



SMILE-LINK HEALTHCARE GLOBAL BERHAD

(Company No. 1254469-U)

(Incorporated in Malaysia under the Companies Act 2016)

FINANCIAL STATEMENTS FOR THE 1ST HALF-YEAR ENDED 30 JUNE 2019

CHARACTERISTICS OF THE LEAP MARKET OF BURSA MALAYSIA SECURITIES BERHAD ("BURSA SECURITIES")

THE LEAP MARKET HAS BEEN POSITIONED AS A MARKET DESIGNED TO ACCOMMODATE CORPORATIONS TO WHICH A HIGHER INVESTMENT RISK MAY BE ATTACHED THAN OTHER CORPORATIONS LISTED ON THE ACE MARKET OR MAIN MARKET OF BURSA SECURITIES. IT IS A QUALIFIED MARKET WHICH IS MEANT MAINLY FOR SOPHISTICATED INVESTORS ONLY. ONLY EXISTING SECURITIES HOLDERS AND SOPHISTICATED INVESTORS ARE ALLOWED TO PARTICIPATE IN CORPORATE EXERCISES UNDERTAKEN BY SMILE-LINK HEALTHCARE GLOBAL BERHAD ("SLHGB" OR THE "COMPANY"). SOPHISTICATED INVESTOR SHOULD BE AWARE OF THE POTENTIAL RISKS OF INVESTING IN SUCH CORPORATIONS AND SHOULD MAKE THE DECISION TO INVEST ONLY AFTER DUE AND CAREFUL CONSIDERATION.

SMILE-LINK HEALTHCARE GLOBAL BERHAD (Company No: 1254469-U)
(Incorporated in Malaysia)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2019

	UNAUDITED As at 30.6.2019 RM'000	AUDITED As at 31.12.2018 RM'000
ASSETS		
NON-CURRENT ASSETS		
Plant and Equipment	9,264	9,220
Goodwill	6,172	6,172
Total non-current assets	<u>15,436</u>	<u>15,392</u>
CURRENT ASSETS		
Inventories	2,405	2,241
Trade and Others Receivables	3,909	2,871
Current Tax Assets	838	838
Fixed Deposit with licensed bank	7,038	300
Cash and Cash Equivalents	1,643	2,726
Total current assets	<u>15,833</u>	<u>8,976</u>
TOTAL ASSETS	<u>31,269</u>	<u>24,368</u>
EQUITY AND LIABILITIES		
EQUITY		
Equity attributable to owners of the owners of the Company:-		
Share Capital	27,539	17,093
Retained Profit	2,548	2,168
TOTAL EQUITY	<u>30,087</u>	<u>19,261</u>
LIABILITIES		
NON-CURRENT LIABILITIES		
Deferred tax liabilities	106	265
Long terms borrowings	91	2,029
Total non-current liabilities	<u>197</u>	<u>2,294</u>
CURRENT LIABILITIES		
Trade and Other Payables	410	1,411
Current tax liabilities	529	80
Short terms borrowings	46	1,322
Total current liabilities	<u>985</u>	<u>2,813</u>
TOTAL LIABILITIES	1,182	5,107
TOTAL EQUITY AND LIABILITIES	<u>31,269</u>	<u>24,368</u>
Net Assets per share (sen)	3.17	2.2536

Notes:

- 1 This unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial period ended 31 December 2018 and the accompanying explanatory notes attached to the interim financial report.
- 2 Net assets per share is calculated based on the Company's number of ordinary shares at the end of the reporting period of 949,620,003 shares as at 30 June 2019 and 854,658,003 shares as at 31 December 2018 respectively.

SMILE-LINK HEALTHCARE GLOBAL BERHAD (Company No: 1254469-U)
(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME
FOR THE 1ST HALF-YEAR ENDED 30 JUNE 2019**

	Individual 6 months ended		Cumulative 6 months ended	
	30.6.2019 RM'000	30.6.2018 RM'000	30.6.2019 RM'000	30.6.2018 RM'000
Revenue	13,489	-	13,489	-
Cost of sales and services	(6,488)	-	(6,488)	-
Gross profit	7,001	-	7,001	-
Other income	-	-	-	-
Administrative and other operating expenses	(4,871)	-	(4,871)	-
Operating profit / (loss)	2,130	-	2,130	-
Finance costs	(81)	-	(81)	-
Profit/ (Loss) before taxation	2,049	-	2,049	-
Taxation	(529)	-	(529)	-
Profit/ (Loss) after tax for the period	1,520	-	1,520	-
Other comprehensive income/(loss), net of tax	-	-	-	-
Total comprehensive income/(loss) for the period	1,520	-	1,520	-
Profit and total comprehensive income/(loss) attributable to:				
Owners of the Company	1,520	-	1,520	-
	1,520	-	1,520	-
Earnings per share :-				
- Basic (sen)	0.160	n/a	0.160	n/a
- Diluted (sen)	n/a	n/a	n/a	n/a

Notes:

- This unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the audited financial statements for the financial period ended 31 December 2018 and the accompanying explanatory notes attached to the interim financial report.
- No comparative figures for the preceding period are available, as this is the Group's first interim financial report on its consolidated results announced in compliance with the LEAP Market Listing Requirements of Bursa Securities ("Listing Requirements").
- There are no dilutive potential equity instruments that would give a diluted effect to the basic earnings per share.

SMILE-LINK HEALTHCARE GLOBAL BERHAD (Company No: 1254469-U)
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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE 1ST HALF-YEAR ENDED 30 JUNE 2019

	Attributable to owners of the Company		
	Ordinary Shares RM'000	Retained Profits RM'000	Total Equity RM'000
As at 1 January 2019	17,093	2,168	19,261
Issuance of new shares	10,446	-	10,446
Profit for the financial period	-	1,520	1,520
Dividend	-	(1,140)	(1,140)
As at 30 June 2019	27,539	2,548	30,087

Notes:

- 1 This unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the financial period ended 31 December 2018 and the accompanying explanatory notes attached to the interim financial report.

SMILE-LINK HEALTHCARE GLOBAL BERHAD (Company No: 1254469-U)
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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE 1ST HALF-YEAR ENDED 30 JUNE 2019

	6 months ended	
	30.6.2019	30.6.2018
	RM'000	RM'000
Cash flows from operating activities		
Profit before taxation	2,049	-
Adjustments for :		
Depreciation of property, plant and equipment	665	-
Interest charges on borrowing	81	-
Operating (loss)/profit before changes in working capital	2,795	-
Changes in working capital:		
Inventories	(164)	-
Decrease/ (Increase)Decrease in trade and other receivables	(1,038)	-
Increase/ (decrease) in trade payables and other payables	(1,001)	-
Cash (used in)/generated from operations	592	-
(Income tax paid)/Tax refunded	(239)	-
Interest charges on borrowing	(81)	-
Net cash (used in)/generated from operating activities	272	-
Cash flow from investing activities		
Purchase of property, plant and equipment	(709)	-
Dividend payable	(1,140)	-
Net cash generated from/(used in) investing activities	(1,849)	-
Cash flow from financing activities		
Proceeds from issuance of shares	10,446	-
Repayment of borrowings	(3,214)	-
Net cash (used in)/ from financing activities	7,232	-
Net increase/(decrease) in cash and cash equivalents	5,655	-
Cash and cash equivalents at beginning of year	3,026	-
Cash and cash equivalents at end of financial period	8,681	-
Cash and cash equivalents comprise :		
Short term deposits	1,643	-
Fixed deposits	7,038	-
At end of the financial period	8,681	-

Notes:

- This unaudited Condensed Consolidated Statement of Cashflows should be read in conjunction with the audited financial statements for the financial period ended 31 December 2018 and the accompanying explanatory notes attached to the interim financial report.
- No comparative figures for the preceding period are available, as this is the Group's first interim financial report on its consolidated results announced in compliance with the LEAP Market Listing Requirements of Bursa Securities ("Listing Requirements").

**SMILE-LINK HEALTHCARE GLOBAL BERHAD (Company No: 1254469-U)
(Incorporated in Malaysia)**

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE 1ST HALF-YEAR ENDED 30 JUNE 2019**

A NOTES TO THE FINANCIAL REPORT

A1 Basis of Preparation

Smile-Link Healthcare Global Berhad ("SLHGB" or "the Company") was incorporated as a private limited liability company on 6 November 2017 under the name of Smile-Link Healthcare Global sdn Bhd, it was subsequently converted to a public limited company on 23 May 2018 to facilitate the listing of the Company on the LEAP Market of Bursa Securities.

The Company had on 8 June 2018 entered into a conditional Share Sale Agreement ("the Acquisitions") to purchase the entire 100% shares in the five (5) companies to become its wholly owned subsidiaries, namely Smile Link Dental Group Sdn Bhd, Smile-Link Dental Services Sdn Bhd, Smile Link Construction and Maintenance Sdn Bhd, Smile-Link Talent Management Sdn Bhd and Smile-Link Dental Services (Sarawak) Sdn Bhd, of which, the said exercise completed in July 2018. Subsequently, the Company has disposed the subsidiary namely Smile-Link Talent Management Sdn Bhd on 22 October 2018 in order to streamline the operations.

On 23 April 2019, the Company's entire enlarged issued shares capital of RM27,538,983 comprising 949,620,003 ordinary shares were listed on the LEAP Market of Bursa Securities.

The interim financial statements of the Company and its subsidiaries ("the Group") are unaudited and have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs") 134 : Interim Financial Reporting, and the requirements of the Companies Act, 2016 in Malaysia.

This is the first interim financial report on the Company's unaudited condensed consolidated financial results for the half-year ended 30 June 2019 announced in compliance with the Listing Requirement.

This interim financial reporting should be read in conjunction with the audited financial statements for the financial period ended 31 December 2018 and the accompanying explanatory notes attached to the interim financial statements.

A2 Changes In Accounting Policies

The significant accounting policies and presentations adopted by the Group for this interim financial statements are consistent with those adopted in the Audited Financial Statements for the financial period ended 31 December 2018.

The accounting policies set out have been applied consistently to the periods presented in these financial statements and have been applied consistently by the Group and the Company, unless otherwise stated.

At the date of incorporation, the Group early adopted MFRS 9, Financial Instruments and MFRS 15, Revenue from Contracts with Customers, which are mandatory for financial year/period beginning on or after 1 January 2018

Standards Issued for the Annual Periods beginning on/after 1 January 2019

The Group will apply the standard from its mandatory adoption date of 1 January 2019. However, the Group expect no significant financial impact of adoption of the following accounting standards.

Description	Effective for annual periods beginning on or after
Annual Improvements to MFRS Standards 2015-2017 Cycle	01-Jan-19
Amendments to MFRS 9: <i>Prepayment Features with Negative Compensation</i>	01-Jan-19
MFRS 16: <i>Leases</i>	01-Jan-19
Amendments to MFRS 119: <i>Plan Amendment, Curtailment or Settlement</i>	01-Jan-19
Amendments to MFRS 128: <i>Long Term Interests in Associates and Joint Ventures</i>	01-Jan-19
IC Interpretation 23: <i>Uncertainty over Income Tax Treatments</i>	01-Jan-19
MFRS 17: <i>Insurance Contracts</i>	01-Jan-21
Amendment to MFRS 10 and MFRS 128: <i>Sales or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Deferred

A3 Seasonality or cyclicity

The Group's operations have not been materially affected by any seasonal/cyclical factors.

A4 Nature and amount of unusual items affecting assets, liabilities, equity, net income or cash flows

There was no item or event that was unusual by reason of its nature, size or incidence during the current quarter which affected the assets, liabilities, equity, net income or cash flows of the Group.

A5 Material Changes in estimates

There was no material change in the estimates used for the preparation of these interim financial statements.

A6 Issuances, cancellations, repurchases, resale and repayments of debt and equity securities

Save as disclosed below, there was no issuance, cancellation, repurchase, resale and repayment of debt and equity securities during the interim financial period under review.

On 23 April 2019, the Company had issued 94,9620,000 new ordinary shares pursuant to placement of shares at an issue price of RM0.11 per share to sophisticated investors within the meaning of Section 230 of the Capital Markets and Services Act 2007 in conjunction with the listing of the Company on the LEAP Market of Bursa Securities.

A7 Valuation of property, plant and equipment

There was no change in the valuation of the property, plant and equipment reported in the previous audited financial statements that would have an effect on the current interim financial report.

A8 Material events subsequent to the end of the interim period

There were no material events subsequent to the end of the interim financial period except on the change in composition of the Group as stated in Note A9 below.

A9 Change in the Composition of the Group

Save as disclosed below, there was no change in the composition of the Group for the interim financial period under review.

On 16 July 2019, the Company has entered into a Shares Sales Agreement with Mr. Keong Lai Seng ("the Purchaser") to dispose of an entire equity interests in Smile-Link Construction and Maintenance Sdn Bhd for a total cash consideration of Ringgit Malaysia Twenty Thousand (RM20,000-00) Only (the "Disposal"). The purpose of the disposal is to streamline the Group business in dental services.

Whereas, on 23 July 2019, the Company incorporated a wholly owned subsidiary of Smile-Link Dentaltech (M) Sdn Bhd ("SLDT") under the Companies Act, 2016. The issued share capital of SLDT is RM1.00 consists of 1 (one) unit of ordinary share. The intended principal activity of SLDT is dental laboratory, dental research and development, and dental technology.

A10 Contingent liabilities and contingent assets

There was no contingent asset and liability during the interim financial period under review.

A11 Segmental information

There were no products, services and geographical location segment information are presented as the Group is viewed as a single reportable segment, after due considered that has on 16 July 2019 entered into the Shares Sale Agreement to dispose its former wholly owned subsidiary namely Smile-Link Construction and Maintenance Sdn Bhd, that involving in segment of construction and maintenance. It be noted that Smile-Link Construction and Maintenance Sdn Bhd has been dysfunctions with effect on 1 January 2019, as such, the Group adopt on deconsolidated from the interim financial report.

A12 Capital Commitments

As at 30 June 2019, the Company has no material capital commitments.

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B ADDITIONAL INFORMATION REQUIRED UNDER THE LISTING REQUIREMENTS

B1 Review of Performance

The Group has recorded a revenue of RM13.49 million with an operating profit of RM2.13 million and a profit before tax of RM2.05 million for the 6-month financial period ended 30 June 2019.

B2 Prospects

With the proceeds from the Excluded Issue, the Group will embark on several projects in future plans and business strategies which have been disclosed in Section 4.15 of the Information Memorandum dated 26 February 2019. The Group is initiating and maintaining its plans and strategies in expansion of our Group's dental clinic network, talent development and regional expansion.

Among others, the Group will continue to implement its strategic plans in order to:

- i) establish the brand names, and maintain of high quality of services.
- ii) continue in training of talent for dentist, nurses, customer services and management staff.
- iii) costs control and reduce wastage, being practising go-green and environmental friendly.
- iv) providing CSR program to the public.
- v) invest in modern and advanced technology to increase efficiency.
- vi) build the Group's network in Malaysia and overseas.

B3 Profit Forecast, Profit Guarantee and Internal Targets

The Group has not issued any profit forecast, profit guarantee in any form of public documentation and announcement.

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(Incorporated in Malaysia)

C OTHER INFORMATION

C1 STATUS OF CORPORATE PROPOSALS

There were no corporate proposals announced but pending completion as at the date of this report.

C2 UTILIZATION OF PROCEEDS

The status utilization of the proceeds as stated below which has been raised from the Excluded Issue is as follows:

Proposed utilization	Proposed amount for utilization RM'000	Actual amount utilized RM'000	Balance amount to be utilized RM'000	Estimated timeframe for utilization upon listing
i Business expansion	7,000	208	6,792	Within 24 months
ii Talent development	500	-	500	Within 24 months
iii Working capital	1,946	617	1,329	Within 24 months
iv Estimated listing expenses	1,000	1,000	-	Immediately
Total	10,446	1,825	8,621	

C3 Material Litigation

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

C4 Dividends

The Company had declared a Tax Exempt Interim Dividend for the total sum of RM1,139,544.00 based on the Company's Unaudited Interim Financial Statement as at 31st March 2019 and hereby declared to the Depositors registered in the Record of Depositors at the close of the business on 17 May 2019 and payable on 31 May 2019.

The Company is satisfied that the current financial position of the Company, after paying the total dividend of RM1,139,544.00 which has fulfilled the solvency test as provided under Section 112 of the Companies Act 2016.

Dated: 29 August 2019