialised reproductive care, combined with rising awareness and willingness to invest in fertility services.

These industry tailwinds bolstered Metro's revenue growth to RM48.65 million (FYE2023: RM44.69 million), marking an 8.87% increase from the preceding year. This growth was primarily driven by higher patient volumes in both fertility and O&G services. As a result, gross profit rose by 9.12% to RM19.73 million (FYE2023: RM18.08 million), which is in-line with the revenue growth.

Profit before taxation ("PBT") was RM7.17 million (FYE2023: RM8.54 million), reflecting a 16.09% decrease mainly due to one-off listing expenses of RM2.37 million from Metro's successful transfer to the ACE Market. If these expenses were excluded, the Group's adjusted PBT would stand at RM9.54 million, illustrating the underlying strength of its operations. Metro recorded net profit for the year of RM4.56 million (FYE2023: RM6.25 million), equivalent to earnings per share ("EPS") of 0.47 sen (FYE2023: 0.76 sen).

On the balance sheet front, total assets surged to RM96.03 million (FYE2023: RM59.78 million), bolstered largely by proceeds from share issuance pursuant to Metro's transfer of listing to the ACE Market of Bursa Securities that increased the Group's share capital from RM18.16 million to RM56.29 million. Cash and cash equivalents grew significantly to RM51.41 million from RM15.16 million, while net assets rose to RM75.62 million (FYE2023: RM37.38 million), translating into net assets per share of 7.72 sen (FYE2023: 3.82 sen).

Capital expenditure ("CAPEX") for FYE2024 amounted to RM4.42 million (FYE2023: RM3.55 million), reflecting ongoing investments in property, plant, and equipment. Among these were the purchase of new medical equipment and renovation for the new facilities and facility enhancements within the Group's existing medical facilities. Metro also reported RM0.22 million in authorised and contracted CAPEX commitments, primarily for the renovation of a facility in Kelantan, underscoring its continuous drive to elevate service offerings and patient experience.

REVIEW OF OPERATIONS

Metro continues to refine its operational capabilities and service portfolio in alignment with the growing and evolving needs of women's healthcare in Malaysia. Over the FYE 2024 the Group concentrated on improving clinical outcomes, expanding geographical coverage, and integrating new technologies in both its core fertility segment and its wider O&G offerings. The enhancements made within each service area reflect Metro's strategic commitment to uphold high standards of care and patient-centricity.

Fertility Services

In FYE2024, Metro strengthened its ART procedures by upgrading laboratory environments and acquiring new equipment and medical devices that enhanced precision and efficiency of IVF core protocols. Alongside these mainstream procedures, the Group intensified its focus on specialised fertility treatments, such as PGT. To accommodate rising demand, several of the Group's existing fertility centres underwent facility enhancements, leading to shortened patient wait times and a more comfortable treatment experience. Marketing campaigns conducted during the year also played a role in boosting awareness of the Group's fertility services, contributing to a steady inflow of new patients seeking advanced reproductive care.

MANAGEMENT DISCUSSION AND ANALYSIS

(Cont'd)

Other O&G Healthcare Services

During FYE2024, the Group expanded and upgraded labour ward infrastructure in selected hospitals, enhancing maternal comfort and broadening the capacity for deliveries. These operational updates have been complemented by continuous training for medical professionals, ensuring that they remain conversant with evolving industry best practices, surgical innovations, and patient safety standards.

Complementary Healthcare Services

Over the course of FYE2024, the Group strengthened its standardized protocols for perinatal care—including neonatal resuscitation, caesarean deliveries, and preterm labor—to ensure consistency in clinical practice and seamless handoffs between teams. In parallel, enhancements to the shared electronic medical record system for both obstetrics and paediatrics further improved team coordination, communication under pressure, and preparedness for complex cases.

Throughout FYE2024, Metro also implemented targeted promotional initiatives to amplify public awareness of its fertility and O&G offerings, engaged in selected community outreach programmes aimed at underserved areas, and leveraged digital tools to streamline administrative tasks. The combined effect of these measures was a more responsive healthcare system, improved clinical throughput, and a better overall patient experience. These results underscore the Group's continuous drive to evolve in tandem with Malaysia's growing demand for advanced reproductive and maternity healthcare solutions.

ANTICIPATED AND KNOWN RISK

Metro operates in a rapidly evolving healthcare environment, and the Group's ability to achieve sustainable growth hinges on effectively identifying, evaluating, and responding to various risks that could affect its business performance. In line with the disclosures in the Prospectus, these risks span operational challenges, regulatory compliance, workforce considerations, and the security of digital systems.

Potential Disruptions to Operations

The Group's reliance on physical healthcare facilities makes it susceptible to potential disruptions arising from pandemics, natural disasters, or other unforeseen events that could hinder day-to-day activities. Because fertility and O&G procedures are time-sensitive, particularly in critical interventions such as births and certain advanced fertility treatments, any interruption in facility operations could delay patient treatments and impact patient satisfaction. Management has put in place business continuity plans that cover resource allocation, backup systems for medical equipment, and clear operational guidelines to mitigate downtime. These measures are regularly tested and updated to ensure readiness in the event of sudden operational disruptions.

Dependence on Qualified Talent

Metro's reputation is closely linked to the calibre of its medical professionals, including doctors, embryologists, nurses, and other specialised healthcare providers. As detailed in the Prospectus, retaining and attracting top-tier talent is critical to delivering consistent quality care, sustaining patient trust, and preserving brand credibility. Highly qualified doctors and embryologists, particularly those versed in advanced reproductive technologies, are in demand across the healthcare sector. The Group addresses this risk by offering competitive remuneration packages, investing in continuing medical education, and creating pathways for career growth. Such efforts not only retain key personnel but also attract new hires who bring added expertise and innovation.

Legal and Regulatory Risks

The healthcare industry is governed by stringent regulations and licensing requirements under agencies such as the Ministry of Health ("MoH") and the Private Healthcare Facilities and Services Act 1998 ("PHFSA 1998"). Metro's business model—which encompasses ambulatory care centres, hospitals, and clinics—places it under multiple layers of regulatory oversight. Non-compliance could result in penalties, revocation of operating licences, or reputational damage. To address these challenges, the Group maintains active communication with regulatory authorities, regularly reviews internal standard operating procedures, and conducts periodic compliance audits. Each facility is also subject to systematic updates of clinical protocols to align with the latest regulatory stipulations.

MANAGEMENT DISCUSSION AND ANALYSIS

(Cont'd)

Cyber-security Risks

The increasing digitisation of healthcare records, particularly with the rise of telemedicine and electronic patient databases, introduces the risk of data breaches and cyberattacks. Such incidents can compromise patient confidentiality, violate data protection regulations, and erode public trust. While the Group has adopted firewalls, encryption protocols, and other cybersecurity measures, threats evolve rapidly, requiring continuous risk assessment and system upgrades. Periodic training sessions are conducted to raise employee awareness on secure data handling, password protection, and the proper use of digital platforms. These practices aim to safeguard sensitive information while maintaining smooth operational processes.

Changes in Healthcare Regulations

Beyond day-to-day compliance, Metro also faces the possibility of shifts in healthcare policy or revisions to existing guidelines that may influence the provision of fertility, obstetrics, or paediatric services. Amendments to licensing requirements, fee regulations, or professional guidelines can affect costs and the pace of service delivery. The Group adopts a proactive stance by monitoring policy updates and collaborating with professional bodies to anticipate legislative changes. This advance knowledge helps in making prompt operational adjustments, ensuring uninterrupted service delivery even under new or revised regulatory frameworks.

By actively managing these key risk areas, Metro seeks to reinforce organisational resilience and safeguard its capacity to provide high-quality healthcare services. The Group remains committed to periodically reassessing its risk strategies, strengthening operational protocols, and adapting to the evolving demands of Malaysia's fertility and O&G landscape.

PROSPECTS AND OUTLOOK

The Malaysian fertility and O&G services market continues to demonstrate robust growth prospects, with projections indicating an expansion to approximately RM469.6 million by 2026. Against this favourable backdrop, Metro is positioned to capitalise on rising awareness and demand for reproductive medicine, supported by the Group's established brand presence and broadening network of facilities. Building on the positive momentum achieved in 2024, the Group intends to align its expansion strategies with prevailing industry trends, focusing on several targeted initiatives as outlined in its prospectus.

Network Expansion

The cornerstone of Metro's growth strategy is the expansion of its geographical footprint to reach a broader patient base. Aligned with its mission to enhance accessibility to fertility and women's healthcare services, the Group plans to open its seventh IVF centre in Kota Bharu in the second quarter of 2025. In addition, it will continue identifying strategic locations across Malaysia for future fertility centres. These new facilities will be equipped with advanced laboratory and diagnostic technologies, enabling the Group to accommodate higher patient volumes and better address diverse reproductive health needs. Through this expansion, Metro aims to solidify its position as a leading provider of assisted reproductive technology and obstetrics and gynaecology (O&G) services.

Mergers & Acquisitions

In addition to organic growth via new outlets, Metro is actively exploring mergers and acquisitions of maternity hospitals in the Klang Valley and other regions of Peninsular Malaysia. This approach is intended to accelerate the Group's service integration, expand its patient catchment areas, and bolster its presence in high-demand localities. Acquired facilities would be systematically aligned with Metro's clinical protocols and service standards, ensuring that patients receive the same level of quality care and personalised attention synonymous with the Group's existing operations.

Enhancing Reach

The Group also recognises the importance of sustaining its reputation for patient-centric services through continuous improvements to existing premises. Refurbishment and upgrades of current facilities are planned to enhance patient comfort, streamline operational flow, and optimise the use of medical equipment. Concurrently, Metro intends to strengthen its marketing department and outreach programmes, ensuring that the Group's offerings remain visible in an increasingly competitive healthcare environment. By amplifying its brand presence and creating deeper engagement channels, the Group expects to drive patient referrals and foster long-term loyalty among existing clients.

SUSTAINABILITY STATEMENT

Metro Healthcare Berhad (“Metro” or “Company”) and its subsidiaries (“Group”) remains committed in integrating sustainability into every aspect of its business operations. As a provider of fertility and obstetrics & gynaecology (O&G) healthcare services, the Group understands that sustainability is fundamental to delivering long-term value, not only to shareholders and investors but also to patients, employees, business partners, and the wider community.

The Group’s sustainability approach is built upon four key pillars: responsible healthcare, ethical governance, environmental stewardship, and social well-being. By embedding these principles into its business model, the Group could strengthen its operational resilience, enhance stakeholder trust, and ensure the continued delivery of high-quality, accessible, and patient-centred healthcare services.

Metro recognises that the healthcare sector has an essential role in creating positive environmental and social outcomes. As such, the Group will continue to align its sustainability strategy with global and national sustainability frameworks, including the United Nations Sustainable Development Goals (UNSDG), Bursa Malaysia’s Sustainability Reporting Guide (3rd Edition), and Bursa Malaysia’s Enhanced Sustainability Framework. These frameworks guide the Group’s efforts in identifying and addressing key economic, environmental, and social (EES) factors that impact its operations and stakeholders.

Sustainability is not merely an obligation but a strategic enabler that allows the Group to remain as a responsible, resilient, and forward-thinking healthcare provider. The Group remains steadfast in its commitment in refining its sustainability initiatives, fostering a culture of continuous improvement, and creating long-term value creation for the Group’s stakeholders.

Sustainability Governance

Metro will establish a comprehensive Sustainability Governance Framework within a year from its listing on the ACE Market, i.e., 15/11/2024, to ensure that sustainability will be effectively managed and integrated into its corporate strategy and operational decision-making. The governance framework will provide clear accountability, defined roles and responsibilities of key personnel, reinforcing the commitment of the Group to sustainable business practices.

The Board of Directors holds ultimate responsibility for overseeing the Group’s sustainability initiatives, ensuring that EES risks and opportunities are integrated into strategic decision-making. The Board is dedicated to fostering ethical business practices, effective risk management, and responsible corporate growth, ensuring that sustainability remains a cornerstone of long-term value creation.

At the executive level, the Managing Director (MD) spearheads the implementation of the Group’s sustainability strategy, ensuring that sustainability objectives are aligned with operational priorities and business goals.

By adopting this approach, this will enable Metro to execute sustainability initiatives effectively, thus enhancing resilience, strengthening stakeholder trust, and supporting the Group’s long-term growth.

Reporting Scope and Guidelines

This Sustainability Statement has been prepared with reference to internationally recognised sustainability frameworks and industry best practices, ensuring compliance with regulatory expectations while maintaining transparency and accountability. The Group’s approach aligns with the United Nations Sustainable Development Goals (UNSDG), Bursa Malaysia’s Sustainability Reporting Guide (3rd Edition), and Bursa Malaysia’s Enhanced Sustainability Framework.

This report presents an overview of Metro’s sustainability initiatives during the reporting period, covering its operations across healthcare facilities. It highlights the Group’s approach to material sustainability matters, highlighting efforts to address economic, environmental, and social (EES) factors relevant to its business and stakeholders.

Recognising that Sustainability is an ongoing journey, Metro remains committed to:

- proactively adapting to evolving global and industry trends, emerging risks, and regulatory developments;
- continuous engagement with stakeholders, refining its sustainability strategies and align with their expectations; and
- integrating industry best practices to drive long-term sustainable growth.

SUSTAINABILITY STATEMENT

(Cont'd)

Materiality Matters

A structured materiality assessment will be undertaken to identify, evaluate, and prioritise sustainability issues that are most relevant to Metro and its stakeholders. This assessment will involve reviewing global sustainability trends, regulatory requirements, and direct engagement with key stakeholders, including patients, employees, investors, business partners, and regulatory authorities.

Material sustainability matters will be categorised under the economic, environmental, and social (EES) pillars, forming the foundation of Metro's corporate sustainability strategy. These material topics guide the Group's sustainability initiatives, ensuring meaningful action and measurable impact.

Economic

The economic pillar focuses on Metro's commitment to foster financial resilience, responsible business practices, and contributions to the healthcare sector.

Procurement Practices

As a responsible healthcare provider, Metro prioritises ethical procurement by working with suppliers who adhere to stringent quality, safety, and sustainability standards. The Group emphasises responsible sourcing, particularly for medical equipment, pharmaceuticals, and operational supplies. Wherever possible, the Group supports local procurement to strengthen domestic supply chains and stimulate economic growth within Malaysia.

Indirect Economic Impact

Metro's operations contribute significantly to the broader economy by generating employment, facilitating industry partnerships, and improving access to a specialised medical service. The Group's continued expansion creates job opportunities in medical and administrative roles, while also supporting ancillary industries such as medical research, pharmaceuticals, and technology providers.

Through continuous investment in healthcare infrastructure, Metro enhances the accessibility and quality of reproductive healthcare services, reducing healthcare disparities in Malaysia. By providing specialised medical treatments, the Group contributes to improved national health outcomes, aligning with Malaysia's broader healthcare development goals.

Environmental

Metro recognises its ecological footprint and the environmental impact of healthcare operations and is committed to minimising its impact through sustainable resources management and emissions reduction.

Waste and Effluent Management

Healthcare operations generate a significant volume of medical and hazardous waste, necessitating strict waste management protocols. Metro ensures that medical waste is properly segregated, handled, and disposed of in compliance with national environmental regulations. The Group also implements measures to reduce general waste, including improved recycling practices, sustainable procurement choices, and operational efficiency initiatives.

Greenhouse Gas (GHG) Emissions and Energy Efficiency

Climate change and carbon emissions present significant challenges to the healthcare industry. Metro is actively exploring ways to reduce its greenhouse gas emissions by implementing energy-efficient solutions across its facilities. The Group's initiatives include:

- optimising energy consumption through the adoption of energy-efficient medical equipment (e.g., LED Surgical Lights, Energy-Efficient Refrigerators) and hospital infrastructure (e.g., natural lighting); and
- exploring the use of renewable energy sources, such as LED bulbs, to power healthcare facilities.

Through these efforts, Metro aims to contribute to Malaysia's national goal of achieving carbon neutrality by 2050.

Water Resource Management

Healthcare facilities rely heavily on water for patient care, sanitation, and medical procedures. Metro is committed to responsible water management by:

- implementing water-saving initiatives, such as low-flow fixtures;
- conducting regular monitoring of water usage to improve efficiency; and
- raising awareness among employees and medical staff on water conservation.

By prioritising the above water management, Metro ensures that its operations minimise unnecessary water consumption while maintaining the highest standards of hygiene and patient safety.

SUSTAINABILITY STATEMENT

(Cont'd)

Social

The social pillar focuses on Metro's dedication to patient care, employee well-being, community engagement, and ethical labour practices.

Quality Healthcare Services

The provision of high-quality, patient-centred healthcare services is at the core of Metro's business. The Group continuously invests in medical innovation, training, and technology to ensure patients receive the best possible care. Quality assurance mechanisms include:

- compliance with national and international healthcare accreditation standards;
- regular monitoring feedback from the patients to identify areas for improvement; and
- ongoing medical training programmes to keep healthcare professionals updated on the latest advancements.

Diversity and Inclusion

Metro is committed to foster a diverse and inclusive workforce. The Group promotes gender equality, non-discrimination, and equal opportunities across all levels of employment. Employee engagement initiatives ensure that staff from different backgrounds feel valued and supported in their career progression.

The Group also supports diversity in leadership, ensuring that women and underrepresented groups have equitable opportunities for career advancement within the organisation.

Occupational Health and Safety

Employee and patient safety are fundamental priorities for Metro. The Group adheres to stringent health and safety protocols to protect healthcare workers from occupational hazards. Key initiatives include:

- occupational safety training for employees and medical staff;
- implementation of personal protective equipment (PPE) policies according to guidelines and regulations; and
- continuous monitoring and reporting of workplace incidents to ensure a safe working environment.

Metro's proactive approach to workplace safety ensures that employees and patients are protected from potential risks while maintaining a high standard of care.

Fair Labour Practices

Metro upholds ethical employment policies, ensuring that all employees are treated with dignity and respect. The Group strictly prohibits, among others:

- forced labour and human trafficking;
- discrimination based on gender, race, age, or religion; and
- exploitative employment practices, including excessive working hours and unfair wages.

Employee welfare programmes, professional development opportunities, and competitive remuneration packages further demonstrate Metro's commitment to fair labour practices.

Data Privacy and Security

With the rise of digital healthcare, patient and employee data protection is a top priority. Metro implements robust cybersecurity measures, including:

- encryption of sensitive medical and personal data; and
- compliance with Malaysia's Personal Data Protection Act (PDPA).

By prioritising strict data security measures, Metro ensures that patient confidentiality is maintained and that healthcare records are protected against unauthorised access.

Community Enrichment

We offered IVF Rahmah Rakyat program to support the Government initiative known as Payung Rahmah for Budget 2024. This program was available to qualified couples in the B40 population who suffer infertility issues. Under this program, the cost for IVF services will be partly subsidised by our Group, leading to lower cost for IVF treatment.

PROFILE OF DIRECTORS

DR YEE MENG KHEONG

Independent Non-Executive Chairman

♂ Male 📅 67 years old 🌐 Malaysian

Dr. Yee Meng Kheong (“Dr. Yee”) is the Independent Non-Executive Chairman of Metro. He was appointed to the Board on 28 February 2024.

Dr. Yee graduated in June 1982 with a Bachelor of Medicine and Bachelor of Surgery from the University of Malaya. Upon graduation, he commenced his housemanship training at University Hospital Kuala Lumpur (now known as the University of Malaya Medical Centre). Following the completion of his training and his registration as a Registered Medical Practitioner with the Malaysian Medical Council in June 1983, he took on the role of Medical Officer in the anaesthetics department and later in the general medicine department of the 94 Armed Forces Hospital, Terendak Camp, Melacca.

In November 1984, he left 94 Armed Forces Hospital to join the 95 Armed Forces Hospital, Kinrara Camp Kuala Lumpur as their Medical Officer in the outpatients and casualty department prior to returning to the anaesthetics department of the same hospital in June 1985. In July 1986, he returned to University Hospital Kuala Lumpur as their Medical Officer in the anaesthetics department.

In February 1987, he left to the United Kingdom to join the University Hospital of Wales in Cardiff as their Senior House Officer and Registrar in Anaesthetics in April 1987. During his time in the United Kingdom, he successfully obtained his Diploma in Anaesthetics from the Royal College of Anaesthetists in October 1988 and was admitted as Fellow of the Faculty of Anaesthetists of the Royal College of Surgeons in December 1988. In April 1989, he joined the University of Wales College of Medicine (now merged with Cardiff University) as their Clinical Research Officer and Honorary Lecturer.

In February 1990, he left University of Wales College of Medicine and returned to Malaysia to rejoin University Hospital Kuala Lumpur as a lecturer in anaesthesiology. Subsequently, in October 1990, he left to join Hospital Fatimah where he assumed the role of Consultant Anaesthetist prior to leaving in December 2021.

Presently, he is an Adjunct Senior Lecturer in the Jeffrey Cheah School of Medicine and Health Sciences, Monash University, and a guest lecturer at the University Tunku Abdul Rahman, where he imparts his expertise in clinical skills. In addition, he also serves as visiting consultant anaesthetist in 3 hospitals and 1 medical centre and as locum consultant anaesthetist to 1 hospital and 3 medical centres in Malaysia, where he would be responsible for providing anaesthesia medical services on an ad-hoc basis.

He is currently a life member and is the Perak state representative of the Malaysian Society of Anaesthesiologists since 2022. Additionally, he holds life membership in the Malaysian Medical Association since 2002 and is a fellow of the Academy of Medicine of Malaysia. In the past, he held the position of President at the Perak Medical Practitioners’ Society from 2017 to 2019 and served as the Honorary Treasurer for the Federation Private Medical Practitioners’ Association of Malaysia from 2021 to 2023. Since 2024, he has taken on the role of Assistant Secretary within the Federation Private Medical Practitioners’ Association of Malaysia. Since June 2007, he has also been registered with the National Specialist Register.




Dr. Yee attended four (4) Board meetings held during the financial year.

PROFILE OF DIRECTORS

(Cont'd)

DR TAY SWI PENG @ TEE SWI PENG

Executive Vice Chairman

 Male  68 years old  Malaysian

Dr. Tay Swi Peng @ Tee Swi Peng (“Dr. Tee”) is our Executive Vice Chairman. He was appointed to the Board on 23 June 2010. He was previously the Executive Chairman of the Group and was redesignated as Executive Vice Chairman of Metro on 28 February 2024.

He graduated in June 1982 with a Bachelor of Medicine and Bachelor of Surgery from the University of Malaya. Upon graduation, he joined the Kota Bharu General Hospital for his housemanship rotation trainings. He continued his training in the O&G Department at Muar General Hospital, Seremban General Hospital and University Kebangsaan Malaysia Medical Centre and finally John Radcliffe Hospital, University of Oxford, United Kingdom in November 1988. He qualified and obtained his specialist qualification as a member of the Royal College of Obstetricians and Gynaecologists (“RCOG”) in February 1989 and later became a Fellow of the RCOG in March 2018.

He also obtained his Postgraduate Diploma in Reproductive Medicine from the National Population & Family Development Board, Malaysia in collaboration with Johns Hopkins Programme for International Education in O&G in September 1986. He later obtained his Bachelor of Science (Honours) in Computing from University of Portsmouth, United Kingdom in June 2005 and a Master of Business Administration from University Tunku Abdul Rahman, Malaysia in March 2009.

He is presently a member of the Malaysian Medical Association, Obstetrical and Gynaecological Society of Malaysia. He had also served as the President of the Malaysia Society for Assisted Reproductive Technology from the year 2021 to 2022. Since September 2006, he has also been registered with the National Specialist Register.

Dr. Tee attended all six (6) Board meetings held during the financial year.

PROFILE OF DIRECTORS

(Cont'd)

LIM WAI KHONG

Managing Director

♂ *Male* 📅 *59 years old* 🌐 *Malaysian*

Mr. Lim Wai Khong ("Mr. Lim") is our Managing Director. He was appointed to our Board on 29 April 2011. He is responsible for implementing business strategies, overseeing and managing the day-to-day operations of our Group.

He graduated in August 1990 with a Bachelor of Science from the University of Malaya. Upon graduation, he commenced his career as the Section Chief of the Production Department of Chungwa Picture Tubes (Malaysia) Sdn Bhd where he was involved in supervising the production line. He was later promoted to Assistant Manager in July 1993 where his responsibilities expanded to include managing a team of section chiefs in the production department.

In May 1994, he left to join Black & Decker (Malaysia) Sdn Bhd as their Production Engineer before being promoted to Assistant Production Manager in July 1995. During his tenure at Black & Decker (M) Sdn Bhd, he was involved in leading a team of production engineers. He left Black & Decker (M) Sdn Bhd in July 1997.

He joined our Group in August 1997 as our Hospital Administrator where he was tasked with managing different departments and implementing our Board's strategies.

During this period, he also continued his education and obtained a Postgraduate Certificate in Management from University of Lincoln, United Kingdom in October 2003. He was instrumental in setting up branches and hospitals for our Group and has played important roles in the management and expansion of our Group. His commitment and contribution have led him to be promoted to General Manager of our Group in August 2010.

In November 2016, he successfully completed his Master of Business Administration at University Utara Malaysia. In the same year, he was also appointed as the Managing Director of our Group, a role he currently holds.

Mr. Lim attended all six (6) Board meetings held during the financial year.

DR KONG LAN MOON

Non-Independent Non-Executive Director

♀ *Female* 📅 *68 years old* 🌐 *Malaysian*

Dr. Kong Lan Moon ("Dr. Kong") was appointed to the Board on 29 April 2011 as a Non-Independent Non-Executive Director.

She graduated from University of Malaya with the Bachelor of Medicine and Bachelor of Surgery in June 1982. Following her graduation, she joined Kota Bahru General Hospital where she commenced her housemanship training in the hospital's medicine and surgery departments. She successfully completed her training and her registration with the Malaysian Medical Council as a Registered Medical Practitioner in June 1983.

Thereafter, she remained in government service and subsequently joined University Hospital Kuala Lumpur (now known as the University of Malaya Medical Centre) in May 1988 where she continued her specialist training in anaesthesiology. She successfully completed her Master of Anaesthesiology from University Malaya in August 1992 and continued her career as a specialist Anaesthesiologist at Hospital Besar Tengku Ampuan Rahimah, Klang until January 1994 when she joined our Group as our specialist Anaesthesiologist, a role she currently still assumes.

Dr. Kong has also been registered with the National Specialist Register since May 2017.


Dr. Kong attended all six (6) Board meetings held during the financial year.

PROFILE OF DIRECTORS

(Cont'd)

SEAH CHEONG WEI

Independent Non-Executive Director

 Male  52 years old  Malaysian

Mr. Seah Cheong Wei (“Mr. Seah”) was appointed to the Board on 9 November 2017 as an Independent Non-Executive Director. He is the Chairman of the Audit and Risk Management Committee and a member of the Nomination Committee and Remuneration Committee.

He graduated with a Bachelor of Commerce in Accounting from University of Otago, New Zealand in December 1995. He further completed his Master of Business Administration with Heriot-Watt University, United Kingdom in November 2004. He is a Chartered Accountant with memberships from the Malaysian Institute of Accountants (since 1999), Institute of Singapore Chartered Accountants (since 2015) and Chartered Accountants Australia and New Zealand (since 2014).

Upon his graduation, he joined Deloitte Kassim Chan as an Audit Assistant where he was involved in various audit assignments involving clients in several different industries before leaving as Audit Senior in July 1999. Subsequent to this, he joined A. Razak & Co. as their Assistant Audit Manager prior to leaving to join AB Management Sdn Bhd in January 2000 as their Company Secretary where he was responsible the preparation and lodgement of statutory filings.




He later briefly joined LKW & Co as their Manager in April 2001 before leaving in February 2002 to set up his own accounting and co-secretarial firm, SCW & Co which he closed down in August 2014. In August 2007, he set up an audit firm, SCW, where he assumed his present role as Audit Partner. Subsequently, he also set up a non-audit firm, SL Tax Services, in December 2011 where he assumed his current role as Tax Partner.

He was appointed as the Independent Non-Executive Director of RGT Berhad in November 2010 before retiring from his tenure in November 2019. He is also an Independent Non-Executive Director of Camaroe Berhad.

Mr. Seah attended all six (6) Board meetings held during the financial year.

ROSE ZILAWATI BINTI MOHAMED ARIFIN

Independent Non-Executive Director

 Female  54 years old  Malaysian

Pn. Rose Zilawati binti Mohamed Arifin (“Pn. Rose”) was appointed to the Board on 28 February 2024 as an Independent Non-Executive Director. She is the Chairperson of the Nomination Committee and a member of the Audit and Risk Management Committee and Remuneration Committee.

She graduated with a Bachelor of Law (Honours) from the University of Leeds in July 1994. She then obtained the Certificate of Legal Practice in April 1996 and commenced her pupillage with Izzat Othman & Co (then known as Chua Brothers Azzat & Izzat) in the same year. She was admitted as an Advocate and Solicitor of the High Court of Malaya in March 1997.

Subsequently, she continued her career with the same firm, which had then changed its name to Azzat & Izzat, as a Legal Assistant prior to being promoted to Senior Legal Assistant in April 2005.

In February 2021, she was promoted to a position of Partner in the same firm, which had then changed its name to Izzat Othman & Co, a role she currently assumes. She has accumulated more than 25 years of experience in the litigation, conveyancing and corporate practice area. Since commencing her legal career in the firm, she has been involved in the preparation and drafting of various commercial and corporate transaction documents. In addition, she has also handled various litigation matters in relation to, among others, probate, contract, tort, personal injury and medical negligence matters.

Pn. Rose attended five (5) Board meetings held during the financial year.

PROFILE OF DIRECTORS

(Cont'd)

CHUA LENG LEEK

Independent Non-Executive Director

♀ Female 📅 45 years old 🌐 Malaysian

Ms. Chua Leng Leek ("Ms. Chua") was appointed to the Board on 28 February 2024 as an Independent Non-Executive Director. She is the Chairperson of the Remuneration Committee and a member of the Audit and Risk Management Committee and Nomination Committee.

She graduated from the Tunku Abdul Rahman University College with an Advanced Diploma in Commerce (Financial Accounting) in 2002 and became a Chartered Accountant of the Malaysian Institute of Accountants in 2009. She is also a professional member of the Institute of Internal Auditors Malaysia.

With a strong background in finance, audit, and corporate governance, she has held key positions in various firms, including ITS Synergy Plus (M) Sdn. Bhd. and Pro Affluence Management (M) Sdn. Bhd., where she currently serves as Director. She also holds a directorship in Leform Berhad, a company currently listed on the ACE Market of Bursa Malaysia Securities Berhad.

Ms. Chua attended five (5) Board meetings held during the financial year.

Notes:-

- None of the Directors have any family relationship with any Directors and/or major shareholders of the Metro save for the following:-
 - Dr. Tee is the spouse of Dr. Kong, a Director and a major shareholder of Metro.
 - Dr. Kong is the spouse of Dr. Tee, a Director and a major shareholder of the Metro.
 - Dr. Kong is the sister-in-law of Mr. Lim, a Director of the Metro.
 - Mr. Lim is the brother-in-law of Dr. Kong, a Director and a major shareholder of the Metro.
- None of the Directors have any conflict of interests or potential conflict of interest, including interest in any competing business with Metro and any of its subsidiaries except the recurrent related party transactions as disclosed in the circular to shareholders dated 30 April 2025.
- None of the Directors have been convicted of any offences within the past five (5) years other than traffic offences (if any) or been imposed on any public sanction or penalty by the relevant regulatory bodies during the financial year ended 31 December 2024.
- Save as disclosed above, the Directors do not have any other directorship in public companies and listed issuers.

PROFILE OF KEY SENIOR MANAGEMENT

WONG PEI CHIN

Matron and Operations Manager

♀ Female 📅 55 years old 🌐 Malaysian

Ms. Wong Pei Chin is our Matron and Operations Manager. She is responsible for overseeing and managing the nursing personnel as well as the daily operations of our Group.

She began her career as a part-time clinical nurse with Klinik Rakyat from January 1986 before leaving in November 1987 to undertake the midwife course at the Chinese Maternity Hospital Kuala Lumpur. She was trained and qualified as a midwife in December 1989 at the Chinese Maternity Hospital Kuala Lumpur. She joined our Group in the same year as a midwife where she worked with the doctors to assist in delivering babies.

Due to her commitment and performance at work, our Group sponsored her to pursue the Diploma in Nursing at Subang Jaya Medical Centre. She graduated as a registered nurse in August 2003 and continued her career at Hospital Wanita Metro as Staff Nurse before being redesignated as Nursing Sister in June 2013.

While working with our Group, she furthered her education in nursing practice part-time and graduated with Bachelor of Science in Nursing Practice Development in May 2011. She was promoted to Matron in March 2016 and took on an additional role as our Operations Manager in February 2017. Her responsibilities include managing our staff to achieve optimum patient flow and cycle times, overseeing and monitoring staff training and productivity as well as establishing standards and evaluating staff performance. She plays an important role in managing our team of nurses to ensure that customer service standards are consistently met, including identifying opportunities to improve our services and taking corrective actions accordingly.

KHOO CHIAU CHI

Financial Controller

♀ Female 📅 38 years old 🌐 Malaysian

Ms. Khoo Chiau Chi is our Financial Controller. She is responsible for overseeing the overall operations of the Accounts Department and Human Resource Management.

She graduated from University Utara Malaysia with a Bachelor of Accounting (Honours) in November 2010. She is a qualified Chartered Accountant and has been a member of the Malaysian Institute of Accountants since July 2015.

She started her career as an Account Assistant with Ideal NMS Sdn Bhd in July 2010. During her tenure there, she was mainly responsible for handling financial reporting matters for clients in various industries.

In August 2013, she joined our Group as an Accountant, where she is responsible for the preparation of monthly and annual consolidated financial reports for our Group and ensuring that the financial reports are accurately prepared and are in accordance with the Malaysian accounting policies and regulations. She also prepares forecasts and budget schedules for our Group.

Further, her role also involves training, coaching, and providing guidance and support to junior accounting staff of our Group to assist them in performing their tasks relating to our Group's financial report and analysis. In terms of Human Resource Management, she manages the monthly payroll of our Group as well as coordinates our Group's performance appraisal of the employees.

In May 2023, she was redesignated as the Financial Controller of our Group, a role she currently assumes.

Notes:

1. None of the Key Senior Management personnel have any directorship in public companies and listed corporations.
2. None of the Key Senior Management personnel have any family relationships with any Directors and/or major shareholders of Metro.
3. None of the Key Senior Management personnel have any conflict of interests or potential conflict of interest, including interest in any competing business with Metro.
4. None of the Key Senior Management personnel have been convicted of any offences within the past five (5) years other than traffic offences (if any) or been imposed on any public sanction or penalty by the relevant regulatory bodies during the financial year ended 31 December 2024.

CORPORATE GOVERNANCE

OVERVIEW STATEMENT

The Board of Directors (“Board”) of Metro Healthcare Berhad (“Metro” or the “Company”) recognises the importance of maintaining high standards of corporate governance for transparency, accountability, integrity and a well-managed company. As a fundamental part of discharging its duties and responsibilities, the Board is committed towards ensuring good corporate governance practices are implemented and maintained throughout the Company and its subsidiaries (“Group”) to enhance shareholders’ value, and to be consistent with the principles and best practices as set out in the Malaysian Code on Corporate Governance (“MCCG”).

This Corporate Governance Overview Statement is augmented with a Corporate Governance Report 2024 (“CG Report”), which follows the prescribed format outlined in Rule 15.25(2) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) (“ACE Market LR”) so as to provide a detailed articulation on the application of the Group’s corporate governance practices as set out in the MCCG throughout the financial year ended 31 December 2024 (“FYE 2024”). The CG Report is available on the Company’s website at <https://www.metrohealthcare.my>, as well as via an announcement on the website of Bursa Securities.

This Corporate Governance Overview Statement is based on the following three (3) principles of the MCCG:-

- a. Principle A : Board leadership and effectiveness;
- b. Principle B : Effective audit and risk management; and
- c. Principle C : Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders.

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS

PART I – BOARD RESPONSIBILITIES

1. Board’s Leadership on Objective and Goals

- 1.1 The Board oversees the Group’s overall performance and business operations, providing essential leadership while upholding high standards of governance. Its commitment to strong governance practices ensures the Group’s long-term success and the sustainable delivery of value to stakeholders.

In discharging its fiduciary duties and leadership functions, the Board is guided by the Board Charter, which outlines the Board’s duties and responsibilities. The Board also delegates certain responsibilities to the following Board Committees, all of which operate within their respective Terms of Reference which can be accessed via the Company’s website, <https://www.metrohealthcare.my>:-

- a. Audit and Risk Management Committee (“ARMC”);
- b. Nomination Committee (“NC”); and
- c. Remuneration Committee (“RC”).

To effectively fulfil its responsibilities in achieving the Group’s goals and objectives, the Board undertakes, among other duties:-

- to promote good corporate governance culture within the Group which reinforces ethical, prudent and professional conduct;
- to review, challenge and decide on the Management’s proposals for the Group, and monitor its implementation;
- to ensure that the strategic plan of the Group supports long-term value creation and includes strategies on economic, environmental and social considerations underpinning sustainability;
- to assess the performance of the Management;
- to ensure there is a sound framework for internal controls and risk management;
- to recognise the principal risks of the Group’s business and that business decisions involve the taking and managing of appropriate risks;
- to set the risk appetite within which the Board expects the Management to operate and ensured that there is an appropriate risk management framework to identify, analyse, evaluate, manage and monitor significant financial and non-financial risks;

CORPORATE GOVERNANCE

OVERVIEW STATEMENT

(Cont'd)

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS *cont'd*

PART I – BOARD RESPONSIBILITIES *cont'd*

1. Board's Leadership on Objective and Goals *cont'd*

1.1 *cont'd*

To effectively fulfil its responsibilities in achieving the Group's goals and objectives, the Board undertakes, among other duties:- *cont'd*

- to ensure that Senior Management has the necessary skills and experience, and measures are in place to provide for the orderly succession of Board and Senior Management;
- to ensure that the Group has in place procedures to enable effective communication with shareholders and stakeholders; and
- to ensure the integrity of the Group's financial and non-financial reporting.

The Terms of Reference of the ARMC, NC and RC were formalised and adopted by the Board on 28 February 2024.

- 1.2 The Chairman of the Board, Dr. Yee Meng Kheong, holds an Independent Non-Executive position and is primarily responsible for the leadership, governance and conduct of the Board as well as for ensuring the Board's effectiveness.

The responsibilities of the Chairman of the Board, amongst others, are as follows:-

- (a) to provide leadership to the Board.
- (b) to oversee the effective discharge of the Board's supervisory role.
- (c) to facilitate the effective contribution of all Directors.
- (d) to conduct and chair Board meetings and general meetings of the Company.
- (e) to manage Board communications and Board effectiveness and effective supervision over Management.
- (f) to ensure Board meetings and general meetings comply with good conduct and best practices.
- (g) to promote constructive and respectful relations between Board members and between the Board and the Management.
- (h) to ensure that quality information to facilitate decision-making is delivered to the Board in a timely manner.
- (i) together with the Executive Vice Chairman and Managing Director, to represent the Company and/or Group to external parties such as shareholders, creditors, consumer groups, local communities and federal, state, and local governments.

- 1.3 During the FYE 2024, the position of the Chairman and Executive Vice Chairman are held by two different individuals and each has an accepted division of responsibilities to ensure there is a balance of power and authority to promote accountability, such that no one individual has unfettered decision-making powers.

The Chairman is responsible for ensuring the Board operates efficiently and effectively, promoting constructive deliberation of relevant matters. The Executive Vice Chairman provides guidance to the Managing Director and oversees overall operations. The Managing Director is responsible for the day-to-day management of the business, implementation of Board policies and decisions, and reports to the Executive Vice Chairman.

- 1.4 The corporate secretarial function of the Company is outsourced to Cospec Management Services Sdn. Bhd.

The Board is supported by two (2) qualified and experienced Company Secretaries who are qualified to act as Company Secretaries under Section 235(2) of the Companies Act 2016 ("Act") and are also registered holders of the Practising Certificate issued by the Companies Commission of Malaysia.

CORPORATE GOVERNANCE

OVERVIEW STATEMENT

(Cont'd)

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS *cont'd*

PART I – BOARD RESPONSIBILITIES *cont'd*

1. Board's Leadership on Objective and Goals *cont'd*

- 1.4 The corporate secretarial function of the Company is outsourced to Cospec Management Services Sdn. Bhd. *cont'd*

The Company Secretaries and their team have:

- (a) together with Management, managed all Board and Board Committees meetings' logistics;
- (b) attended and recorded minutes of all Board and Board Committees meetings and facilitated Board communications;
- (c) advised the Board on its roles and responsibilities;
- (d) advised the Board on corporate disclosures and compliance with the Companies Act 2016 and Securities Commission's regulations and ACE Market LR; and
- (e) monitored corporate governance developments and advised the Board on the adoption of corporate governance practices.

Overall, the Board is satisfied with the performance and support rendered by the Company Secretaries and their team to the Board in the discharge of their duties and functions.

- 1.5 To facilitate the Directors' time planning, an annual meeting calendar is prepared and circulated in advance prior to the new calendar year, to enable the Directors to plan ahead and coordinate their respective schedules. The notice of meetings of the Board and Board Committees were sent to the Directors via emails at least five (5) working days prior to the date of the meetings. Meeting materials are also circulated to Directors at least five (5) business days in advance of the Board and Board Committee meetings to ensure they have been given sufficient time to prepare for the meetings. The Management and other advisers are invited to attend the meetings to report and brief on their respective areas of responsibility, if required.

The discussions and decisions made during Board and Board Committee meetings are accurately recorded in the meeting minutes, including any instances where a Director abstains from voting or deliberation on a specific matter. These minutes are promptly circulated to the respective Board and Board Committees for review before being finalised and presented at the next meeting for confirmation.

All the records of proceedings and resolutions passed are kept at the registered office of the Company.

2. Demarcation of Responsibilities between the Board, Board Committees and the Management

- 2.1 The Board Charter sets out the roles and responsibilities, composition and balance, operation and processes of the Board. It serves as a reference point for Board activities and is designed to provide guidance and clarity to Directors and Senior Management with regard to the respective roles and responsibilities of the Board, Board Committees, Executive Vice Chairman and Managing Director, as well as issues and decisions reserved for the Board, the Board's governance structure and Board's authority. This is to ensure that all Board members acting on behalf of the Company are aware of their duties and responsibilities, and the legislations and regulations affecting their conduct.

The Board Charter was formalised and adopted by the Board on 2 May 2024.

The Board Charter of the Company is available on the Company's website at <https://www.metrohealthcare.my>.

The Board Charter will be reviewed as and when necessary to ensure that it remains consistent with the Board's objectives and responsibilities, and reflect the latest compliance requirements as a result of changes in the regulatory framework.

CORPORATE GOVERNANCE

OVERVIEW STATEMENT

(Cont'd)

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS *cont'd*

PART I – BOARD RESPONSIBILITIES *cont'd*

3. Good Business Conduct and Healthy Corporate Culture

- 3.1 All Directors and employees of the Group are to adhere to the Code of Ethics and Conduct and make a necessary declaration if there is any conflict of interests. The Code of Ethics and Conduct is incorporated in the Board Charter of the Company and published on the Company's website at <https://www.metrohealthcare.my>.

The Code of Ethics and Conduct sets out basic principles to guide all the Directors and/ or employees of the Group and describes the standards of business conduct and ethical behaviour for Directors and/ or employees in the performance and exercise of their duties and responsibilities.

The Board will review the Code of Ethics and Conduct regularly to ensure that it continues to remain relevant and appropriate.

- 3.2 The Group had adopted a Whistle Blowing Policy to promote the highest standard of corporate governance and business integrity. The Whistle Blowing Policy provides an avenue for Directors, employees and external parties to raise genuine concerns or report any misconduct, alleged breach or suspected breach of any law or regulation, including business principles and the Group's policies and guidelines, safely and confidentially.

The Whistle Blowing Policy was approved for adoption by the Board on 2 May 2024. The Board will review and update the Whistle Blowing Policy at least once every three (3) years to ensure its effectiveness and consistency with the governing legislation and regulatory requirements.

The Whistle Blowing Policy is available on the Company's website at <https://www.metrohealthcare.my>.

- 3.3 In line with the Malaysian Anti-Corruption Commission (Amendment) Act 2018 ("MACC Act 2018"), the Company has put in place Anti-Bribery and Corruption Policy ("ABC Policy") to encourage a culture of integrity and transparency in all of the Group's activities. This policy which adheres to the ACE Market LR and the Guidelines on Adequate Procedures issued pursuant to Section 17A(5) of the MACC Act 2018, generally set out the responsibilities of the Company, and all individuals who work for the Group, in observing and upholding the Group's position on bribery and corruption and provides key anti-bribery and corruption principles that apply to all interactions with the Group's customers, business partners, and other third parties, as well as guidelines for the prevention, management, and remediation of bribery and corruption related risks.

The ABC Policy will be reviewed at least once in every three (3) years and in accordance with the needs of the Company. The ABC Policy is published on the Company's website, <https://www.metrohealthcare.my>.

- 3.4 In line with Rule 15.01A of the ACE Market LR, the Board had adopted the Directors' Fit and Proper Policy which serves as a guide to the NC and the Board in their review and assessment of the potential candidates for appointment to the Board of the Group as well as the retiring Directors who are seeking re-election at the annual general meeting.

The Directors' Fit and Proper Policy shall be reviewed periodically by the Board and be revised at any time as it may deem necessary to ensure that they remain consistent with the Board's objectives, current law and practices. The Directors' Fit and Proper Policy is published on the Company's website at <https://www.metrohealthcare.my>.

The Board has also adopted the Nomination and Appointment of New Directors Process and Procedures to formalise the process for the nomination and appointment of a new Director to be undertaken by the NC and the Board in discharging their responsibilities in terms of the nomination and appointment of new Directors of the Group.

CORPORATE GOVERNANCE

OVERVIEW STATEMENT

(Cont'd)

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS *cont'd*

PART I – BOARD RESPONSIBILITIES *cont'd*

3. Good Business Conduct and Healthy Corporate Culture *cont'd*

- 3.5 The Board believes that sustainable business practices are essential to the creation of long-term value and that responsibly running the business is inherently tied to achieving operational excellence.

In terms of structural oversight over sustainability including strategies, priorities and targets, it is reposed at the Board level with Management being responsible for operational execution with respect to Environmental, Social and Governance (“ESG”) factors as part of the Group’s corporate strategy.

As fiduciary to the Company’s shareholders, the Board is focused on maintaining exemplary corporate governance practices, which include a commitment to ethics, integrity and corporate responsibility. The Board also ensures the Company’s internal and external stakeholders are well informed on the sustainability strategies, priorities, targets as well as overall performance which the Sustainability Statement has provided a detailed articulation in this Annual Report.

The Board has conducted a review of the relevant amendments, and after considering the assessment of the Board’s understanding of sustainability issues critical to the Company’s performance, the amendments were revised and approved as part of the annual performance evaluation.

PART II – BOARD COMPOSITION

4. Board’s Objectivity

- 4.1 The composition of the Board complies with Rule 15.02 of the ACE Market LR, which stipulates that the Company must ensure that at least two (2) Directors or 1/3 of the Board, whichever is the higher, are Independent Directors. Currently, the Board has seven (7) members as follows:-

	Board Members	Designations
1.	Dr. Yee Meng Kheong	Independent Non-Executive Chairman
2.	Dr. Tay Swi Peng @ Tee Swi Peng	Executive Vice Chairman
3.	Lim Wai Khong	Managing Director
4.	Dr. Kong Lan Moon	Non-Independent Non-Executive Director
5.	Seah Cheong Wei	Independent Non-Executive Director
6.	Rose Zilawati binti Mohamed Arifin	Independent Non-Executive Director
7.	Chua Leng Leek	Independent Non-Executive Director

- 4.2 The Board composition is also in line with Practice 5.2 of the MCGG of having at least half of the Board comprising Independent Non-Executive Directors. This composition ensures independent and objective judgment while providing an effective system of checks and balances to protect the interests of minority shareholders and other stakeholders. It also upholds high standards of conduct and integrity.

- 4.3 The Board is fully aware that the tenure of an Independent Director shall not exceed a cumulative term of nine (9) years as recommended by the MCGG. However, if the Board intends to retain a Director who has served as an Independent Director of the Company for a cumulative term of more than nine (9) years, the Board must justify its decision and seek the shareholders’ approval through a two-tier voting process at a general meeting. During the financial year under review, none of our Directors has served the Board as an Independent Director of the Company for a cumulative term of more than nine (9) years.

Based on the assessment carried out during the financial year under review, the Board is satisfied with the level of independence demonstrated by each Independent Non-Executive Directors and their abilities to act in the best interest of the Company.

CORPORATE GOVERNANCE

OVERVIEW STATEMENT

(Cont'd)

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS *cont'd*

PART II – BOARD COMPOSITION *cont'd*

4. Board's Objectivity *cont'd*

- 4.4 The Company has not adopted a policy that limits the tenure of its Independent Directors to nine (9) years. Notwithstanding that, the assessment of the independence of Independent Non-Executive Directors will be conducted annually via the Annual Evaluation of Independence of Directors to ensure that they are independent of management and free from any business or other relationship which could materially interfere with the exercise of their independent judgement or the ability to act in the best interests of the Company.
- 4.5 The Board appoints its members via a formal and transparent selection process. The NC is responsible to consider and nominate new candidates for appointment and make the necessary recommendations to the Board for approval. In this respect, the role of the NC is detailed in its Terms of Reference, which is accessible on the Company's website, <https://www.metrohealthcare.my>.

The Board, through the NC, reviews the correct mix of skills, business and professional experience that should be added to the Board annually or as and when required.

- 4.6 The Board has established and adopted a Gender Diversity Policy to provides a framework for the Company to improve its gender diversity at the Board level.

The objectives/principles and measures as set out in the Gender Diversity Policy are summarised below:-

Objectives/Principles

- (a) The Company acknowledges the importance to promote gender diversity at the Board level and will actively work towards having more female Directors on the Board. To avoid any mismatch and ineffective appointment of female Directors, the Company does not set any specific target for female Directors in this policy.
- (b) In assessing the Board composition and Board effectiveness, the Board shall accord due consideration to gender diversity, the required mix of skills, experience, independence and other qualities, including core competencies, commitment, integrity and/or other commitments to the Board.

Measures

To pursue the objectives of gender diversity, the Board will take into consideration the following measures:

- (a) The NC and the Board shall nominate or appoint a gender diverse Board with a broad spectrum of perspectives, including but not limited to the educational background, age, ethnicity, skills, knowledge, expertise, experience, competencies, integrity and/or other commitments that the candidate will bring to complement the Board.
- (b) The NC is responsible for ensuring that the gender diversity objective is adopted in the Board recruitment and succession planning processes.
- (c) The Company shall adopt a more accommodating boardroom culture and environment that is free from discrimination to attract and retain women's participation at the Board level.
- (d) The Company will undertake the following strategies to promote gender diversity at the Board level:
- recruiting from a diverse pool of candidates for female Directors;
 - reviewing succession plans to ensure an appropriate focus on gender diversity;
 - identifying specific factors to take into account in the recruitment and selection adopting processes to encourage gender diversity; and
 - any other strategies the Board may develop from time to time.

CORPORATE GOVERNANCE

OVERVIEW STATEMENT

(Cont'd)

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS *cont'd*

PART II – BOARD COMPOSITION *cont'd*

4. Board's Objectivity *cont'd*

4.6 *cont'd*

The Board practises non-gender discrimination, endeavours to promote workplace diversity and supports the representation of women in the composition of Board and Senior Management positions of the Company. Currently, there is three (3) female Directors on the Board, namely, Dr. Kong Lan Moon, Pn. Rose Zilawati binti Mohamed Arifin and Ms. Chua Leng Leek.

Where and when appropriate, the Board, through the NC, will prioritise the female representation when suitable candidates are identified. However, the appointment of a new Board member will not be guided solely by gender but will also take into account the skillsets, experience and knowledge of the candidate. The Company's prime responsibility in new appointments is always to select the best candidates available. Hence, the normal selection criteria based on an effective blend of competencies, skills, extensive experience and knowledge to strengthen the Board remains a priority.

- 4.7 The NC leverages on various sources to gain access to a wider pool of potential candidates. Besides the recommendation from the existing Board members, Management and/or major shareholders, the NC also identifies potential candidates from external sources available, such as industry and professional associations, as well as independent search firms.
- 4.8 The NC is chaired by Pn. Rose Zilawati binti Mohamed Arifin, an Independent Non-Executive Director of the Company. The NC Chairperson has led the annual review of Board effectiveness, ensuring that the performance of each individual Director is independently assessed and will lead the succession planning and appointment of future Board members.

The NC comprises the following members, all being Independent and Non-Executive as identified by the Board:-

Name of Directors	Designations
Rose Zilawati binti Mohamed Arifin (Chairperson)	Independent Non-Executive Director
Seah Cheong Wei (Member)	Independent Non-Executive Director
Chua Leng Leek (Member)	Independent Non-Executive Director

The Company was listed on 15 November 2024 and hence, the activities undertaken by the NC during the FYE 2024 and up to the date of this Statement were as follows:-

- assessed and evaluated the independence of the Independent Directors.
- assessed and evaluated the performance of each Independent Director against the criteria as set out in the evaluation form, amongst others, attendance at Board and/or Board Committee meetings, adequate preparation for Board and/or Board Committee meetings, regular contribution to Board and/or Board Committee meetings, personal input to the role and other contributions to the Board and/or Board Committees.
- assessed and evaluated the performance of the Executive Directors against diverse key performance indicators, amongst others, financial, strategy, sustainability and ESG, conformance and compliance, business acumen, increasing shareholders' wealth, succession planning and personal input to the role.
- reviewed and assessed the performance of the ARMC.
- reviewed and assessed the effectiveness of the Board and Board Committees as a whole.
- reviewed and recommended to the Board the re-election of Dr. Kong Lan Moon and Mr. Seah Cheong Wei who will retire by rotation pursuant to Clause 89 of the Company's Constitution at the upcoming Annual General Meeting ("AGM") to be held on 19 June 2025.

CORPORATE GOVERNANCE

OVERVIEW STATEMENT

(Cont'd)

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS *cont'd*

PART II – BOARD COMPOSITION *cont'd*

5. Overall Effectiveness of the Board and Individual Directors

5.1 The Board has, through the NC, conducted the following annual evaluation to determine the effectiveness of the Board, its Board Committees and each individual Director in the FYE 2024:-

- (a) Performance of Executive Directors;
- (b) Performance of Non-Executive Directors;
- (c) Independence of the Independent Directors;
- (d) Performance of the ARMC; and
- (e) Effectiveness of the Board and Board Committees as a whole.

Based on the evaluations conducted in the FYE 2024, the NC and the Board were satisfied with the performance of the individual Directors, the Board as a whole, Board Committees as well as the independence and objective judgements that the Independent Directors have brought to the Board.

Attendance of Board and Board Committees' Meetings

The Board schedules at least four (4) meetings per financial year, with additional meetings convened as necessary. In FYE 2024, the Board conducted six (6) Board meetings where they deliberated and approved various reports and matters, including the half-yearly report on unaudited consolidated results of the Group, quarterly financial results of the Group for the announcement to Bursa Securities as well as the Group's strategic, operational and financial performance. As the Company was listed on 15 November 2024, only one (1) ARMC meeting was held in the FYE 2024 while no NC and RC meetings took place.

The number of meetings held and attended by each member of the Board and the Board Committees during the FYE 2024 are as follows:-

Name of Directors (Designations)	Attendance	
	Board	ARMC
Dr. Yee Meng Kheong (Independent Non-Executive Chairman)	4/5	N/A
Dr. Tay Swi Peng @ Tee Swi Peng (Executive Vice Chairman)	6/6	N/A
Lim Wai Khong (Managing Director)	6/6	N/A
Dr. Kong Lan Moon (Non-Independent Non-Executive Director)	6/6	N/A
Seah Cheong Wei (Independent Non-Executive Director)	6/6	1/1
Rose Zilawati binti Mohamed Arifin (Independent Non-Executive Director)	5/5	1/1
Chua Leng Leek (Independent Non-Executive Director)	5/5	1/1

CORPORATE GOVERNANCE

OVERVIEW STATEMENT

(Cont'd)

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS *cont'd*

PART II – BOARD COMPOSITION *cont'd*

5. Overall Effectiveness of the Board and Individual Directors *cont'd*

5.1 *cont'd*

Directors' Training

During the FYE 2024, all Directors had attended the following training programmes, seminars and/or conferences in compliance with Rule 15.08 of the ACE Market LR of Bursa Securities:-

Name of Directors	Training attended
Dr. Yee Meng Kheong	<ul style="list-style-type: none"> Beneficial Ownership Reporting Key Amendments to the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad Relating to Sustainability Training for Directors, Conflict of Interest, and Other Amendments Amendments to ACE Market Listing Requirements of Bursa Malaysia Securities Berhad in relation to Enhanced Sustainability Reporting Framework
Dr. Tay Swi Peng @ Tee Swi Peng	<ul style="list-style-type: none"> Beneficial Ownership Reporting Key Amendments to the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad Relating to Sustainability Training for Directors, Conflict of Interest, and Other Amendments Amendments to ACE Market Listing Requirements of Bursa Malaysia Securities Berhad in relation to Enhanced Sustainability Reporting Framework
Lim Wai Khong	<ul style="list-style-type: none"> Beneficial Ownership Reporting Key Amendments to the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad Relating to Sustainability Training for Directors, Conflict of Interest, and Other Amendments Amendments to ACE Market Listing Requirements of Bursa Malaysia Securities Berhad in relation to Enhanced Sustainability Reporting Framework
Dr. Kong Lan Moon	<ul style="list-style-type: none"> Beneficial Ownership Reporting Key Amendments to the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad Relating to Sustainability Training for Directors, Conflict of Interest, and Other Amendments Amendments to ACE Market Listing Requirements of Bursa Malaysia Securities Berhad in relation to Enhanced Sustainability Reporting Framework
Seah Cheong Wei	<ul style="list-style-type: none"> Beneficial Ownership Reporting Key Amendments to the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad Relating to Sustainability Training for Directors, Conflict of Interest, and Other Amendments Amendments to ACE Market Listing Requirements of Bursa Malaysia Securities Berhad in relation to Enhanced Sustainability Reporting Framework Environmental, Social and Governance (ESG) in Financial Reporting by MICPA

CORPORATE GOVERNANCE

OVERVIEW STATEMENT

(Cont'd)

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS *cont'd*

PART II – BOARD COMPOSITION *cont'd*

5. Overall Effectiveness of the Board and Individual Directors *cont'd*

5.1 *cont'd*

Directors' Training *cont'd*

During the FYE 2024, all Directors had attended the following training programmes, seminars and/or conferences in compliance with Rule 15.08 of the ACE Market LR of Bursa Securities:- *cont'd*

Name of Directors	Training attended
Rose Zilawati binti Mohamed Arifin	<ul style="list-style-type: none"> Beneficial Ownership Reporting Key Amendments to the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad Relating to Sustainability Training for Directors, Conflict of Interest, and Other Amendments Amendments to ACE Market Listing Requirements of Bursa Malaysia Securities Berhad in relation to Enhanced Sustainability Reporting Framework
Chua Leng Leek	<ul style="list-style-type: none"> Beneficial Ownership Reporting Key Amendments to the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad Relating to Sustainability Training for Directors, Conflict of Interest, and Other Amendments Amendments to ACE Market Listing Requirements of Bursa Malaysia Securities Berhad in relation to Enhanced Sustainability Reporting Framework

The Board will regularly assess and address the training needs of each Director, ensuring they stay informed about the state of the economy, technological advancements, regulatory updates, management strategies, and other aspects of the business environment. This will enhance the skills and knowledge of the Board, enabling them to better fulfil their responsibilities.

CORPORATE GOVERNANCE

OVERVIEW STATEMENT

(Cont'd)

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS *cont'd*

Part III – REMUNERATION

6. Level and Composition of Remuneration

- 6.1 The Board had on 2 May 2024 adopted formal and transparent Remuneration Policy that set out the principles and guidelines for the Board and the RC to determine the remuneration of Directors and Senior Management of the Company, which take into account the demands, complexities and performance of the Company as well as skills and experience required.

The Remuneration Policy is guided by the following key principles in remunerating the Directors of the Company:

- (i) fees payable to Directors who hold non-executive office in the Company shall be paid by a fixed sum and not by a commission on or percentage of profits or turnover;
- (ii) fees and/or benefits (including meeting allowance) payable to Directors are subject to annual shareholders' approval at a general meeting, where notice of the proposed fees and/or benefits has been given in the notice convening the meeting;
- (iii) fees payable to an alternate Director (if any) shall be agreed upon between himself and the Director nominating him and shall be paid out of the remuneration of the latter; and
- (iv) salaries and other emoluments payable to Directors who hold an executive office in the Company pursuant to a contract of service need not be determined by the Company in a general meeting but such salaries and emoluments may not include a commission on or percentage of turnover.

The remuneration is reviewed by the RC on an annual basis prior to making its recommendations to the Board for approval.

The Remuneration Policy of the Company is available on the Company's website at <https://www.metrohealthcare.my>.

- 6.2 The Board, assisted by the RC, implements the policy and procedures on remuneration, which includes reviewing and recommending the proposed remuneration packages of the Directors of the Company. The RC is responsible to ensure that the remuneration packages are benchmarked with industry standards in light of the Group's performance in the industry as well as commensurate with the expected responsibility and contribution by the Directors and link to the strategic objectives of the Group.

The RC has a detailed Terms of Reference in writing which is accessible on the Company's website at <https://www.metrohealthcare.my>.

CORPORATE GOVERNANCE

OVERVIEW STATEMENT

(Cont'd)

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS *cont'd*

Part III – REMUNERATION *cont'd*

7. Remuneration of Directors and Senior Management

7.1 The remuneration payable to the Directors on the Company and the Group basis for the FYE 2024 is as follows:-

The Company

Name of Directors	Fees RM'000	Meeting Allowance RM'000	Salary RM'000	Bonus RM'000	Benefits- in-kind RM'000	Other emoluments RM'000	Total RM'000
Executive Directors							
Dr. Tay Swi Peng @ Tee Swi Peng	10	-	-	-	-	-	10
Lim Wai Khong	10	-	-	-	-	-	10
Non-Executive Directors							
Dr. Yee Meng Kheong	17	-	-	-	-	-	17
Dr. Kong Lan Moon	-	-	-	-	-	-	-
Seah Cheong Wei	20	-	-	-	-	-	20
Rose Zilawati binti Mohamed Arifin	17	-	-	-	-	-	17
Chua Leng Leek	17	-	-	-	-	-	17
TOTAL	91	-	-	-	-	-	91

The Group

Name of Directors	Fees RM'000	Meeting Allowance RM'000	Salary RM'000	Bonus RM'000	Benefits- in-kind RM'000	Other emoluments RM'000	Total RM'000
Executive Directors							
Dr. Tay Swi Peng @ Tee Swi Peng	50	-	-	-	-	497	547
Lim Wai Khong	20	-	200	20	-	-	240
Non-Executive Directors							
Dr. Yee Meng Kheong	17	-	-	-	-	-	17
Dr. Kong Lan Moon	25	-	183	19	-	-	227
Seah Cheong Wei	20	-	-	-	-	-	20
Rose Zilawati binti Mohamed Arifin	17	-	-	-	-	-	17
Chua Leng Leek	17	-	-	-	-	-	17
TOTAL	166	-	383	39	-	497	1,085

Note:

Other benefits include Defined Contribution Benefits, Social Security Organisation contribution, Employment Insurance System contribution and travelling allowance.

The Board determines the fees and benefits of all Directors, including the Non-Executive Directors. The Director's fees are endorsed by the Board for approval by the shareholders of the Company at the AGM. Directors do not participate in the decisions regarding their own fees, benefits and/or remuneration packages.

CORPORATE GOVERNANCE

OVERVIEW STATEMENT

(Cont'd)

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS *cont'd*

Part III – REMUNERATION *cont'd*

7. Remuneration of Directors and Senior Management *cont'd*

- 7.2 The Board is of the view that the disclosure of the Top Five (5) Key Senior Management's remuneration components on a named basis would not be in the best interests of the Company as it may be detrimental to the Company's human resource management due to the competitive nature of talents within the industry.

The Board also took into consideration the sensitivity and security of the remuneration package of Top Five (5) Key Senior Management, hence, opts not to disclose on a named basis the remuneration or in bands of RM50,000.00 for the Top Five (5) Key Senior Management.

Alternatively, the Board is of the view that the disclosure of Top Five (5) Key Senior Management's aggregated remuneration on an unnamed basis in the bands of RM50,000.00 in this Annual Report is adequate.

The aggregate remuneration and benefits paid to the Top Five (5) Key Senior Management of the Group for the FYE 2024 as follows:-

Range of Remuneration	No. of Senior Management Officer
RM100,001 to RM150,000	1
RM150,001 to RM200,000	1
RM200,001 to RM250,000	-
RM250,001 to RM300,000	-
RM300,001 to RM350,000	-
TOTAL	2

PRINCIPLE B - EFFECTIVE AUDIT AND RISK MANAGEMENT

PART I – ARMC

8. Effective and Independent ARMC

- 8.1 The positions of Chairman of the Board and Chairman of the ARMC are held by two different persons. The Chairman of the Board is Dr. Yee Meng Kheong, an Independent Non-Executive Chairman, while the Chairman of the ARMC is Mr. Seah Cheong Wei, an Independent Non-Executive Director. This separation is to ensure that the Board's review of the ARMC's findings and recommendations are not impaired.

The separation had been set out clearly in the Terms of Reference of the ARMC which is accessible on the Company's website at <https://www.metrohealthcare.my>.

- 8.2 Currently, none of the members of the ARMC were former key audit partners of the present auditors of the Group.

The ARMC has in place a policy that requires a former key partner to observe a cooling-off period of at least three (3) years before being appointed as a member of the ARMC. The policy had been codified in the Terms of Reference of ARMC of the Company.

CORPORATE GOVERNANCE

OVERVIEW STATEMENT

(Cont'd)

PRINCIPLE B - EFFECTIVE AUDIT AND RISK MANAGEMENT *cont'd*

PART I – ARMC *cont'd*

8. Effective and Independent ARMC *cont'd*

- 8.3 The Board had established an External Auditors Assessment Policy which set out the guidelines and procedures for the ARMC to review, assess and monitor the performance, suitability and independence of the External Auditors.

The ARMC obtained assurance from the External Auditors confirming that they are, and have been, independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements.

The ARMC carried out an annual performance assessment of the External Auditors and requested the Executive Directors and Financial Controller to join the assessment.

The ARMC is satisfied with the performance, suitability and independence of the External Auditors of the Company. Having assessed their performance, the ARMC is satisfied with the competence and independence of the External Auditors and has recommended to the Board, the re-appointment of the External Auditors upon which the shareholders' approval will be sought at the forthcoming AGM of the Company.

- 8.4 The ARMC comprises solely of the following Independent Non-Executive Directors:-

- (a) Seah Cheong Wei (Chairman);
- (b) Rose Zilawati binti Mohamed Arifin (Member); and
- (c) Chua Leng Leek (Member).

- 8.5 The Chairman and members of the ARMC are financially literate and able to understand the Group's business and matters under the purview of the ARMC.

The NC would also review the terms of office and performance of the ARMC members to determine whether they have carried out their duties in accordance with their Terms of Reference.

The ARMC members will continuously keep abreast of relevant industry developments including accounting and auditing standards, business practices and rules, to address any skills or knowledge gaps according to their needs.

PART II - RISK MANAGEMENT AND INTERNAL CONTROL

9. Risk Management and Internal Control Framework

- 9.1 The Board acknowledges its overall responsibility for ensuring that a sound system of risk management and internal control is maintained throughout the Group, as well as the need to review its effectiveness regularly. Risk management and internal control are embedded in various work processes and procedures of the respective operational functions.

The Board has delegated the responsibility of reviewing the adequacy and effectiveness of the risk management and internal control systems to the ARMC.

CORPORATE GOVERNANCE

OVERVIEW STATEMENT

(Cont'd)

PRINCIPLE B - EFFECTIVE AUDIT AND RISK MANAGEMENT *cont'd*

PART II - RISK MANAGEMENT AND INTERNAL CONTROL *cont'd*

9. Risk Management and Internal Control Framework *cont'd*

- 9.2 The ARMC is assisted by the Management as well as the outsourced internal auditors to identify and assess the relevant risks faced by the Group and to ensure that appropriate risk treatments were in place to mitigate the risks that could be affecting the achievement of the Group's business objectives. The internal auditors report directly to the ARMC and the internal audit plans are tabled to the ARMC half yearly for review to ensure adequate coverage.

Further details on the features of the risk management and internal control framework, and the adequacy and effectiveness of this framework, are disclosed in the Statement on Risk Management and Internal Control of this Annual Report.

The scope and function of the ARMC are set out in the Terms of Reference which is available on the Company's website at <https://www.metrohealthcare.my>.

10. Effective Governance, Risk Management and Internal Control Framework

- 10.1 The internal audit function is outsourced to an independent professional service firm, i.e., Vaersa Advisory Sdn. Bhd. ("Vaersa"). Vaersa assists the Board and the ARMC in managing the risks and establishing the internal control system and processes of the Group. This is done by providing an independent assessment of the adequacy, efficiency and effectiveness of the Group's risk management and internal control system and processes.

The internal audit function is independent of the operations of the Group and provides reasonable assurance that the Group's system of internal control is satisfactory and operating effectively. The engagement team from Vaersa is free from any relationship or conflict of interest, which could impair their objectivity and independence.

The internal audit functions and activities carried out during the FYE 2024 are as disclosed in the ARMC Report and Statement on Risk Management and Internal Control of this Annual Report.

PRINCIPLE C – INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

PART I – COMMUNICATION WITH STAKEHOLDERS

11. Continuous Communication between Company and Stakeholders

- 11.1 The Board recognises the importance of maintaining effective communication channels with its stakeholders, including shareholders, potential investors, and the general public. This is achieved through the timely dissemination of information on key developments within the Group, in accordance with our Corporate Disclosure Policy.

The Corporate Disclosure Policy of the Company is published on the Company's website at <https://www.metrohealthcare.my>.

The quarterly results, announcements and annual reports serve as primary means of disseminating information, ensuring that shareholders are constantly kept abreast of the Group's progress and developments. The Company's corporate website, <https://www.metrohealthcare.my>, provides a convenient platform for shareholders and the public to access corporate information, the Board Charter and policies, announcements, news and events relating to the Group.

- 11.2 The Company is not categorised as a "Large Company" under the MCGG and hence, has not adopted integrated reporting based on a globally recognised framework.

CORPORATE GOVERNANCE

OVERVIEW STATEMENT

(Cont'd)

PRINCIPLE C – INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS *cont'd*

PART II – CONDUCT OF GENERAL MEETINGS

12. Shareholders' Participation at General Meetings

12.1 Conduct of General Meetings

The notice of the Fifteenth AGM ("15th AGM") of the Company which is scheduled to be held on 19 June 2025 was sent to the shareholders at least twenty-eight (28) days before the date of 15th AGM this year.

The notice of general meeting provides detailed explanation for the resolutions proposed along with any background information and reports or recommendation that are relevant, where required and necessary, to enable shareholders to have sufficient time to consider the resolutions that will be discussed and to make informed decisions in exercising their voting rights.

All resolutions set out in the Notice of 15th AGM will be put to vote by poll and the votes cast will be validated by an independent scrutineer appointed by the Company. The outcome of all resolutions proposed at the general meetings will be announced to Bursa Securities at the end of the AGM day.

METRO was listed on 15 November 2024 and its first AGM after its listing will be held on 19 June 2025. The Board believes that participation of shareholders in the Company's general meeting is the more appropriate platform where shareholders' queries and concerns may be conveyed to the Board for clarification. All the Directors of the Company will always endeavour to attend all general meetings and the Chairman of the Board committees will provide meaningful response to questions addressed to them.

12.2 Effective Communication and Proactive Engagement

The AGM of the Company will always be held at a venue which is easily accessible to facilitate the participation of shareholders. Hence, voting in absentia and remote shareholders' participation are not facilitated.

Shareholders are encouraged to attend general meetings and are allowed to appoint proxy(ies) to attend, participate, speak and vote at the general meetings on their behalf and represent them.

STATEMENT BY THE BOARD ON THE CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board has deliberated, reviewed and approved this Statement. The Board considers and is satisfied that to the best of its knowledge, the Company has fulfilled its obligations under the MCCG, the relevant chapters of the ACE Market LR of Bursa Securities on corporate governance and all applicable laws and regulations throughout the FYE 2024. The Board remains steadfast in upholding the highest standards of corporate governance practices to safeguard the interests of all its stakeholders.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

A. OBJECTIVES

The primary objective of the Audit and Risk Management Committee (“ARMC”) is to assist the Board of Directors (“the Board”) in fulfilling its fiduciary duties and responsibilities in accordance with its Terms of Reference, providing additional assurance to the Board by giving an objective and independent review of financial, operational and administrative controls and procedures, as well as establishing and maintaining internal controls.

Additionally, the ARMC is responsible for reviewing any conflict of interest or potential conflict of interest situations, as required under Rule 15.12(1)(h) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) (“ACE Market LR”) (excluding related party transactions). The ARMC ensures that appropriate measures are taken to resolve, eliminate, or mitigate such conflicts in accordance with Rule 15.15(3)(f) of the ACE Market LR of Bursa Securities.

B. COMPOSITION OF THE ARMC

The ARMC comprises the following members, all being Independent Non-Executive Directors:

ARMC MEMBERS	DESIGNATION
Seah Cheong Wei	Chairman
Rose Zilawati binti Mohamed Arifin	Member
Chua Leng Leek	Member

The Company has complied with Rules 15.09(1)(a) and (b) of the ACE Market Listing Requirements of Bursa Securities as well as Practice 9.1 and Practice 9.4 under the Principle B of the Malaysia Code of Corporate Governance 2021 as the ARMC members fulfil the requirements as prescribed.

The ARMC Chairman, Mr. Seah Cheong Wei is a member of the Malaysian Institute of Accountants. Accordingly, the composition of ARMC complies with Rule 15.09(1)(c)(i) of the ACE Market LR of Bursa Securities.

The authorities and duties of the ARMC are clearly governed by the Terms of Reference of the ARMC. The Terms of Reference of the ARMC can be accessed from the Company’s website at <https://www.metrohealthcare.my>.

C. ATTENDANCE AT MEETINGS

In view that the Company was listed on ACE Market of Bursa Securities on 15 November 2024, there was only one (1) ARMC meeting convened during the financial year under review. Details of attendance of each of the ARMC members to the meeting are as follows:-

ARMC Members	Attendance
Seah Cheong Wei, Chairman	1/1
Rose Zilawati binti Mohamed Arifin, Member	1/1
Chua Leng Leek, Member	1/1

The Committee may request the presence of External Auditors and/or Internal Auditors at its meetings if deemed necessary. Additionally, other members of the Board and officers of the Company and its subsidiaries (“the Group”) may attend specific meetings upon invitation from the Committee, based on the relevance of the matters being discussed.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

(Cont'd)

D. SUMMARY OF WORKS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 ("FYE 2024")

The summary of the activities undertaken by the ARMC during FYE 2024, amongst others, included the following:-

- i. Reviewed the unaudited consolidated quarterly financial results and annual audited financial statements of the Group including the announcements pertaining thereto. Discussion focused particularly on any changes in accounting policy and practices, significant adjustments and unusual events arising from the audit and compliance with accounting standards and other legal requirements before recommending to the Board for approval and release of the announcement to Bursa Securities;
- ii. Reviewed with the External Auditors, the Audit Planning Memorandum in respect of the audit of the Group's financial statements for FYE 2024 to ensure that the scope of the external audit is comprehensive;
- iii. Reviewed and approved the Internal Auditors' internal audit plan to ensure the adequacy of the scope, functions and resources;
- iv. Reviewed and recommended to the Board the adoption of the revised Related Party Transactions Policy and Procedures; and
- v. Reviewed the related party transactions and/or recurrent related party transactions that transpired within the Group to ensure that the transactions entered into were fair and reasonable, not detrimental to the minority shareholders and were in the best interests of the Company.

E. INTERNAL AUDIT FUNCTION

i. Appointment

The Group's internal audit function is outsourced to an independent professional consulting company, namely Vaersa Advisory Sdn. Bhd. ("Vaersa"), which is independent of the activities and operations of the Group. The outsourced Internal Auditors report directly to the ARMC, providing the Board with a reasonable assurance of adequacy of the scope, functions and resources of the internal audit function. The purpose of the internal audit function is to review the adequacy and effectiveness of systems, procedures and controls of the Group.

ii. Internal audit activities

The internal audit reporting can broadly be segregated into three (3) main areas as follows:-

a. Internal Audit Plan for the Group

The internal audit plan for the Group was presented to the ARMC by Vaersa for discussion and approval. The ARMC would then recommend the same or any adjustments needed to the Board for adoption.

b. Regular Internal Audit Reports

Internal audit reports will be reviewed and adopted by the ARMC on a half yearly basis.

c. Follow-up Reports

In addition, the Internal Auditors will follow-up on the implementation of recommendations from prior internal audit visits and update the ARMC on the status of Management-agreed action plans.

iii. Total costs incurred for the financial year

The total costs incurred for the internal audit function of the Group for FYE 2024 was RM13,800.

iv. Review of internal audit function

For FYE 2024, the ARMC is satisfied that the independence of the internal audit function has been maintained as adequate safeguards are in place. Vaersa has performed their audit assignments with impartiality, proficiency and due professional care.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

The Board of Directors (“the Board”) acknowledges that effective governance, risk management, and internal control processes are indispensable for Metro Healthcare Berhad (“the Company”) and its subsidiaries (“the Group”) to attain their objectives and uphold their success. Effective governance, risk management and internal control processes will guide the Group to achieve a proper balance between the risks incurred and potential returns to shareholders, in accordance with the Group’s acceptable risk appetite.

The Board is pleased to provide the following Statement on Risk Management and Internal Control (“Statement”) of the Group for the financial year ended 31 December 2024. This has been prepared in accordance with Rule 15.26(b) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”), Malaysian Code on Corporate Governance (“MCCG”) and “Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers”.

BOARD’S RESPONSIBILITY

The Board acknowledges its overall responsibility for maintaining a sound system of risk management and internal control, and for reviewing its adequacy and effectiveness to ensure shareholders’ interest and the Group’s assets are safeguarded.

The system of risk management and internal controls not only covers the financial aspect of the Group but also encompasses operational and compliance aspect. Given the inherent limitations in the risk management and internal control system, such a system, implemented by the Board, is designed to manage rather than eliminate risks that may impede the achievement of the Group’s corporate objectives. Therefore, such a system can only provide reasonable and not absolute assurance against any material misstatement or loss, contingencies, fraud or irregularities.

RISK MANAGEMENT

In line with the Malaysian Code on Corporate Governance, the Company has established a risk management system. The Board entrusts the ARMC with the overall responsibility to regularly review and monitor the risk management activities of the Group, and to approve appropriate risk management procedures and measurement methodologies.

In particular, the roles and responsibilities of the ARMC in relation to risk management are as follows:

- i. to recommend the Group’s risk appetite and its policy for risk management to the Board;
- ii. to recommend and review the implementation of the Group’s internal controls and risk management framework;
- iii. to review the processes and procedures for ensuring that all material business risks are properly identified and those appropriate systems of monitoring and control are in place;
- iv. to receive and review risk management reports and make recommendations for changes in policies and procedures as and when required;
- v. to consider material risk factors, risk tolerance levels, review the actions taken in response, mitigation and prevention actions;
- vi. to consider the effect of any material findings on business risks, financial risks, compliance risks and operational risks that may impact the Group’s performance; and
- vii. to consider the effect of the risks of any findings highlighted by the internal auditor (if any) or any independent reviews carried out for the Group.

The Board recognises that risk management should be an integral part of the business operation. On a day-to-day basis, the respective Key Senior Management team is responsible for managing risks related to their functions or departments. The ARMC relies on the Key Senior Management team to support in terms of:

- i. managing the risks of business processes under his/her control;
- ii. identifying risks and evaluating existing risk controls;
- iii. reporting significant risks to the ARMC and the Board at scheduled meetings in a proactive, responsible and accountable manner; and
- iv. providing oversight on the establishment, implementation and review of the effectiveness of the risk management framework and internal control systems to the ARMC and the Board.

Management meetings are held to ensure that the risks faced by the Group are monitored and properly addressed. It is at these meetings that key risks and corresponding controls implemented are deliberated, reviewed, communicated and agreed.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

(Cont'd)

INTERNAL AUDIT FUNCTION

The Company was listed on the ACE Market of Bursa Securities on 15 November 2024. The Group has outsourced the internal audit function to an external independent professional consulting firm, i.e. Vaersa Advisory Sdn. Bhd. ("VA") prior to the Company's listing. Subsequent to the listing of the Company, the Board has agreed to continue to engage VA as part of its effort to ascertain adequacy and effectiveness of the internal control system for the financial year ending 31 December 2025.

VA acts as Internal Auditors and reports directly to the ARMC during the ARMC meetings. The representatives of VA is free from any relationships or conflict of interest, which could impair its objectivity and independence of the internal audit function. The firm does not have any direct operational responsibility or authority over any of the activities audited. The ARMC is of the opinion that the internal audit function is effective and able to function independently.

The internal control review is led by Ms. Tiffany Lim, the Head of Advisory of VA. Ms. Tiffany Lim is a member of MIA and Institute of Internal Auditors ("IIA"). She is supported by a team of 10 personnel to conduct the internal control review in accordance with the International Professional Practices Framework ("IPPF") as a basis for evaluating the effectiveness of the internal control systems. The internal audit reviews are conducted according to the approved internal audit plan which addresses the critical business processes, internal control gaps, effectiveness and adequacy of the existing state of internal control and recommend possible improvements to the internal control process. The internal audit plan is reviewed and approved by the ARMC, to provide reasonable assurance that such system continues to operate satisfactorily and effectively within the Group.

The internal audit function assists the Board and Senior Management team in providing independent assessment of the effectiveness and adequacy of the Group's system of internal controls. The assessment of the adequacy and effectiveness of the internal controls established in mitigating risks is carried out through interviews and discussions with the Senior Management team, review of the relevant established policies and procedures and authority limits, and observing and testing of the internal controls on a sample basis. The internal audit reviews have resulted in action plans to be taken by the Group to address the weaknesses noted. Identified enhancement opportunities are then reported to the ARMC, who in turn reports these matters to the Board. Any highlighted issues will be followed up closely to determine the extent of the recommendation that has been implemented by the management.

During the FYE 2024, the Internal Auditors has presented the Internal Audit Plan to the ARMC:

Audit Timeline	Reporting Timeline	Audit Coverage (Key Business Processes)
4th Quarter of FYE 2024	February 2025	<ul style="list-style-type: none"> o Operations Management Review o Enterprise Risk Management Review
1st Quarter of FYE 2025	May 2025	<ul style="list-style-type: none"> o Sales, Marketing and Business Development Management Review
2nd Quarter of FYE 2025	August 2025	<ul style="list-style-type: none"> o Operations Management - Branch Review o Follow-up Audit Review
3rd Quarter of FYE 2025	November 2025	<ul style="list-style-type: none"> o Finance and Treasury Management Review
4th Quarter of FYE 2025	February 2026	<ul style="list-style-type: none"> o Enterprise Risk Management Review
1st Quarter of FYE 2026	May 2026	<ul style="list-style-type: none"> o Inventory Control Management Review
2nd Quarter of FYE 2026	August 2026	<ul style="list-style-type: none"> o Procurement & Suppliers Evaluation Review o Follow-up Audit Review
3rd Quarter of FYE 2026	November 2026	<ul style="list-style-type: none"> o HR and Admin Management Review
4th Quarter of FYE 2026	February 2027	<ul style="list-style-type: none"> o Enterprise Risk Management Review

INTERNAL CONTROL

The Board acknowledges that a sound system of internal control reduces, but cannot eliminate, the possibility of poor judgment in decision-making, human error, control processes being deliberately circumvented by employees, management overriding controls, and the occurrence of unforeseeable circumstances.

The Group's Key Senior Management team receives and reviews regular reports on key financial data, performance indicators and regulatory matters. This is to ensure that matters requiring the Board's attention are highlighted for review, deliberation and decision making on a timely basis. The Board will approve the appropriate responses or amendments to the Group's policies.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

(Cont'd)

INTERNAL CONTROL *cont'd*

The internal control matters are reviewed and the Board is updated on the significant control gaps, if any, for the Board's attention and action. Issues relating to the business operations are also highlighted to the Board's attention during the Board meetings and any significant fluctuation or exception noted will be analysed and acted in a timely manner.

The key elements of the Group's internal control systems are as follows:

- Organisational and Reporting Structure

A formal organisational structure has also been put in place with well-defined scope of responsibilities, clear lines of accountability and appropriate level of delegated authority. The Group has also put in place consistent human resource practices throughout the Group to ensure the Group's ability to operate in an effective and efficient manner by employing and retaining adequate competent employees possessing the necessary knowledge, skills and experiences in order to carry out their duties and responsibilities effectively and efficiently.

- Policies and Procedures

The Group has established internal policies and procedures covering key business units and operations. These policies and procedures are regularly reviewed and updated to ensure it is relevant in addressing the changing environment, operational requirements and changes of risk.

Information pertaining to internal control policies, procedures and processes which are critical to the achievement of the Group's corporate objectives are communicated through established reporting lines across the Group via electronic mail system, internal meetings and briefings. Further, the Group also maintains documented policies, procedures and process flows for its key business operations with the appropriate level of delegated authority. The documented internal policies, procedures and processes are in place to ensure compliance with the internal control and relevant laws and regulations.

- Internal Audit Function

Periodic management meetings are held to discuss and review the Group's financial data, and operational performance of various operating units according to the internal audit plan approved by the ARMC. Issues and/or matters that require the Board and Key Senior Management team's attention will be highlighted, deliberated and decided upon on a timely manner. Periodic reviews of adequacy and integrity of selected areas of internal control systems are carried out and reported to the Board for deliberation, decision making and further action. Follow-ups on status of implementation of agreed action plans are also conducted to ensure corrective actions are implemented accordingly. Audit reviews were carried out quarterly.

ANTI-BRIBERY AND ANTI-CORRUPTION POLICY

The Group adopts a zero-tolerance approach to all forms of bribery and corruption. The Group is committed in conducting its business free from any acts of bribery and corruption by upholding high standards of ethics and integrity. The Group has established an anti-bribery and anti-corruption policy which prohibits all forms of bribery and corruption practices. The said policy is also made available at the Company's website.

The Anti Bribery and Corruption Policy is made available on the Company's website at <https://www.metrohealthcare.my>.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

(Cont'd)

WHISTLE BLOWING POLICY

The Group has put in place a whistle blowing policy which allows, supports and encourages its employees to report and disclose any improper, alleged or illegal activities within the Group.

The Whistle Blowing Policy was approved for adoption by the Board on 2 May 2024. The Board will review and update the Whistle Blowing Policy at least once every three (3) years to ensure its effectiveness and consistency with the governing legislation and regulatory requirements.

The Whistle Blowing Policy is made available on the Company's website at <https://www.metrohealthcare.my>.

ASSURANCE

The top management, including the Executive Vice Chairman, Managing Director and Financial Controller of the Company has provided assurance to the Board that the Group's system of risk management and internal control is operating adequately and effectively for the financial year under review and up to date as of this Statement.

REVIEW OF THIS STATEMENT BY EXTERNAL AUDITORS

As required under Rule 15.23 of the ACE Market Listing Requirements of Bursa Securities, the External Auditors have reviewed this Statement on Risk Management and Internal Control to the scope set out in the Audit and Assurance Practice Guide 3 (AAPG 3): Guidance for Auditors on Engagements to Report on Risk Management and Internal Control included in the Annual Report, issued by Malaysian Institute of Accountants (MIA).

Based on their review, the External Auditors have reported to the Board that nothing has come to their attention that caused them to believe that the Statement is not prepared, in all material aspects, in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers to be set out, nor is it factually inaccurate.

CONCLUSION

The Board is of the view that the Group's system of risk management and internal control is adequate to safeguard shareholders' investments and the Group's assets. However, the Board is also cognisant of the fact that the Group's system of internal controls and risk management practices must continuously evolve to meet the changing and challenging business environment. Therefore, the Board will, when necessary, put in place appropriate action plans to further enhance the Group's system of risk management and internal controls.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

IN THE PREPARATION OF FINANCIAL STATEMENTS

The Board of Directors of Metro Healthcare Berhad ("the Company") is required by the Companies Act 2016 ("CA 2016") to prepare financial statements which give a true and fair view of the state of affairs of the Company and its subsidiaries ("Group") at the end of the financial year and of the financial performance of the Group for the financial year then ended.

In preparing the financial statements for the financial year ended 31 December 2024, the Directors have:-

- adopted and consistently applied suitable accounting policies;
- made judgements and estimates that are prudent and reasonable;
- ensured applicable financial reporting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepared it on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Directors are responsible for ensuring that the Group maintain accounting records that disclose with reasonable accuracy, the financial position of the Group, and which enable them to ensure that the financial statements comply with the CA 2016.

The Directors have general responsibilities for taking such steps that the appropriate systems are reasonably available to safeguard the assets of the Group, to prevent and detect fraud and other irregularities and material misstatements.

ADDITIONAL COMPLIANCE INFORMATION

1. UTILISATION OF PROCEEDS RAISED FROM CORPORATE PROPOSALS

Metro Healthcare Berhad (“the Company”) was listed on the ACE Market of Bursa Malaysia Securities Berhad on 15 November 2024 (“Listing”). In conjunction with the Listing, the Company undertook a public issue of 156,625,000 new ordinary shares at an issue price of RM0.25 per ordinary share, raising gross proceeds of RM39.156 million.

The status of the utilisation of the proceeds as at 31 December 2024 is as follows:

No.	Purpose	Proposed Utilisation RM'000	Actual Utilisation ⁽¹⁾ RM'000	Balance Utilisation RM'000	Intended timeframe for utilisation (from the listing date)
i.	Expansion of existing O&G business	25,000	-	25,000	Within 36 months
ii.	Refurbishment and upgrading of the business premises	3,000	1,147	1,853	Within 24 months
iii.	Working capital	7,329	305	7,024	Within 36 months
iv.	Estimated listing expenses	3,827	3,827	-	Within 1 month
Total		39,156	5,279	33,877	

2. AUDIT AND NON-AUDIT FEES

The amount of audit and non-audit fees paid or payable to the External Auditors by the Company and its subsidiaries (“the Group”) for the FYE 2024 are as follows:-

	Fee (RM)	
	Company RM'000	Group RM'000
i. Audit		
- Current Year	40	108
- Under-provision in prior year	1	10
ii. Non-audit	261	261
Total	302	379

3. MATERIAL CONTRACTS INVOLVING DIRECTORS' AND MAJOR SHAREHOLDERS' INTEREST

There was no material contracts entered into by the Group involving the interest of the Company's Directors and/or major shareholders, either still subsisting at the end of the FYE 2024, or which were entered into since the end of the previous financial year.

4. RECURRENT RELATED PARTY TRANSACTIONS (“RRPT”) OF A REVENUE AND/OR TRADING NATURE

The details of the Proposed New Shareholders' Mandate for the RRPT are as set out in the Circular to Shareholders dated 30 April 2025 which is available on the website of the Company and Bursa Malaysia Securities Berhad.

Details of RRPT of a Revenue or Trading Nature are disclosed in Note 21 to the Financial Statements of this Annual Report.

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DIRECTORS' REPORT

The Directors have pleasure in submitting their report together with the audited financial statements of Metro Healthcare Berhad ("Metro" or "the Company") and its subsidiaries (collectively known as "the Group") for the financial year ended 31 December 2024.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding.

The principal activities of the subsidiary companies are stated in Note 5 to the financial statements.

There have been no significant changes in the nature of these activities during the financial year.

FINANCIAL RESULTS

	Group RM	Company RM
Profit for the financial year attributable to owners of the Company	4,559,442	2,096,081

DIVIDEND

Since the end of the previous financial year, the Company paid an interim single-tier tax exempt dividend of 0.72 sen per ordinary share amounting to RM4,440,312 in respect of the financial year ended 31 December 2024 on 5 April 2024.

The Board of Directors does not recommend any final dividend in respect of the financial year ended 31 December 2024.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves and provisions during the financial year.

ISSUE OF SHARES AND DEBENTURES

During the financial year, the company has increased its issued and paid-up share capital from 616,710,000 to 978,905,000 ordinary shares by way of the issuance of:

- i) On 8 October 2024, the Company issued 205,570,000 new ordinary shares by way of bonus issues on the basis of one (1) new ordinary share for every three (3) existing ordinary shares held; and
- (ii) On 15 November 2024, the Company issued 156,625,000 new ordinary shares for a total cash consideration of RM39,156,250, RM0.25 each in conjunction with the initial public offering ("IPO") on the ACE market of Bursa Malaysia Securities Berhad. The share issuance expenses associated with the issuance of new ordinary shares amounting to RM1,032,151 were offset against the share capital.

The newly issued ordinary shares ranked pari-passu in all respect with the then existing ordinary shares of the Company.

There was no issuance of debentures by the Company during the financial year.

DIRECTORS' REPORT

(Cont'd)

DIRECTORS

The Directors in office during the financial year and during the period from the end of the financial year to the date of this report are:

Tay Swi Peng @ Tee Swi Peng	
Lim Wai Khong	
Kong Lan Moon	
Seah Cheong Wei	
Rose Zilawati Binti Mohamed Arifin	(Appointed on 28 February 2024)
Chua Leng Leek	(Appointed on 28 February 2024)
Yee Meng Kheong	(Appointed on 28 February 2024)

The names of Directors of subsidiaries are set out in the respective subsidiaries' statutory accounts and the said information is deemed incorporated herein by such reference and made part thereof.

DIRECTORS' INTERESTS IN SHARES OR DEBENTURES

According to the register of Directors' shareholdings required to be kept under Section 59 of the Companies Act 2016, none of the Directors who held office at the end of the financial year held any shares, or debentures in the Company or its subsidiaries during the financial year except as follows:

	No. of ordinary shares				As at 31.12.2024
	As at 1.1.2024	Bonus Issue	Bought	Sold	
Interest in the Company					
Direct interest:					
Tay Swi Peng @ Tee Swi Peng	317,923,296	105,974,432	1,051,000	-	424,948,728
Kong Lan Moon	143,101,230	47,700,410	-	-	190,801,640
Lim Wai Khong	4,630,167	1,543,389	1,067,800	-	7,241,356
Seah Cheong Wei	-	-	160,000	-	160,000
Rose Zilawati Binti Mohamed Arifin	-	-	80,000	-	80,000
Chua Leng Leek	-	-	80,000	-	80,000
Yee Meng Kheong	-	-	80,000	-	80,000
Indirect interest:					
Tay Swi Peng @ Tee Swi Peng ⁽¹⁾	37,039,152	12,346,384	-	-	49,385,536

⁽¹⁾ Deemed interested through the shares held by Country Range Sdn. Bhd..

By virtue of their interests in the shares of the Company, Tay Swi Peng @ Tee Swi Peng, Kong Lan Moon, Lim Wai Khong, Seah Cheong Wei, Rose Zilawati Binti Mohamed Arifin, Chua Leng Leek, and Yee Meng Kheong are deemed to have interest in the shares of all its subsidiary companies to the extent the Company has an interest.

Other than as disclosed above, according to the Register of Directors' Shareholdings, the other Directors in office at the end of the financial year did not hold any interest in shares or debentures in the Company or its subsidiaries during the financial year.

DIRECTORS' REPORT

(Cont'd)

DIRECTORS' BENEFITS

Since the end of the previous financial year, no Director of the Company has received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by Directors as disclosed in Note 21) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which he is a member, or with a company in which he has a substantial financial interest.

There were no arrangements during and at the end of the financial year which had the object of enabling the Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

DIRECTORS' REMUNERATION

Directors' remuneration is as follows:

	Group RM	Company RM
Directors' remuneration:		
- fees, salaries, allowances and bonus	970,999	89,998
- contribution to Employees Provident Fund	29,280	-
	1,000,279	89,998

SUBSIDIARY COMPANIES

Details of the subsidiary companies are disclosed in Note 5 to the financial statements.

AUDITORS' REMUNERATION

Auditors' remuneration is as follows:

	Group RM	Company RM
HLB Ler Lum Chew PLT:		
- Statutory audit	108,000	40,000
- Non-statutory audit	261,000	261,000
	369,000	301,000

INDEMNITY AND INSURANCE COSTS

During the financial year, the Group maintained a Malpractice Liability in accordance with Section 289 of the Companies Act 2016. The insurance premium for the Malpractice Liability effected for the Directors and Officers of the Group amounting to RM36,565 in aggregate.

To the extent permitted under Section 289 of the of the Companies Act 2016, the Company has agreed to indemnify the auditors, HLB Ler Lum Chew PLT, as part of the terms of its audit engagement against claims by third parties arising from the audit.

DIRECTORS' REPORT

(Cont'd)

OTHER STATUTORY INFORMATION

Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps:

- (i) to ascertain that action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that all known bad debts had been written off and that no provision had been made for doubtful debts; and
- (ii) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including the value of current assets as shown in the accounting records of the Group and of the Company have been written down to an amount which the current assets might be expected so to realise.

At the date of this report, the Directors are not aware of any circumstances which would render:

- (i) the amount written off for bad debts or the amount of the provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or
- (ii) the values attributed to the current assets in the financial statements of the Group and of the Company misleading; or
- (iii) adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; or
- (iv) any amount stated in the financial statements of the Group and of the Company misleading.

No contingent or other liability of any company in the Group has become enforceable, or is likely to become enforceable, within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may affect the ability of the Group and of the Company to meet their obligations when they fall due.

At the date of this report, there does not exist:

- (i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
- (ii) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.

In the opinion of the Directors:

- (i) the results of the operations of the Group and of the Company for the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and
- (ii) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

SIGNIFICANT EVENT

The details of significant event during the year are disclosed in Note 26 to the financial statements.

DIRECTORS' REPORT

(Cont'd)

SUBSEQUENT EVENT

The details of subsequent event after the year are disclosed in Note 27 to the financial statements.

AUDITORS

The auditors, HLB Ler Lum Chew PLT, have expressed their willingness to accept re-appointment.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors.

TAY SWI PENG @ TEE SWI PENG

KUALA LUMPUR
22 APRIL 2025

LIM WAI KHONG

STATEMENT BY DIRECTORS

Pursuant to Section 251(2) of the Companies Act 2016

We, TAY SWI PENG @ TEE SWI PENG and LIM WAI KHONG, being two of the Directors of METRO HEALTHCARE BERHAD, do hereby state that, in the opinion of the Directors, the financial statements are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 December 2024 and of their financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors.

TAY SWI PENG @ TEE SWI PENG

LIM WAI KHONG

KUALA LUMPUR
22 APRIL 2025

STATUTORY DECLARATION

Pursuant to Section 251(1) of the Companies Act 2016

I, TAY SWI PENG @ TEE SWI PENG, being the Director primarily responsible for the financial management of METRO HEALTHCARE BERHAD, do solemnly and sincerely declare that the financial statements are to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by)
the abovenamed TAY SWI PENG @ TEE SWI PENG)
at KUALA LUMPUR)
on 22 APRIL 2025)

TAY SWI PENG @ TEE SWI PENG

Before me,

HARCHARAN SINGH A/L SANTOKH SINGH
No. W 883
COMMISSIONER FOR OATHS

INDEPENDENT AUDITORS' REPORT

To the members of Metro Healthcare Berhad

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Metro Healthcare Berhad, which comprise the statements of financial position as at 31 December 2024 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 58 to 92.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2024, and of their financial performance and their cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with *the By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. These matters were addressed in the context of our audit of the financial statements of the Group as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

1. Existence of plant and machinery
(Refer to Note 3 to the financial statements)

The risk

As at 31 December 2024, included in the Group's property, plant and equipment is an amount of RM7,755,413 in relation to plant and machinery pertaining to hospitals and clinics in multiple locations.

We focused on this area due to the material account balance and inherent risk associated with the existence of plant and machinery due to the multiple locations.

How our audit addressed the key audit matter

Our audit procedures focused on the following:

- discussed with management to obtain an understanding on controls and monitoring over the plant and machinery at the Group's medical facilities;
- obtained the property, plant and equipment listing to identify the locations of the assets and conducted site visits to selected medical facilities;
- inspected the existence and functionality of plant and machinery at hospitals and clinics; and
- sighted to progress billings and/or suppliers' invoices and delivery order for selected samples of additions and assessed the appropriateness of capitalisation date in the fixed asset register.

INDEPENDENT AUDITORS' REPORT

To the members of Metro Healthcare Berhad
(Cont'd)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS *cont'd*

Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of the Company are responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

INDEPENDENT AUDITORS' REPORT

To the members of Metro Healthcare Berhad
(Cont'd)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS *cont'd*

Auditors' Responsibilities for the Audit of the Financial Statements *cont'd*

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also: *cont'd*

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law and regulations preclude public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

HLB LER LUM CHEW PLT
201906002362 & AF 0276
Chartered Accountants

TANG YAN YU
03452/10/2025 J
Chartered Accountant

22 April 2025
Kuala Lumpur

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2024

		31.12.2024	Group 31.12.2023	1.1.2023
	Note	RM	RM Restated	RM Restated
ASSETS				
Non-Current Assets				
Property, plant and equipment	3	21,693,883	20,519,737	20,088,424
Right-of-use assets	4	14,425,775	16,723,340	9,486,875
		36,119,658	37,243,077	29,575,299
Current Assets				
Inventories	7	2,399,390	1,907,162	1,597,505
Trade and other receivables	8	1,015,309	1,209,326	1,451,853
Tax recoverable		1,333,253	1,185,029	1,249,428
Other investment	6	3,758,143	3,075,156	3,147,366
Cash and cash equivalents	9	51,406,599	15,158,480	14,285,516
		59,912,694	22,535,153	21,731,668
TOTAL ASSETS		96,032,352	59,778,230	51,306,967
EQUITY AND LIABILITIES				
Equity attributable to owners of the Company				
Share capital	10	56,287,798	18,163,699	18,163,699
Employees' Share Option Scheme ("ESOS") reserve		-	-	389,942
Retained earnings		19,330,716	19,211,586	16,692,370
TOTAL EQUITY		75,618,514	37,375,285	35,246,011
LIABILITIES				
Non-Current Liabilities				
Borrowing		-	-	32,094
Deferred tax liabilities	11	642,561	655,208	1,042,534
Lease liabilities	12	14,047,081	15,982,307	9,406,563
		14,689,642	16,637,515	10,481,191
Current Liabilities				
Trade and other payables	13	3,780,226	3,920,538	4,779,587
Tax payables		8,679	-	35,587
Lease liabilities	12	1,935,291	1,844,892	764,591
		5,724,196	5,765,430	5,579,765
TOTAL LIABILITIES		20,413,838	22,402,945	16,060,956
TOTAL EQUITY AND LIABILITIES		96,032,352	59,778,230	51,306,967

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2024

(Cont'd)

	Note	Company	
		2024 RM	2023 RM
ASSETS			
Non-Current Assets			
Investment in subsidiaries	5	17,312,901	17,312,901
Current Assets			
Trade and other receivables	8	6,207	199,241
Tax recoverable		-	1,455
Cash and cash equivalents	9	39,676,426	3,645,557
		39,682,633	3,846,253
TOTAL ASSETS		56,995,534	21,159,154
EQUITY AND LIABILITIES			
Equity attributable to owners of the Company			
Share capital	10	56,287,798	18,163,699
Retained earnings		607,844	2,952,075
TOTAL EQUITY		56,895,642	21,115,774
Current Liabilities			
Trade and other payables	13	92,523	43,380
Tax payables		7,369	-
TOTAL LIABILITIES		99,892	43,380
TOTAL EQUITY AND LIABILITIES		56,995,534	21,159,154

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the financial year ended 31 December 2024

	Note	Group		Company	
		2024 RM	2023 RM	2024 RM	2023 RM
Revenue	14	48,649,823	44,686,028	4,400,000	2,200,000
Cost of sales		(28,922,403)	(26,606,594)	-	-
Gross profit		19,727,420	18,079,434	4,400,000	2,200,000
Other operating income	15	865,038	612,486	185,870	87,420
Other operating expenses		(12,725,220)	(9,417,076)	(2,446,060)	(407,379)
Operating profit		7,867,238	9,274,844	2,139,810	1,880,041
Finance cost		(694,913)	(732,401)	-	-
Profit before taxation	16	7,172,325	8,542,443	2,139,810	1,880,041
Taxation	17	(2,612,883)	(2,294,851)	(43,729)	(25,081)
Profit/Total comprehensive income for the financial year		4,559,442	6,247,592	2,096,081	1,854,960
Profit/Total comprehensive income for the financial year attributable to:					
- Owners of the Company		4,559,442	6,247,592	2,096,081	1,854,960
Earnings per share (sen):					
- Basic	18	0.47	0.76		
- Diluted	18	0.47	0.76		

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 December 2024

	← Attributable to owners of the Company →				Total RM
	Note	Non-distributable	Distributable		
		Share Capital RM	ESOS Reserve RM	Retained Earnings RM	
Group					
At 1 January 2024		18,163,699	-	19,211,586	37,375,285
Profit/Total comprehensive income for the financial year		-	-	4,559,442	4,559,442
Dividend	19	-	-	(4,440,312)	(4,440,312)
Issuance of ordinary shares	10	38,124,099	-	-	38,124,099
At 31 December 2024		56,287,798	-	19,330,716	75,618,514
Company					
At 1 January 2024		18,163,699	-	2,952,075	21,115,774
Profit/Total comprehensive income for the financial year		-	-	2,096,081	2,096,081
Dividend	19	-	-	(4,440,312)	(4,440,312)
Issuance of ordinary shares	10	38,124,099	-	-	38,124,099
At 31 December 2024		56,287,798	-	607,844	56,895,642
At 1 January 2023		18,163,699	389,942	16,692,370	35,246,011
Profit/Total comprehensive income for the financial year		-	-	6,247,592	6,247,592
Dividend	19	-	-	(4,316,970)	(4,316,970)
Share-based payment under ESOS		-	198,652	-	198,652
Termination of ESOS		-	(588,594)	588,594	-
At 31 December 2023		18,163,699	-	19,211,586	37,375,285
At 1 January 2023		18,163,699	389,942	4,825,491	23,379,132
Profit/Total comprehensive income for the financial year		-	-	1,854,960	1,854,960
Dividend	19	-	-	(4,316,970)	(4,316,970)
Share-based payment under ESOS		-	198,652	-	198,652
Termination of ESOS		-	(588,594)	588,594	-
At 31 December 2023		18,163,699	-	2,952,075	21,115,774

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS

For the financial year ended 31 December 2024

	Note	Group		Company	
		2024 RM	2023 RM	2024 RM	2023 RM
Cash Flows From Operating Activities					
Profit before taxation		7,172,325	8,542,443	2,139,810	1,880,041
<i>Adjustments for:</i>					
Depreciation of property, plant and equipment	3	3,220,816	2,794,658	-	-
Depreciation of right-of-use assets	4	2,209,145	2,218,454	-	-
Termination of lease		-	(160,709)	-	-
Share-based payment under ESOS		-	198,652	-	5,463
Finance cost		694,913	732,401	-	-
Interest income		(218,082)	(106,973)	(185,870)	(87,420)
Gain on disposal of property, plant and equipment		-	(34,964)	-	-
Property, plant and equipment written-off	3	23,341	254,821	-	-
Net fair value loss on investment in quoted shares		124,609	72,210	-	-
Dividend income		(246,654)	(103,497)	(4,400,000)	(2,200,000)
Operating gain/(loss) before changes in working capital		12,980,413	14,407,496	(2,446,060)	(401,916)
Changes in working capital:					
Inventories		(492,228)	(309,657)	-	-
Trade and other receivables		194,017	242,527	193,034	255,804
Trade and other payables		(140,312)	(859,049)	49,143	(710)
Cash generated from/(used in) operations		12,541,890	13,481,317	(2,203,883)	(146,822)
Interest received		218,082	106,973	185,870	87,420
Tax refunded		217,444	226,701	5,278	-
Tax paid		(2,982,519)	(2,880,066)	(40,183)	(18,395)
Net cash generated from/(used in) operating activities		9,994,897	10,934,925	(2,052,918)	(77,797)

STATEMENTS OF CASH FLOWS

For the financial year ended 31 December 2024

(Cont'd)

	Note	Group		Company	
		2024 RM	2023 RM	2024 RM	2023 RM
Cash Flows From Investing Activities					
Acquisition of property, plant and equipment	3	(4,418,303)	(3,551,107)	-	-
Investment in quoted shares		(1,253,947)	-	-	-
Proceeds from disposal of property, plant and equipment		-	105,279	-	-
Proceeds from disposal of investment in quoted shares		446,351	-	-	-
Dividend received		246,654	103,497	4,400,000	2,200,000
Net cash (used in)/generated from investing activities		(4,979,245)	(3,342,331)	4,400,000	2,200,000
Cash Flows From Financing Activities					
Repayment of borrowing	24	-	(32,094)	-	-
Repayment of lease liabilities	24	(2,451,320)	(2,370,566)	-	-
Proceeds from issuance of share capital		38,124,099	-	38,124,099	-
Dividend paid	19	(4,440,312)	(4,316,970)	(4,440,312)	(4,316,970)
Net cash generated from/(used in) financing activities		31,232,467	(6,719,630)	33,683,787	(4,316,970)
Net increase/(decrease) in cash and cash equivalents		36,248,119	872,964	36,030,869	(2,194,767)
Cash and cash equivalents at the beginning of the financial year		15,158,480	14,285,516	3,645,557	5,840,324
Cash and cash equivalents at the end of financial year		51,406,599	15,158,480	39,676,426	3,645,557
Cash and cash equivalents at the end of the financial year end comprises:					
Cash and bank balances		19,679,699	11,797,025	7,949,526	284,102
Fixed deposits placed with a licensed bank		31,726,900	3,361,455	31,726,900	3,361,455
		51,406,599	15,158,480	39,676,426	3,645,557

The accompanying notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

The principal activity of the Company is investment holding. The principal activities of the subsidiary companies are disclosed in Note 5 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

The Company is a public limited company, incorporated under Companies Act 1965 and deemed registered under Companies Act 2016 and is listed on the ACE Market of Bursa Malaysia Securities Berhad.

The registered office of the Company is located at Third Floor, No.77, 79 & 81, Jalan SS21/60, Damansara Utama, 47400 Petaling Jaya, Selangor.

The principal place of business of the Company is located at No. 32, Jalan Pasar, 41400 Klang, Selangor Darul Ehsan.

These financial statements were authorised for issue by the Board of Directors in accordance with their resolution on 22 April 2025.

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION

(a) Basis of preparation

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

The financial statements have been prepared under the historical cost convention unless otherwise disclosed.

The preparation of financial statements in conformity with MFRS requires the use of certain critical accounting estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amount of revenues and expenses during the reported period. It also requires Directors to exercise their judgement in the process of applying the Group's and the Company's accounting policies. Although these estimates and judgement are based on the Directors' best knowledge of current events and actions, actual results may differ. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 2(c).

Amendments to accounting standards that are effective for the Group's and the Company's financial year beginning on or after 1 January 2024 are as follows:

- 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)

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 Group and of the Company.

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION *cont'd*

(a) Basis of preparation *cont'd*

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

Annual periods beginning on/after 1 January 2025

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

Annual periods beginning on/after 1 January 2026

- Annual Improvements to MFRS Accounting Standards – Volume 11
 - * Amendments to MFRS 1, “First-time Adoption of Malaysian Financial Reporting Standards”
 - * Amendments to MFRS 7, “Financial Instruments: Disclosures”
 - * Amendments to MFRS 9, “Financial Instruments”
 - * Amendments to MFRS 10, “Consolidated Financial Statements”
 - * Amendments to MFRS 107, “Statement of Cash Flows”
- Amendments to MFRS 9, “Financial Instruments” and MFRS 7, “Financial Instruments: Disclosures” (Classification and Measurement of Financial Instruments)

Annual periods beginning on/after 1 January 2027

- MFRS 18, “Presentation and Disclosure in Financial Statements”
- MFRS 19, “Subsidiaries without Public Accountability: Disclosures”

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)

The adoption of the accounting standards and amendments to accounting standards are not expected to have any significant impact to the financial statements of the Group and of the Company.

(b) Functional and presentation currency

Items included in the financial statements of each of the Group’s entities are measured using the currency of the primary economic environment in which the entity operates (the “functional currency”). The financial statements are presented in Ringgit Malaysia (“RM”), which is the Company’s functional and presentation currency.

(c) Significant accounting estimates and judgements

Estimates, assumptions concerning the future and judgements are made in the preparation of the financial statements. They affect the application of the Group’s and the Company’s accounting policies, reported amounts of assets, liabilities, income and expenses, and disclosures made. They are assessed on an on-going basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances.

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION *cont'd*

(c) Significant accounting estimates and judgements *cont'd*

The key assumptions concerning the future and other key sources of estimation or uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(i) *Extension and termination options*

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. Such extension or termination options are taken into consideration in determining the lease term if it is reasonably certain that it will be exercised. The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment. Significant judgements are used in determining the lease term over the extension or termination option.

(ii) *Depreciation of property, plant and equipment*

The costs of property, plant and equipment are depreciated on a straight-line basis over the useful lives of the property, plant and equipment. Management estimates the useful lives of the property, plant and equipment as stated in Note 2(g)(ii). These are common life expectancies applied in the industries. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

(d) Basis of consolidation

Subsidiary companies

Subsidiaries are entities, including structured entities, controlled by the Group. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The Group considers it has de-facto power over an investee when, despite not having the majority of voting rights, it has the current ability in circumstances where the size of the Group's voting rights relative to the size and dispersion of holdings of other shareholders to direct the activities of the investee that significantly affect the investee's return.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Business combinations are accounted for using the acquisition method on the acquisition date. The consideration transferred includes the fair value of assets transferred, equity interest issued by the Group and liabilities assumed. Identifiable assets acquired, liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of the acquiree's identifiable net assets.

Acquisition-related costs are recognised in the profit or loss as incurred.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recognised as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION *cont'd*

(d) Basis of consolidation *cont'd*

Subsidiary companies *cont'd*

Inter-company transactions, balances and unrealised gains and losses on transactions between group companies are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Group.

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions. Any difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities, any non-controlling interests and other components of equity related to the disposed subsidiary. Any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset depending on the level of influence retained.

(e) Investment in subsidiaries

In the Company's separate financial statements, investment in subsidiaries is carried at cost less accumulated impairment losses. On disposal of investment in subsidiaries, the difference between disposal proceeds and the carrying amounts of the investment is recognised in profit or loss.

(f) Operating segments

For management purpose, the Group is organised into operating segment based on their business activities. An operating segment's operating results are reviewed regularly by the chief operating decision maker, which in this case is the Managing Director of the Group, to make decisions about resources to the allocated to the segments and assess the segment performance.

(g) Property, plant and equipment

(i) *Recognition and measurement*

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Cost also includes borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are recognised as expenses in profit or loss during the financial period in which they are incurred.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposals are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised in net in the profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION *cont'd*

(g) Property, plant and equipment *cont'd*

(ii) Depreciation and impairment

Freehold land is not depreciated. Property, plant and equipment under construction are not depreciated until the assets are ready for their intended use. Other property, plant and equipment are depreciated on the straight-line method to allocate the cost to their residual values over their estimated useful lives as follows:

Building	50 years
Plant and machinery	3 to 10 years
Motor vehicles	5 to 6 years
Office equipment, furniture and fittings	2 to 10 years
Renovation	10 years

Depreciation methods, useful lives and residual values are reviewed at end of each reporting period, and adjusted as appropriate.

At the end of the reporting period, the Group assesses whether there is any indication of impairment. If such indications exist, an analysis is performed to assess whether the carrying amount of the asset is fully recoverable. A write down is made if the carrying amount exceeds the recoverable amount.

(h) Financial assets

(i) Classification

The Group classifies its financial assets in the following measurement categories:

- Amortised cost; and
- Fair value through profit or loss ("FVTPL")

The classification depends on the Group's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial asset.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

The Group reclassifies debt instruments when and only when its business model for managing those assets changes.

(ii) Recognition and initial measurement

Regular purchases and sales of financial assets are recognised on the trade-date, the date on which the Group commits to purchase or sell the asset.

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION *cont'd*

(h) Financial assets *cont'd*

(iii) Subsequent measurement

Debt instruments

Debt instruments mainly comprise of cash and cash equivalents and trade and other receivables.

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset.

Debt instruments that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt instrument that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in interest income using the effective interest rate method.

Equity instruments

The Group subsequently measures all its equity investments at fair value. Equity investments are classified as FVTPL with movements in their fair values recognised in profit or loss in the period in which the changes arise. Dividends from equity investments are recognised in profit or loss when the Group's and the Company's right to receive payments is established.

(iv) Impairment

The Group and the Company assess expected credit losses associated with its debt instruments carried at amortised cost and at FVOCI on a forward-looking basis. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Expected credit losses represent a probability-weighted estimate of the difference between present value of cash flows according to contract and present value of cash flows the Group and the Company expect to receive, over the remaining life of the financial instrument.

For trade receivables, the Group applies the simplified approach, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

While cash and cash equivalents are also subject to the impairment requirements of MFRS 9, the identified impairment loss was immaterial.

In measuring expected credit losses, trade receivables are grouped based on shared credit risk characteristics and days past due.

In calculating the expected credit loss rates, the Group considers historical loss rates for each category of customers and adjusts to reflect current and forward-looking factors affecting the ability of the customers to settle the receivables.

The Group and the Company define a financial instrument as default, which is aligned with the definition of credit-impaired, when the debtor meets unlikelihood to pay criteria, which indicates the debtor is in significant financial difficulty. The Group and the Company consider the following instances:

- The debtor is in breach of financial covenants
- Concessions have been made by the Group and the Company related to the debtor's financial difficulty
- It is becoming probable that the debtor will enter bankruptcy or other financial reorganisation
- The debtor is insolvent.

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION *cont'd*

(h) Financial assets *cont'd*

(iv) Impairment *cont'd*

Financial assets that are credit-impaired are assessed for impairment on an individual basis.

The Group and the Company write off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery. The assessment of no reasonable expectation of recovery is based on unavailability of debtor's sources of income or assets to generate sufficient future cash flows to repay the amount. The Group and the Company may write-off financial assets that are still subject to enforcement activity.

(i) Financial liabilities

Financial liabilities are initially recognised at fair value net of transaction costs for all financial liabilities not carried at fair value through profit or loss. Financial liabilities carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in profit or loss.

Fair value through profit or loss category comprises financial liabilities that are derivatives (except for a derivative that is a financial guarantee or a designated and effective hedging instrument) or financial liabilities that are specifically designated into this category upon initial recognition.

All financial liabilities are subsequently measured at amortised cost using the effective interest method other than those categories as fair value through profit or loss.

Other financial liabilities categories as fair value through profit or loss are subsequently measured at their fair values with the gain or loss recognised in profit or loss.

(j) Inventories

Inventories are valued at the lower of cost and net realisable value after adequate allowance has been made for all deteriorated, damaged, obsolete or slow-moving inventories.

Cost is determined using the first in first out method.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

(k) Cash and cash equivalents

Cash and cash equivalents consist of cash and bank balances and deposits with banks and highly liquid investments which have an insignificant risk of changes in fair value with original maturities of three month or less, and are used by the Group and the Company in the management of their short-term commitments.

(l) Equity instruments

(i) Share capital

Ordinary shares and non-redeemable preference shares with discretionary dividends are classified as equity. Other shares are classified as equity and/or liability according to the economic substance of the particular instrument.

The transaction costs of an equity transaction are accounted for as a deduction from equity, net of tax. Equity transaction costs comprise only those incremental external costs directly attributable to the equity transaction which would otherwise have been avoided.

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION *cont'd*

(l) Equity instruments *cont'd*

(ii) Dividend distribution

Distributions to holders of an equity instrument are debited directly to equity, net of any related income tax benefit and the corresponding liability is recognised in the period in which the dividends are approved.

(m) Current and deferred income tax

The tax expense for the period comprises current and deferred income tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous financial years.

Deferred tax is recognised, using the liability method, on temporary differences arising between the amounts attributed to assets and liabilities for tax purposes and their carrying amounts in the financial statements. However, deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is determined using tax rates that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses or unused tax credits can be utilised.

Deferred and current tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

(n) Employee benefits

(i) Short-term employee benefits

Short-term employee benefit obligations in respect of salaries, annual bonuses, paid annual leave and sick leave are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(ii) Defined contribution plans

As required by law, companies in Malaysia make contributions to the state pension scheme, the Employees Provident Fund ("EPF"). Such contributions are recognised as an expense in profit or loss in the period to which they relate.

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION *cont'd*

(n) Employee benefits *cont'd*

(iii) Share-based payments

The Group operates an equity-settled, share-based compensation plan under which the entity receives services from employees as consideration for equity instruments (options) of the Group. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of the options granted.

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied.

At the end of each reporting period, the Company revises its estimates of the number of options that are expected to vest based on the non-market vesting conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to share option reserve in equity.

When the options are exercised, the Company issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital when the options are exercised. When options are not exercised and lapsed, the share option reserve is transferred to retained earnings.

In its separate financial statements of the Company, the grant by the Company of options over its equity instruments to the employees of subsidiaries in the Group is treated as services provided to the subsidiaries. The fair value of options granted to employees of the subsidiaries in exchange for the services of the employees to the subsidiaries are recognised as payables from subsidiaries, with a corresponding credit to equity of the Company.

(o) Revenue and income recognition

(i) Revenue from contracts with customers

Revenue is recognised by reference to each distinct performance obligation promised in the contract with customer when or as the Group transfers the control of the goods or services promised in a contract and the customer obtains control of the goods or services. Depending on the substance of the respective contract with customer, the control of the promised goods or services may transfer over time or at a point in time.

A contract with customer exists when the contract has commercial substance, the Group and its customer has approved the contract and intend to perform their respective obligations, the Group's and the customer's rights regarding the goods or services to be transferred and the payment terms can be identified, and it is probable that the Group will collect the consideration to which it will be entitled to in exchange of those goods or services.

Revenue from services rendered represents charges for inpatient, outpatient and ambulatory care.

(a) Inpatient and outpatient

This comprises of obstetrics and gynaecological services offered by the Group. Obstetrics services focus on healthcare services relating to pregnancy, from pre-pregnancy screenings, delivery up to post-natal check-ups whereas gynaecology services focus on female reproductive health, including breasts, ovaries, uterus and vagina organ.

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION *cont'd*

(o) Revenue and income recognition *cont'd*

(i) Revenue from contracts with customers *cont'd*

(b) Ambulatory care

Ambulatory care covers fertility treatments such as IVF, IUI, blastocyst culture, surgical sperm retrieval, PGT and assisted hatching.

Revenue from services rendered is recognised over time when the services are rendered and the patients simultaneously receives and consumes the benefits from the services rendered by the Group, and the Group has a present right to payments from the services.

(ii) Other revenue and income

Revenue and income from other sources are recognised as follows:

Dividend income

Dividend income is recognised when the right to receive payment is established.

Rental income

Rental income is recognised on a straight-line basis over the tenure of the lease.

Interest income

Interest income is recognised on an accrual basis using the effective interest method.

(p) Leases

(i) Accounting by lessee

Leases are recognised as right-of-use assets and a corresponding liability at the commencement date on which the leased asset is available for use by the Group and the Company.

In determining the lease term, the Group and the Company consider all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. Extension or termination options are taken into consideration in determining the lease term if it is reasonably certain that the lease will be extended or terminated.

Right-of-use assets are initially measured at cost comprising the following:

- The amount of the initial measurement of lease liability;
- Any lease payments made at or before the commencement date less any lease incentive received;
- Any initial direct costs; and
- Decommissioning or restoration costs

Right-of-use assets are subsequently measured at cost, less accumulated depreciation and impairment loss. The right-of-use assets are depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group and the Company is reasonably certain that it will exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION *cont'd*

(p) Leases *cont'd*

(i) Accounting by lessee *cont'd*

Lease liabilities are initially measured at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, the lessee's incremental borrowing rate is used. Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Short-term leases are leases with a lease term of 12 months or less. Payments associated with short-term leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss.

(ii) Accounting by lessor

The Group and the Company determine at lease inception whether each lease is a finance lease or operating lease. To classify each lease, the Group and the Company make an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset to the lessee.

Operating leases

The Group and the Company classify a lease as an operating lease if the lease does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee.

The Group and the Company recognise lease payments received under operating leases as lease income on a straight-line basis over the lease term.

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

3. PROPERTY, PLANT AND EQUIPMENT

	Freehold land and building	Plant and machinery	Motor vehicles	Office equipment, furniture and fittings	Renovation	Capital work-in- progress	Total
	RM	RM	RM	RM	RM	RM	RM
Group							
Cost							
At 1 January 2024	5,414,387	11,534,314	618,362	3,071,448	7,120,710	3,785,280	31,544,501
Additions	-	2,429,660	-	551,909	610,189	826,545	4,418,303
Reclassification	-	671,350	-	125,300	2,040,347	(2,836,997)	-
Written-off	-	-	-	-	(36,305)	-	(36,305)
At 31 December 2024	5,414,387	14,635,324	618,362	3,748,657	9,734,941	1,774,828	35,926,499
Accumulated depreciation							
At 1 January 2024	542,069	5,280,789	318,690	1,990,099	2,893,117	-	11,024,764
Charge for the year	108,414	1,599,122	76,548	338,228	1,098,504	-	3,220,816
Written-off	-	-	-	-	(12,964)	-	(12,964)
At 31 December 2024	650,483	6,879,911	395,238	2,328,327	3,978,657	-	14,232,616
Carrying amount							
At 31 December 2024	4,763,904	7,755,413	223,124	1,420,330	5,756,284	1,774,828	21,693,883

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

3. PROPERTY, PLANT AND EQUIPMENT *cont'd*

	Freehold land and building RM	Plant and machinery RM	Motor vehicles RM	Office equipment, furniture and fittings RM	Renovation RM	Capital work-in- progress RM	Total RM
Group							
Cost							
At 1 January 2023	5,414,387	10,572,008	532,457	2,990,096	6,922,677	2,057,494	28,489,119
Additions	-	962,306	267,032	109,800	364,183	1,847,786	3,551,107
Reclassification	-	-	-	-	120,000	(120,000)	-
Disposal	-	-	(181,127)	(349)	-	-	(181,476)
Written-off	-	-	-	(28,099)	(286,150)	-	(314,249)
At 31 December 2023	5,414,387	11,534,314	618,362	3,071,448	7,120,710	3,785,280	31,544,501
Accumulated depreciation							
At 1 January 2023	433,655	3,901,782	357,104	1,644,511	2,063,643	-	8,400,695
Charge for the year	108,414	1,379,007	72,677	356,515	878,045	-	2,794,658
Disposal	-	-	(111,091)	(70)	-	-	(111,161)
Written-off	-	-	-	(10,857)	(48,571)	-	(59,428)
At 31 December 2023	542,069	5,280,789	318,690	1,990,099	2,893,117	-	11,024,764
Carrying amount							
At 31 December 2023	4,872,318	6,253,525	299,672	1,081,349	4,227,593	3,785,280	20,519,737

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

4. RIGHT-OF-USE ASSETS

	Group	
	2024	2023
	RM	RM
Cost		
At 1 January	19,914,836	11,232,298
Addition	-	10,680,912
Completion of lease	-	(194,741)
Remeasurement of lease	(88,420)	-
Termination of lease	-	(1,803,633)
At 31 December	19,826,416	19,914,836
Accumulated depreciation		
At 1 January	3,191,496	1,745,423
Charge for the financial year	2,209,145	2,218,454
Completion of lease	-	(194,741)
Termination of lease	-	(577,640)
At 31 December	5,400,641	3,191,496
Carrying amount		
At 31 December	14,425,775	16,723,340

5. INVESTMENT IN SUBSIDIARIES

	Note	Company	
		2024	2023
		RM	RM
Unquoted shares, at cost		16,735,629	16,735,629
Capital contribution to subsidiaries	(a)	577,272	577,272
At 31 December		17,312,901	17,312,901

- (a) This amount arises from the share-based payments granted to eligible Directors and employees of the subsidiary companies that are equity settled within the Group.

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

5. INVESTMENT IN SUBSIDIARIES *cont'd*

The subsidiary companies and shareholdings therein are as follows:

Name of entity	Country of incorporation and place of business	Effective ownership and voting interest (%)		Principal activities
		2024	2023	
Hospital Wanita Metro Sdn. Bhd.	Malaysia	100	100	Provision of fertility, obstetrics and gynaecology, paediatrics services, and other healthcare related services
K.W. Tee Sdn. Bhd.	Malaysia	100	100	Property investment holding
Metro IVF Sdn. Bhd.	Malaysia	100	100	Provision of fertility, obstetrics and gynaecology healthcare services
Vision One Diagnostic Sdn. Bhd.	Malaysia	100	100	Provision of diagnostic imaging services

6. OTHER INVESTMENT

	Group		
	31.12.2024	31.12.2023	1.1.2023
	RM	RM	RM
		Restated	Restated
Fair Value through Profit or Loss			
Quoted shares in Malaysia	3,758,143	3,075,156	3,147,366

7. INVENTORIES

	Group	
	2024	2023
	RM	RM
At cost		
Trading merchandise	2,399,390	1,907,162

The Group's cost of inventories recognised as expenses and included in cost of sales amounted to RM6,226,602 (2023: RM5,506,470).

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

8. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Trade receivables	31,141	110,295	-	-
Other receivables	126,075	56,357	6,207	6,189
Deposits	785,429	765,258	-	-
Prepayment	72,664	277,416	-	193,052
	1,015,309	1,209,326	6,207	199,241

The Group's trade credit terms are 30 days (2023: 30 days). Other credit terms are assessed and approved on a case by case basis.

The ageing analysis of the Group's trade receivables is as follows:

	Group	
	2024 RM	2023 RM
Neither past due nor impaired	11,228	8,158
Past due but not individually impaired		
- Between 1 - 180 days	8,533	89,753
- Between 181 - 365 days	200	5,934
- More than 365 days	11,180	6,450
	19,913	102,137
	31,141	110,295

The Group's trade receivables of RM19,913 (2023: RM102,137) were past due but not individually impaired. These relate to a number of independent customers for whom there is no recent history of default.

Included in deposits of the Group is an amount of RM66,000 and RM321,000 (2023: RM66,000 and RM330,000) paid to Directors and companies in which certain Director have substantial financial interest respectively for the rental of properties.

Included in other receivables of the Group and of the Company is an amount of RM6,207 (2023: RM6,189) relating to deemed consideration receivable from related companies.

9. CASH AND CASH EQUIVALENTS

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Cash and bank balances	19,679,699	11,797,025	7,949,526	284,102
Fixed deposits placed with a licensed bank	31,726,900	3,361,455	31,726,900	3,361,455
	51,406,599	15,158,480	39,676,426	3,645,557

Interest rates on deposits placed with a licensed bank ranges from 2.30% to 3.85% (2023: 2.50% to 2.65% per annum) per annum and have a maturity period of range from 30 to 181 days (2023: 30 to 92 days).

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

10. SHARE CAPITAL

	Group/Company			
	2024		2023	
	Number of shares Units	Amount RM	Number of shares Units	Amount RM
Issued and fully paid				
At 1 January	616,710,000	18,163,699	616,710,000	18,163,699
Issuance of shares	362,195,000	38,124,099	-	-
At 31 December	978,905,000	56,287,798	616,710,000	18,163,699

During the financial year, the Company increased its issued and paid-up share capital from 616,710,000 to 978,905,000 ordinary shares by way of:

- (i) On 8 October 2024, the Company issued 205,570,000 new ordinary shares by way of bonus issues on the basis of one (1) new ordinary share for every three (3) existing ordinary shares held; and
- (ii) On 15 November 2024, the Company issued 156,625,000 new ordinary shares for a total cash consideration of RM39,156,250, RM0.25 each in conjunction with the initial public offering ("IPO") on the ACE market of Bursa Malaysia Securities Berhad. The share issuance expenses associated with the issuance of new ordinary shares amounting to RM1,032,151 were offset against the share capital.

The newly issued ordinary shares ranked *pari-passu* in all respects with the then-existing ordinary shares of the Company.

11. DEFERRED TAX LIABILITIES

	Group	
	2024 RM	2023 RM
Deferred tax liabilities	642,561	655,208

Movement on the net deferred tax liabilities are as follows:

	Group	
	2024 RM	2023 RM
At 1 January	655,208	1,042,534
Recognised in profit or loss (Note 17):		
- Property, plant and equipment	(170,195)	(464,117)
- Right-of-use assets	(114,372)	(110,180)
- Contract liabilities	271,920	186,971
	(12,647)	(387,326)
At 31 December	642,561	655,208

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

11. DEFERRED TAX LIABILITIES *cont'd*

The components of deferred tax assets and deferred tax liabilities of the Group during the financial year prior to offsetting are as follows:

	Group	
	2024	2023
	RM	RM
Deferred tax assets		
- Right-of-use assets	(388,779)	(274,407)
- Contract liabilities	(172,297)	(444,217)
	(561,076)	(718,624)
Offsetting	561,076	718,624
Net deferred tax assets	-	-
Deferred tax liabilities		
- Property, plant and equipment	1,203,637	1,373,832
Offsetting	(561,076)	(718,624)
Net deferred tax liabilities	642,561	655,208

12. LEASE LIABILITIES

	Group	
	2024	2023
	RM	RM
Repayable within twelve months	1,935,291	1,844,892
Repayable after twelve months	14,047,081	15,982,307
	15,982,372	17,827,199

13. TRADE AND OTHER PAYABLES

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Trade payables	2,059,893	627,201	-	-
Other payables	610,391	1,223,749	7,338	23,380
Accruals	392,036	218,679	85,185	20,000
Contract liabilities relating to ambulatory care services:				
- Deferred revenue	717,906	1,850,909	-	-
	3,780,226	3,920,538	92,523	43,380

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

13. TRADE AND OTHER PAYABLES *cont'd*

The trade credit terms granted to the Group range from 30 to 60 days (2023: 30 to 60 days).

Deferred revenue represents payments received for ambulatory care services which the Group has not fulfilled its performance obligation as at the financial year end.

The Company recognise contract liabilities when a customer pays consideration, or is contractually required to pay consideration, before and the Company recognise the related revenue. The contract liabilities are expected to be recognised as revenue within a year.

	Group	
	2024	2023
	RM	RM
Significant changes		
Contract liabilities as at the beginning of the period recognised as revenue during the year	1,850,909	2,630,317

14. REVENUE

Breakdown of revenue recognised from contracts with customers is as follows:

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Revenue recognised from contracts with customers:				
Outpatient services	20,719,890	19,466,307	-	-
Inpatient services	5,642,823	5,843,164	-	-
Ambulatory care	22,287,110	19,376,557	-	-
	48,649,823	44,686,028	-	-
Revenue from other sources:				
Dividend income	-	-	4,400,000	2,200,000
	48,649,823	44,686,028	4,400,000	2,200,000
Geographical market				
Malaysia	48,649,823	44,686,028	4,400,000	2,200,000
Timing of revenue recognition				
Over time	48,649,823	44,686,028	-	-
At a point in time	-	-	4,400,000	2,200,000
	48,649,823	44,686,028	4,400,000	2,200,000

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

15. OTHER OPERATING INCOME

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Dividend income	246,654	103,497	-	-
Rental income	17,036	23,417	-	-
Interest income	218,082	106,973	185,870	87,420
Educational seminar	146,630	122,612	-	-
Gain on disposal of property, plant and equipment	-	34,964	-	-
Termination of lease	-	160,709	-	-
Sponsorship	150,000	-	-	-
Others	86,636	60,314	-	-
	865,038	612,486	185,870	87,420

16. PROFIT BEFORE TAXATION

Profit before taxation is derived at after charging/(crediting):

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Auditors' remuneration:				
- statutory audit:				
- current year	108,000	95,000	40,000	40,000
- under provision in prior year	10,000	5,500	1,000	500
- non-statutory audit	261,000	74,700	261,000	70,000
Depreciation of property, plant and equipment	3,220,816	2,794,658	-	-
Depreciation of right-of-use assets	2,209,145	2,218,454	-	-
Finance cost				
- lease liabilities	694,913	732,401	-	-
Net fair value loss on investment in quoted shares	124,609	72,210	-	-
Short term leases of premises	-	12,100	-	-
Property, plant and equipment written-off	23,341	254,821	-	-
Share-based payment under ESOS	-	198,562	-	5,463

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

17. TAXATION

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Current taxation:				
- Current year	2,408,015	2,333,098	44,609	20,981
- Under/(Over) provision in prior financial years	217,515	349,079	(880)	4,100
	2,625,530	2,682,177	43,729	25,081
Deferred taxation:				
- Origination and reversal of temporary differences	93,929	102,522	-	-
- Over provision in prior financial years	(106,576)	(489,848)	-	-
	(12,647)	(387,326)	-	-
Taxation for the financial year	2,612,883	2,294,851	43,729	25,081

Malaysian income tax is calculated at the statutory tax rate of 24% (2023: 24%) of the estimated assessable profit for the financial year.

A reconciliation of income tax expense applicable to profit before taxation at the statutory income tax rate to income tax expense at the effective income tax rate of the Group and of the Company is as follows:

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Profit before taxation	7,172,325	8,542,443	2,139,810	1,880,041
Taxation at statutory tax rate of 24% (2023: 24%)	1,721,358	2,050,186	513,554	451,210
Non-taxable income	(59,197)	(24,839)	(1,056,000)	(528,000)
Non-deductible expenses	839,783	410,273	587,055	97,771
Under/(Over) provision of current taxation in prior years	217,515	349,079	(880)	4,100
Over provision of deferred taxation in prior years	(106,576)	(489,848)	-	-
Taxation for the financial year	2,612,883	2,294,851	43,729	25,081

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

18. EARNINGS PER SHARE

Basic earnings per share

Basic earnings per share is calculated by dividing the consolidated profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the financial year.

	Note	Group	
		2024 RM	2023 RM Restated
Profit attributable to owners of the Company (RM)		4,559,442	6,247,592
Weighted average number of ordinary shares in issue	(a)	978,905,000	822,280,000
Basic earnings per share (sen)		0.47	0.76

(a) The comparative figures for the weighted average number of ordinary shares have been restated to reflect the adjustments arising from bonus issue during the year.

Diluted earnings per share

There is no diluted earnings per share as the Company does not have any potential dilutive ordinary shares at the financial year end.

19. DIVIDEND

	Group/Company	
	2024 RM	2023 RM
Interim single-tier tax exempt dividend of 0.72 sen per share in respect of financial year ended 31 December 2024, paid on 5 April 2024	4,440,312	-
Interim single-tier tax exempt dividend of 0.70 sen per share in respect of financial year ended 31 December 2023, paid on 24 March 2023	-	4,316,970

20. STAFF COST

	Group	
	2024 RM	2023 RM
Salary, bonus and other emoluments (excluding Directors)	9,426,978	8,057,774
Contribution to Employees Provident Fund	982,918	847,369
Share-based payment under ESOS	-	165,876
	10,409,896	9,071,019

Included in the total staff cost of the Group are amounts charged to cost of sales and other operating expenses amounting to RM8,313,500 and RM2,096,396 (2023: RM7,351,962 and RM1,719,057) respectively.

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

21. RELATED PARTY DISCLOSURES

For the purposes of these financial statements, parties are considered to be related to the Group if the Group or the Company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel include all the Directors of the Group, and certain members of senior management of the Group.

The significant related party transactions of the Group and of the Company, other than key management personnel remuneration, are as follows:

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Leases of premises paid to:				
- Director	324,000	324,000	-	-
- Related companies	852,000	822,000	-	-
Dividend received from subsidiaries	-	-	(4,400,000)	(2,200,000)

The key management personnel compensation is as follows:

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Remuneration of Directors:				
- fees, salaries, allowances and bonus	970,999	911,001	89,998	30,000
- contribution to Employees Provident Fund	29,280	29,277	-	-
- share-based payment under ESOS	-	32,776	-	5,463
	1,000,279	973,054	89,998	35,463
Remuneration of other key management personnel:				
- salaries, allowances and bonus	607,634	500,081	-	-
- contribution to Employees Provident Fund	67,134	60,188	-	-
- share-based payment under ESOS	-	43,701	-	-
	674,768	603,970	-	-
	1,675,047	1,577,024	89,998	35,463

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

22. SEGMENT INFORMATION

The principal businesses of the Group are to provide inpatient services, outpatient services and ambulatory care which are substantially within a single business segment in Malaysia. As such, segmental reporting by business segment and geographical segment is deemed not necessary. Accordingly, the information regarding its financial position and results is represented by the financial statements as a whole.

Major customers

The Group does not have significant reliance on a single major customer, with whom the Group transacted ten percent (10%) or more of its revenue during the financial year.

23. FINANCIAL INSTRUMENTS

The following table analyses the financial assets and financial liabilities of the Group and of the Company by the classes and categories of financial instruments to which they are assigned, and therefore by the measurement basis:

	Financial assets and liabilities at amortised cost RM	Financial assets at FVTPL RM	Total RM
2024			
Group			
Financial assets			
Other investment	-	3,758,143	3,758,143
Trade and other receivables	942,645	-	942,645
Cash and cash equivalents	51,406,599	-	51,406,599
	52,349,244	3,758,143	56,107,387
Financial liabilities			
Trade and other payables	3,741,001	-	3,741,001
Lease liabilities	15,982,372	-	15,982,372
	19,723,373	-	19,723,373
Company			
Financial assets			
Trade and other receivables	6,207	-	6,207
Cash and cash equivalents	39,676,426	-	39,676,426
	39,682,633	-	39,682,633
Financial liability			
Trade and other payables	92,523	-	92,523

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

23. FINANCIAL INSTRUMENTS *cont'd*

	Financial assets and liabilities at amortised cost RM	Financial assets at FVTPL RM	Total RM
2023			
Group			
Financial assets			
Other investment	-	3,075,156	3,075,156
Trade and other receivables	931,910	-	931,910
Cash and cash equivalents	15,158,480	-	15,158,480
	16,090,390	3,075,156	19,165,546
Financial liabilities			
Trade and other payables	3,816,484	-	3,816,484
Lease liabilities	17,827,199	-	17,827,199
	21,643,683	-	21,643,683
Company			
Financial assets			
Trade and other receivables	6,189	-	6,189
Cash and cash equivalents	3,645,557	-	3,645,557
	3,651,746	-	3,651,746
Financial liability			
Trade and other payables	43,380	-	43,380

Financial risk management

The Group's financial risk management policy is to ensure that adequate financial resources are available for the development of the Group's operations whilst managing its financial risks, including credit risk, liquidity risk and market risk.

Credit risk

Credit risk is the risk of a financial loss to the Group if a counterparty of a financial asset fails to meet its contractual obligations. The Group's exposure to credit risk arises mainly from trade and other receivables.

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis through the review of trade and other receivables ageing. At reporting date, there were no significant concentration of credit risk.

The maximum exposure to credit risk for the Group is the carrying amount of the financial assets shown in the statements of financial position.

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

23. FINANCIAL INSTRUMENTS *cont'd*

Financial risk management *cont'd*

Liquidity risk

Liquidity risk is the risk that the Group and the Company will not be able to meet its financial obligations as they fall due. The Group's and the Company's exposure to liquidity risks arises principally from trade and other payables, and lease liabilities.

Cash flow forecasting is performed by monitoring the Group's and the Company's liquidity requirements to ensure that it has sufficient liquidity to meet operational, financing repayments and other liabilities as they fall due.

The table below summaries the maturity profile of the Group's and the Company's financial liabilities as at the end of the reporting period based on contractual undiscounted payments:

	Carrying amount	Contractual interest rate	Contractual cash flows	Below 1 year	Between 2 and 5 years	Above 5 years
	RM	%	RM	RM	RM	RM
Group						
2024						
Trade and other payables	3,741,001	-	3,741,001	3,741,001	-	-
Lease liabilities	15,982,372	-	19,099,658	2,622,791	8,692,845	7,784,022
	<u>19,723,373</u>		<u>22,840,659</u>	<u>6,363,792</u>	<u>8,692,845</u>	<u>7,784,022</u>
2023						
Trade and other payables	3,816,484	-	3,816,484	3,816,484	-	-
Lease liabilities	17,827,199	-	21,523,282	2,430,203	10,078,718	9,014,361
	<u>21,643,683</u>		<u>25,339,766</u>	<u>6,246,687</u>	<u>10,078,718</u>	<u>9,014,361</u>
Company						
2024						
Trade and other payables	92,523	-	92,523	92,523	-	-
2023						
Trade and other payables	43,380	-	43,380	43,380	-	-

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and cash flow and fair value interest rate risk that may affect the Group's and the Company's financial position and cash flows. As at the end of the reporting period, the Group and the Company are not significantly exposed to foreign exchange rate risk.

(i) Interest rate risk

The Group's income and operating cash flows are substantially independent of changes in market interest rates. Interest rate exposure arises from borrowings. The Group does not hedge the interest rate risk.

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

23. FINANCIAL INSTRUMENTS *cont'd*

Financial risk management *cont'd*

Market risk *cont'd*

(i) Interest rate risk *cont'd*

Exposure to interest rate risk

The interest rate profile of the Group's significant interest-bearing financial instruments, based on carrying amount as at the end of the financial year are as follows:

	Group/Company	
	2024	2023
	RM	RM
Fixed rate instruments		
Fixed deposits placed with a licensed bank	31,726,900	3,361,455

Fair value information

The carrying amounts of cash and cash equivalents, short term receivables and payables, reasonably approximate their fair values due to the relatively short term nature of these financial instruments.

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1 : Quoted prices in active markets for identical assets or liabilities.
- Level 2 : Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 : Inputs for the asset or liability that is not based on observable market data.

The following table analyses the fair value hierarchy for financial instruments carried at fair value in the statements of financial position:

	2024	2023
	Level 1 Fair value	Level 1 Fair value
	RM	RM
Group		
Financial assets		
Financial assets at fair value through profit or loss		
- Other investment	3,758,143	3,075,156

Level 1 fair value is derived from quoted prices from active markets for identical financial assets or liabilities readily available to the Group at the measurement date. Financial instruments included in level 1 primarily comprise of held for trading investments quoted on FTSE Bursa Malaysia KLCI.

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

24. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

	Group			
	2024		2023	
	Borrowing RM	Lease liabilities RM	Borrowing RM	Lease liabilities RM
At 1 January	-	17,827,199	32,094	10,171,154
Net cash flows used in financing activities	-	(2,451,320)	(32,094)	(2,370,566)
Finance cost	-	694,913	-	732,401
Addition	-	-	-	10,680,912
Remeasurement of lease liabilities	-	(88,420)	-	-
Termination of lease	-	-	-	(1,386,702)
Total non-cash changes	-	606,493	-	10,026,611
At 31 December	-	15,982,372	-	17,827,199

25. CAPITAL MANAGEMENT

The objective of the Group on capital management is to ensure that it maintains a strong credit rating and safeguard the Group's ability to continue as a going concern, so as to support its business, maintain the market confidence and maximise shareholder value.

The management does not set a target level of gearing but uses capital opportunistically to support its business and to add value for shareholders.

There were no changes to the Group's approach to capital management during the financial year.

26. SIGNIFICANT EVENT

On 15 November 2024, the Company successfully transferred its listing to the ACE Market of Bursa Malaysia Securities Berhad, with the listing and quotation of its entire enlarged issued share capital of RM56,287,798, comprising 978,905,000 ordinary shares.

27. SUBSEQUENT EVENT

On 12 February 2025, the Group announced that its wholly-owned subsidiary, K.W. Tee Sdn. Bhd. ("KWT"), had entered into a Sale and Purchase Agreement with Summer Healthcare Sdn. Bhd., for acquisition of freehold land together with a 4-storey shop office located in Selangor, for a total purchase consideration of RM9,500,000.

On 4 April 2025, KWT received an offer for an Islamic banking facility from a financial institution amounting to RM9,050,000 to part finance the acquisition of the said property and the construction/renovation cost. The acquisition is yet to be completed as at the reporting date.

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

28. CAPITAL COMMITMENT

	Group	
	2024	2023
	RM	RM
Capital commitment contracted but not provided for	222,732	-

29. COMPARATIVE FIGURES

The comparative figures as at 1 January 2023 and 1 January 2024 had been reclassified to conform to current year presentation.

Prior year reclassification has been made as follows:

	As Previously Stated	Adjustment	As Restated
	RM	RM	RM
Statement of financial position as at 1 January 2023 (extract)			
Non-Current Assets			
Other investments	3,147,366	(3,147,366)	-
Current Assets			
Other investments	-	3,147,366	3,147,366
Statement of financial position as at 1 January 2024 (extract)			
Non-Current Assets			
Other investments	3,075,156	(3,075,156)	-
Current Assets			
Other investments	-	3,075,156	3,075,156

LIST OF PROPERTIES

As at 31 December 2024

Registered Owner/ Location	Date of Acquisition	Description	Tenure	Approximate age of building (Years)	Gross Built up Area (Sq. ft)	Existing Use	Audited Net Book Value as at 31 December 2024 (RM'000)
K.W. Tee Sdn Bhd / GRN 514373, Lot 154443 (formerly known as HS(D) 545574 PTD 175948), Mukim Tebrau, Daerah Johor Bahru, Negeri Johor	19.07.2017	Four storey shop office	Freehold	approximately 30 years	14,292	Ground and first floor: Part of MIVF Johor Bahru (Private ambulatory care centre – fertility centre) Second floor: Houses the generator set, and air handling unit Third floor: Storage and utility area	4,763,904

ANALYSIS OF SHAREHOLDINGS

As at 3 April 2025

Total number of issued shares : 978,905,000 ordinary shares
 Class of equity securities : Ordinary Shares (“Shares”)
 Voting rights by poll : One vote for every share held

DISTRIBUTION SCHEDULE OF SHAREHOLDERS

Size of Holdings	No. of Holders		No. of Shares	
		%		%
Less than 100 shares	7	0.17	100	0.00
100 - 1,000 shares	613	15.44	285,500	0.03
1,001 - 10,000 shares	2,223	55.98	12,815,100	1.31
10,001 - 100,000 shares	981	24.70	27,879,244	2.85
100,001 – less than 5% of issued shares	144	3.63	273,059,152	27.89
5% and above of issued shares	3	0.08	664,865,904	67.92
Total	3,971	100.00	978,905,000	100.00

SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS

(As per the Register of Substantial Shareholders)

Name of Substantial Shareholders	Direct Interest		Indirect Interest	
	No. of Shares	%	No. of Shares	%
Tay Swi Peng @ Tee Swi Peng	424,948,728	43.41	49,385,536 ^(a)	5.05
Kong Lan Moon	190,801,640	19.49	-	-
Country Range Sdn. Bhd.	49,385,536	5.05	-	-

Note:

(a) Deemed interested by virtue of his interest in Country Range Sdn. Bhd. pursuant to Section 8(4) of the Companies Act 2016 (“CA 2016”).

DIRECTORS' SHAREHOLDINGS

(As per the Register of Directors' Shareholdings)

Name of Directors	Direct Interest		Indirect Interest	
	No. of Shares	%	No. of Shares	%
Tay Swi Peng @ Tee Swi Peng	424,948,728	43.41	49,385,536	5.05
Lim Wai Khong	7,661,356	0.78	-	-
Kong Lan Moon	190,801,640	19.49	-	-
Seah Cheong Wei	160,000	0.02	-	-
Dr. Yee Meng Kheong	80,000	0.01	-	-
Chua Leng Leek	80,000	0.01	-	-
Rose Zilawati binti Mohamed Arifin	80,000	0.01	-	-

ANALYSIS OF SHAREHOLDINGS

As at 3 April 2025

(Cont'd)

THIRTY LARGEST SECURITIES ACCOUNT HOLDERS

(without aggregating the securities from different securities accounts belonging to the same registered holder)

No.	Name	No. of Shares held	%
1.	Maybank Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Tay Swi Peng @ Tee Swi Peng</i>	424,678,728	43.38
2.	Kong Lan Moon	190,801,640	19.49
3.	Country Range Sdn. Bhd.	49,385,536	5.05
4.	Maybank Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Sheikh Mohd Nasarudin</i>	44,023,000	4.50
5.	Ong Boon Cheng	34,325,434	3.51
6.	Tee Siew Kai	17,179,476	1.76
7.	Ahmad Zaini Bin A.Jamil	16,400,000	1.68
8.	Tee Siew Kai	12,937,200	1.32
9.	Teh Hong Teong	11,169,218	1.14
10.	Choy Mun Wai	7,600,000	0.78
11.	Elizebeth A/P K V Thomas	6,253,556	0.64
12.	Lim Wai Khong	6,173,556	0.63
13.	Chan Nyuk Leong	5,057,676	0.52
14.	Ong Siew Bee	4,937,676	0.50
15.	Augustine A/P S M Pushpanathan	4,937,676	0.50
16.	Chew Peet Lan	4,208,000	0.43
17.	Chua Seow Kiat	4,080,000	0.42
18.	CGS International Nominees Malaysia (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Lee Kwai Fong (Serdang-CL)</i>	4,028,800	0.41
19.	Ng Cheng Huat	4,000,000	0.41
20.	Lim E @ Lim Hoon Nam	3,918,000	0.40
21.	Maybank Nominees (Tempatan) Sdn. Bhd. <i>Maybank Private Wealth Management for Marion Rose Caunter (12023459) (448811)</i>	3,144,000	0.32
22.	Bimsec Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Sentosa Jaya Capital Sdn. Bhd. (MGNM83401)</i>	3,100,000	0.32
23.	Mohamad Farouk Bin Abdullah	2,960,000	0.30
24.	Kenanga Investment Bank Berhad <i>Exempt an for Sentosa Jaya Capital Sdn. Bhd.</i>	2,959,700	0.30
25.	Maybank Nominees (Tempatan) Sdn. Bhd. <i>Tee Ai Lin</i>	2,883,000	0.30
26.	Ng Chai Bing	2,630,000	0.27
27.	Quay Bee Bee	2,508,836	0.26
28.	Wong Pei Chin	2,468,836	0.25
29.	Susy Ding	2,221,800	0.23
30.	Gavin Yong Kok Weng	2,093,876	0.21

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Fifteenth Annual General Meeting (“15th AGM” or “Meeting”) of METRO HEALTHCARE BERHAD (“METRO” or “the Company”) will be held at Grand Centro Ballroom, First Floor, Centro, 8, Jalan Batu Tiga Lama, 41300 Klang, Selangor Darul Ehsan on Thursday, 19 June 2025 at 2:30 p.m. or at any adjournment thereof, to transact the following businesses:-

AGENDA

AS ORDINARY BUSINESS:

- | | | |
|----|---|---|
| 1. | To receive the Audited Financial Statements for the financial year ended 31 December 2024 together with the reports of the Directors and Auditors thereon. | PLEASE REFER TO EXPLANATORY NOTE 1 |
| 2. | To approve the payment of Directors’ fees of up to RM250,000.00 for the financial year ending 31 December 2025. | ORDINARY RESOLUTION 1 |
| 3. | To approve the payment of Directors’ benefits of up to RM100,000.00 for the period commencing from the date immediately after this 15 th AGM until the next Annual General Meeting (“AGM”) of the Company. | ORDINARY RESOLUTION 2 |
| 4. | To re-elect the following Directors who retire by rotation pursuant to Clause 89 of the Company’s Constitution: | |
| | i. Dr. Kong Lan Moon | ORDINARY RESOLUTION 3 |
| | ii. Mr. Seah Cheong Wei | ORDINARY RESOLUTION 4 |
| 5. | To re-appoint HLB Ler Lum Chew PLT as Auditors of the Company until the conclusion of the next AGM of the Company and to authorise the Directors to fix their remuneration. | ORDINARY RESOLUTION 5 |

AS SPECIAL BUSINESS:

To consider and if thought fit, to pass with or without any modifications, the following resolutions: -

- | | | |
|----|---|------------------------------|
| 6. | GENERAL AUTHORITY FOR THE DIRECTORS TO ISSUE AND ALLOT SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016 (“ACT”) | ORDINARY RESOLUTION 6 |
|----|---|------------------------------|

“THAT subject always to the Constitution of the Company, the Act, the ACE Market Listing Requirements (“Listing Requirements”) of Bursa Malaysia Securities Berhad (“Bursa Securities”) and the approvals of the relevant governmental/regulatory authorities, where required, the Directors of the Company, be and are hereby authorised and empowered pursuant to Sections 75 and 76 of the Act, to issue and allot new ordinary shares in the Company (“Shares”) to such persons, at any time, and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares to be issued does not exceed ten per centum (10%) of the total number of issued shares of the Company (excluding treasury shares, if any) at any point in time (“Mandate”) AND the Directors be and also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Securities AND THAT the Mandate shall continue in force until the conclusion of the next AGM of the Company held next after the approval was given or at the expiry of the period within which the next AGM is required to be held after the approval was given, whichever is the earlier.

NOTICE OF ANNUAL GENERAL MEETING

(Cont'd)

AND THAT the new Shares to be issued pursuant to the Mandate, shall, upon issuance and allotment, rank pari passu in all respects with the existing shares of the Company, save and except that they shall not be entitled to any dividends, rights, allotments and/or any other forms of distribution that which may be declared, made or paid before the date of allotment of such new Shares.”

7. **PROPOSED NEW SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE AND/OR TRADING NATURE (“PROPOSED NEW SHAREHOLDERS' MANDATE”)** **ORDINARY RESOLUTION 7**

“THAT authority be and is hereby given in line with Rule 10.09 of the Listing Requirements of Bursa Securities, for the Group to enter into any of the recurrent related party transactions with the related parties as set out in Section 2.6 of the Circular to Shareholders dated 30 April 2025 in relation to the Proposed New Shareholders' Mandate which are necessary for the day-to-day operations of the Company and/or its subsidiaries within the ordinary course of business of the Company and/or its subsidiaries, made on an arm's length basis and on normal commercial terms which are those generally available to the public and are not detrimental to the minority shareholders of the Company;

AND THAT such authority shall commence immediately upon the passing of this resolution and shall continue to be in force until:

- (i) the conclusion of the next AGM of the Company following the general meeting at which the ordinary resolution for the Proposed New Shareholders' Mandate was passed, at which time it shall lapse, unless the authority is renewed by a resolution passed at the next AGM; or
- (ii) the expiration of the period within which the next AGM after that date it is required by law to be held pursuant to Section 340(2) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- (iii) revoked or varied by an ordinary resolution passed by the shareholders of the Company at a general meeting,

whichever is earlier.

AND FURTHER THAT the Directors of the Company be and are hereby authorised to do all acts, deeds and things as they may be deemed fit, necessary, expedient and/or appropriate in order to implement the Proposed New Shareholders' Mandate with full power to assent to all or any conditions, variations, modifications and/or amendments in any manner as may be required by any relevant authorities or otherwise and to deal with all matters relating thereto and to take all such steps and to execute, sign and deliver for and on behalf of the Company all such documents, agreements, arrangements and/ or undertakings, with any party or parties and to carry out any other matters as may be required to implement, finalise and complete, and give full effect to the Proposed New Shareholders' Mandate in the best interest of the Company.”

8. To transact any other business of which due notice shall have been given.

NOTICE OF ANNUAL GENERAL MEETING

(Cont'd)

By order of the Board

TEA SOR HUA (MACS 01324) (SSM PC No.: 201908001272)
LEE SIEW FUN (MAICSA 7063623) (SSM PC No.: 202008000735)
Company Secretaries

Petaling Jaya, Selangor Darul Ehsan
30 April 2025

Notes:

- a) A member who is entitled to present, participate, speak and vote at the Meeting shall be entitled to appoint more than one (1) proxy to attend and vote at the Meeting in his/her stead. Where a member appoints more than one (1) proxy, he/she shall specify the proportion of his/her shareholdings to be represented by each proxy.
- b) A proxy may, but need not, be a member of the Company. A member may appoint any person to be his proxy. A proxy appointed to attend and vote at the Meeting shall have the same rights as the member to speak and vote at the Meeting.
- c) The instrument appointing a proxy shall be in writing signed by the appointor or his attorney duly authorised in writing or, if the appointor is a corporation, either under its common seal or signed by an officer or attorney duly authorised.
- d) Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
- e) Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. The appointment of multiple proxies shall not be valid unless the proportion of its shareholdings represented by each proxy is specified.
- f) For the purpose of determining a member who shall be entitled to present the Meeting, the Company will be requesting Bursa Malaysia Depository Sdn. Bhd. pursuant to Clause 65 of the Company's Constitution to issue a General Meeting Record of Depositors as at 11 June 2025. Only members whose names appear in the General Meeting Record of Depositors as at 11 June 2025 shall be regarded as members and entitled to present and vote at the Meeting.
- g) To be valid, the instrument appointing a proxy may be made in a hard copy form or by an electronic form in the following manner and must be received by the Company not less than forty-eight (48) hours before the time for holding the Meeting or adjourned meeting:-
 - (i) In hard copy form

In the case of an appointment made in hard copy form, the proxy form must be deposited at the Share Registrar of the Company situated at **Level 15-2, Bangunan Faber Imperial Court, Jalan Sultan Ismail, 50250 Kuala Lumpur.**

For corporate shareholder / nominee accounts, please execute proxy form.
 - (ii) By electronic form

The proxy form can be emailed to mega-sharereg@megacorp.com.my.
- h) All the resolutions set out in this Notice of Meeting will be put to vote by poll.
- i) The members are advised to refer to the Administrative Notes on the registration process for the Meeting.
- j) Kindly check Bursa Securities' and the Company's website at <https://www.metrohealthcare.my> for the latest updates on the status of the Meeting.

NOTICE OF ANNUAL GENERAL MEETING

(Cont'd)

EXPLANATORY NOTES TO ORDINARY AND SPECIAL BUSINESS

1. Item 1 of the Agenda – Audited Financial Statements for the financial year ended 31 December 2024

The Agenda is meant for discussion only as the provision of Section 340(1)(a) of the Act does not require a formal approval of members for the Audited Financial Statements. Hence, Agenda No. 1 will not be put forward for voting.

2. Items 2 and 3 of the Agenda – Directors' Fees and/or Benefits

Pursuant to Section 230(1) of the Act, the Directors' fees and/or any benefits payable to the Directors of a listed company and its subsidiaries shall be approved by the shareholders at a general meeting. The resolutions are to facilitate:-

- (a) the payment of Directors' fees for the financial year ending 31 December 2025; and
- (b) the payment of Directors' benefits for the period commencing from the date immediately after this 15th AGM until the next AGM of the Company.

3. Item 4 of the Agenda – Re-election of Directors

Clause 89 of the Company's Constitution provides that one-third (1/3) of the Directors of the Company for the time being or, if their number is not three (3) or a multiple of three (3), then the number nearest to one-third (1/3) shall retire from office and be eligible for re-election PROVIDED ALWAYS that all Directors shall retire from office at least once every three (3) years but shall be eligible for re-election.

Dr. Kong Lan Moon and Mr. Seah Cheong Wei will retire by rotation pursuant to Clause 89 of the Company's Constitution ("the Retiring Directors"). The Retiring Directors, being eligible, have offered themselves for re-election at the 15th AGM.

The Board has endorsed the Nomination Committee's recommendation to seek shareholders' approval to re-elect the Retiring Directors as they possess the required skill sets to facilitate and contribute to the Board's effectiveness and value.

The Retiring Directors had abstained from all deliberations and decisions on their own eligibility to stand for re-election at the Board meeting.

The details and profiles of the said retiring Directors are provided in the Profile of Directors of the Company's Annual Report 2024.

4. Item 6 of the Agenda – General Authority for the Directors to Issue and Allot Shares Pursuant to Sections 75 and 76 of the Companies Act 2016

The Ordinary Resolution 6 proposed under item 6 of the Agenda is to seek a general mandate for issuance and allotment of shares by the Company pursuant to Sections 75 and 76 of the Act. This Ordinary Resolution, if passed, is to empower the Directors to issue and allot new shares in the Company up to an amount not exceeding in total ten per centum (10%) of the total number of issued shares of the Company for such purposes as the Directors consider would be in the interest of the Company. This would avoid any delay and cost involved in convening a general meeting to approve the issuance and allotment of such shares. This authority, unless revoked or varied by the Company at a general meeting, will expire at the conclusion of the next AGM or the expiration of the period within which the next AGM is required by law to be held, whichever is earlier.

This general mandate will provide flexibility to the Company for issuance and allotment of shares for any possible fund-raising activities, including but not limited to further placing of shares, for the purpose of funding current and/or future project(s), working capital, acquisitions, investments and/or for issuance of shares as a form of settlement of purchase consideration or such other applications as the Directors may deem fit and expedient in the best interest of the Company.

This is the first general mandate to be sought by the Company since its listing on the ACE Market of Bursa Securities on 15 November 2024. As at the date of this notice, there is no decision to issue new Shares but the Directors consider it desirable to have the flexibility permitted to respond to market developments and to enable allotments to take place to finance business opportunities. Should there be a decision to issue new Shares after the general mandate is sought, the Company will make an announcement in respect thereof.

5. Item 7 of the Agenda – Proposed New Shareholders' Mandate

The Ordinary Resolution 7 proposed under item 7 of the Agenda, if passed, will give the mandate to the Group to enter into recurrent related party transactions of a revenue and/or trading nature pursuant to Rule 10.09 of the Listing Requirements of Bursa Securities. The mandate, unless revoked or varied by the Company at a general meeting, will expire at the next AGM of the Company.

Please refer to the Circular to Shareholders dated 30 April 2025 for further details.

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METRO HEALTHCARE BERHAD
201001021746 (905516-M)
(Incorporated in Malaysia)

PROXY FORM

CDS ACCOUNT NO.	NO. OF SHARES HELD

I/We * _____ NRIC/Passport/Registration No.* _____
(full name in capital letters)
of _____
(full address)
with email address _____ mobile phone no. _____

being a member/members* of **METRO HEALTHCARE BERHAD** ("the Company") hereby appoint(s):-

Full Name (in capital letters)	NRIC/Passport No.:	Proportion of Shareholdings	
		No. of Shares	%
Full Address (in capital letters)			
Contact No.:			
Email Address:			

and/or*

Full Name (in capital letters)	NRIC/Passport No.:	Proportion of Shareholdings	
		No. of Shares	%
Full Address (in capital letters)			
Contact No.:			
Email Address:			

or failing him/her*, the Chairman of the Meeting as my/our* proxy to vote for me/us* on my/our* behalf at the Fifteenth Annual General Meeting ("15th AGM" or "Meeting") of the Company will be held at the Grand Centro Ballroom, First Floor, Centro, 8, Jalan Batu Tiga Lama, 41300 Klang, Selangor Darul Ehsan on Thursday, 19 June 2025 at 2:30 p.m. or at any adjournment thereof.

Please indicate with an "X" in the appropriate spaces how you wish your votes to be cast. If no specific direction as to vote is given, the Proxy will vote or abstain from voting at his/her discretion.

No.	Ordinary Resolutions	For	Against
1.	To approve the payment of Directors' fees of up to RM250,000.00 for the financial year ending 31 December 2025.		
2.	To approve the payment of Directors' benefits of up to RM100,000.00 for the period commencing from the date immediately after this 15 th AGM until the next Annual General Meeting of the Company.		
3.	To re-elect Dr. Kong Lan Moon who retires by rotation pursuant to Clause 89 of the Company's Constitution.		
4.	To re-elect Mr. Seah Cheong Wei who retires by rotation pursuant to Clause 89 of the Company's Constitution.		
5.	To re-appoint HLB Ler Lum Chew PLT as Auditors of the Company until the conclusion of the next annual general meeting of the Company and to authorise the Directors to fix their remuneration.		
6.	To approve the general authority for the Directors to issue and allot shares pursuant to Sections 75 and 76 of the Companies Act 2016.		
7.	To approve the Proposed New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue and/or Trading Nature.		

*delete whichever not applicable

Dated this _____ day of _____ 2025

Signature/Common Seal of Member(s)

Notes:

- a) A member who is entitled to present, participate, speak and vote at the Meeting shall be entitled to appoint more than one (1) proxy to attend and vote at the Meeting in his/her stead. Where a member appoints more than one (1) proxy, he/she shall specify the proportion of his/her shareholdings to be represented by each proxy.
- b) A proxy may, but need not, be a member of the Company. A member may appoint any person to be his proxy. A proxy appointed to attend and vote at the Meeting shall have the same rights as the member to speak and vote at the Meeting.
- c) The instrument appointing a proxy shall be in writing signed by the appointor or his attorney duly authorised in writing or, if the appointor is a corporation, either under its common seal or signed by an officer or attorney duly authorised.
- d) Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
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AFFIX
STAMP

Company Share Registrars
Mega Corporate Services Sdn. Bhd.
[198901010682 (187984-H)]
Level 15-2, Bangunan Faber Imperial Court
Jalan Sultan Ismail
50250 Kuala Lumpur
W.P. Kuala Lumpur

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- f) For the purpose of determining a member who shall be entitled to present the Meeting, the Company will be requesting Bursa Malaysia Depository Sdn. Bhd. pursuant to Clause 65 of the Company's Constitution to issue a General Meeting Record of Depositors as at 11 June 2025. Only members whose names appear in the General Meeting Record of Depositors as at 11 June 2025 shall be regarded as members and entitled to present and vote at the Meeting.
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www.metro.com.my

METRO HEALTHCARE BERHAD

(Registration No.201001021746 (905516-M))
(Incorporated in Malaysia under the Companies Act, 1965)

-  No. 32, Jalan Pasar, 41400,
Klang, Selangor Darul Ehsan, Malaysia.
-  (603) 3341 2277
-  (603) 3342 4479