



SMILE-LINK HEALTHCARE GLOBAL BERHAD

Registration No: 201701040296 (1254469-U)

(Incorporated in Malaysia under the Companies Act 2016)

FINANCIAL STATEMENTS FOR THE 2ND HALF-YEAR ENDED 31 DECEMBER 2021

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 (Registration No: 201701040296 (1254469-U)
(Incorporated in Malaysia)**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR
LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021**

	Individual 6 months ended		Cumulative 12 months ended	
	31.12.2021 RM'000	31.12.2020 RM'000	31.12.2021 RM'000	31.12.2020 RM'000
Revenue	15,918	15,507	30,941	26,344
Cost of sales	(5,993)	(6,519)	(15,860)	(13,202)
Gross profit	9,925	8,988	15,081	13,142
Other operating income	182	(42)	260	232
Administrative and other operating expenses	(10,386)	(7,009)	(15,638)	(10,977)
Operating profit /(loss)	(279)	1,937	(297)	2,397
Finance costs	(194)	(507)	(302)	(576)
Profit/(Loss) before tax	(473)	1,430	(599)	1,821
Taxation	(91)	(864)	(160)	(923)
Profit/ (Loss) after tax	(563)	566	(758)	898
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive income	(563)	566	(758)	898
Profit/(Loss) and total comprehensive income attributable to:				
Owners of the Company	(580)	637	(760)	991
Non-controlling interests	17	(71)	2	(93)
	(563)	566	(758)	898
Earnings per share :-				
- Basic (sen)	(0.232)	0.254	(0.303)	0.396
- Diluted (sen)	n/a	n/a	n/a	n/a

Notes:

This unaudited Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2020 and the accompanying explanatory notes attached to the interim financial report.

**SMILE-LINK HEALTHCARE GLOBAL BERHAD (Registration No: 201701040296 (1254469-U)
(Incorporated in Malaysia)**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021**

	UNAUDITED As at 31.12.2021 RM'000	AUDITED As at 31.12.2020 RM'000
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	17,171	14,442
Right-of-use asset	5,567	4,674
Goodwill	9,788	9,788
Total non-current assets	<u>32,525</u>	<u>28,904</u>
CURRENT ASSETS		
Inventories	4,408	5,012
Trade and other receivables	4,862	6,740
Current tax assets	780	495
Other investment	1,700	2,720
Cash and cash equivalents	1,850	2,388
Total current assets	<u>13,600</u>	<u>17,355</u>
TOTAL ASSETS	<u>46,126</u>	<u>46,259</u>
EQUITY AND LIABILITIES		
EQUITY		
Equity attributable to owners of the Company:-		
Share capital	31,439	31,439
Retained profit	2,177	3,292
	<u>33,616</u>	<u>34,731</u>
Non-controlling interest	<u>(143)</u>	<u>(145)</u>
TOTAL EQUITY	<u>33,473</u>	<u>34,586</u>
LIABILITIES		
NON-CURRENT LIABILITIES		
Deferred tax liabilities	443	443
Lease liabilities	2,606	2,005
Hire purchase liabilities	1,605	1,134
Loans and borrowings	667	1,438
Total non-current liabilities	<u>5,322</u>	<u>5,020</u>
CURRENT LIABILITIES		
Trade and other payables	1,705	1,946
Lease liabilities	2,311	3,210
Hire Purchase Liabilities	1,815	567
Bank borrowings	1,501	930
Total current liabilities	<u>7,331</u>	<u>6,653</u>
		-
TOTAL LIABILITIES	12,653	11,673
TOTAL EQUITY AND LIABILITIES	<u>46,126</u>	<u>46,259</u>
Net assets per share (sen)	13.37	13.91

Notes:

This unaudited Condensed Consolidated Statements of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2020 and the accompanying explanatory notes attached to the interim financial report.

**SMILE-LINK HEALTHCARE GLOBAL BERHAD (Registration No: 201701040296 (1254469-U)
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**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021**

	Attributable to owners of the Company				Total Equity RM'000
	Shares Capital RM'000	Retained Profit RM'000	Total RM'000	Non-Controlling Interest RM'000	
As at 1 January 2021	31,439	3,292	34,731	(145)	34,586
Profit for the financial period	-	(760)	(760)	2	(759)
Effect of adopting MFRS 16	-	146	146	-	146
Dividends	-	(501)	(501)	-	(501)
As at 31 December 2021	31,439	2,177	33,616	(143)	33,473

	Attributable to owners of the Company				Total Equity RM'000
	Shares Capital RM'000	Retained Profit RM'000	Total RM'000	Non-Controlling Interest RM'000	
As at 1 January 2020	31,439	3,052	34,491	(52)	34,439
Profit for the financial year	-	991	991	(93)	898
Dividends	-	(751)	(751)	-	(751)
As at 31 December 2020	31,439	3,292	34,731	(145)	34,586

Note:

This unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2020 and the accompanying explanatory notes attached to the interim financial report.

**SMILE-LINK HEALTHCARE GLOBAL BERHAD (Registration No: 201701040296 (1254469-U)
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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021**

	12 months ended	
	Unaudited 31.12.2021 RM'000	Audited 31.12.2021 RM'000
Cash flows From operating activities		
Profit/(Loss) before taxation	(599)	1,821
Adjustment for:		
Depreciation on property, plant and equipment	928	1,874
Depreciation on right-of-use assets	(893)	3,083
Interest income	(16)	(43)
Interest expense	302	576
Gain on disposal of property, plants and equipment	-	(41)
Gain on termination of lease	-	(71)
Operating profit before working capital changes	(278)	7,199
Decrease/ (Increase) in inventories	603	(1,364)
(Increase)/ Decrease in trade and other receivables	(378)	(893)
Decrease in trade and other payables	(282)	47
Cash generated from/ (used in) operations	(335)	4,989
Interest received	16	22
Interest paid	(302)	(576)
Taxes paid	(160)	(816)
Net cash inflow/(outflow) from operating a	(780)	3,619
Cash flows from investing activities		
Purchase of property, plant and equipment	(3,656)	(1,091)
Disposal of property, plant and equipment	-	78
Placement of fixed deposits	(1,500)	(200)
Withdrawal of fixed deposits	2,720	1,000
Net cash from/ (used in) investing activities	(2,436)	(213)
Cash flows from financing activities		
Dividend paid	(501)	(751)
Drawdown of borrowings	737	994
Repayments of bank borrowings	-	(124)
Repayment of lease liabilities	(298)	(3,433)
Repayment of hire purchase liabilities	-	(283)
Drawdown from finance lease	1,721	-
Net cash generated used in financing activities	1,659	(3,597)
Net decrease in cash and cash equivalents	(1,558)	(191)
Cash and cash equivalents at beginning of the financial period	5,108	5,299
Cash and cash equivalents at end of the financial period	3,550	5,108
Cash and cash equivalents comprised:		
Fixed deposit	1,700	2,720
Cash and bank balances	1,850	2,388
	3,550	5,108

Note:

This unaudited Condensed Consolidated Statements of Cashflows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2020 and the accompanying explanatory notes attached to the interim financial report.

**SMILE-LINK HEALTHCARE GLOBAL BERHAD (Registration No: 201701040296 (1254469-U)
(Incorporated in Malaysia)**

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021**

A NOTES TO THE FINANCIAL REPORT

A1 Basis of Preparation

The condensed consolidated interim financial statements ("Report") is unaudited and has been prepared in accordance with the requirements of Malaysian Financial Reporting Standard ("MFRS") 134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board ("MASB") and the LEAP Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Malaysia"). This Report should be read in conjunction with the audited consolidated financial statements of the Company for the financial year ended 31 December 2020.

A2 Changes In Accounting Policies

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2021

Amendments to MFRS 9, MFRS 7, Interest Rate Benchmark Reform - Phase 2
MFRS 139, MFRS 4 and MFRS 16

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 April 2021

Amendments to MFRS 16 Leases - Covid-19 Related Rent Concession beyond 30 June 2021

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2022

Amendments to MFRS 1 First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements to MFRSs 2018 - 2020 Cycle)
Amendments to MFRS 3 Business Combination - Reference to the Conceptual Framework
Amendments to MFRS 9 Financial Instruments (Annual Improvements to MFRSs 2018 - 2020 Cycle)
Amendments to MFRS 116 Property, Plant and Equipment - Proceeds before Intended Use
Amendments to MFRS 137 Provisions, Contingent Liabilities and Contingent Assets - Onerous Contracts - Cost of Fulfilling a Contract
Amendments to MFRS 141 Agriculture (Annual Improvements to MFRSs 2018 - 2020 Cycle)

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2023

MFRS 17 Insurance Contracts
Amendments to MFRS 17 Insurance Contracts
Amendments to MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates
Amendments to MFRS 101 Presentation of Financial Statements - Disclosure of Accounting Policies
Amendments to MFRS 112 Income Tax - Deferred Tax related to Assets and Liabilities arising from a Single Transaction

MFRSs, Interpretations and amendments effective for annual periods beginning on or after a date yet to be confirmed

Amendments to MFRS 10 and MFRS 128 Consolidated Financial Statements and Investments in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

A3 Seasonality or cyclical

The business operations of the Group are not significantly affected by any seasonal or cyclical factors for the current financial period under review.

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 period 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

There was no issuance, cancellation, repurchase, resale and repayment of debt and equity securities during the interim financial period under review.

A7 Valuation of property, plant and equipment

There was no change in the valuation of the property, plant and equipment reported for the financial period under review.

A8 Material events subsequent to the end of the interim financial period

There were no material events subsequent to the end of interim financial period under review.

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.

The Group has incorporated a wholly-owned subsidiary namely Smile-Link Academy World Sdn Bhd on 25 October 2021.

A10 Contingent liabilities and contingent assets

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

A11 Segmental information

	Individual 6 months ended		Cumulative 12 months ended	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
	RM'000	RM'000	RM'000	RM'000
Segmental revenue				
Dental services	15,245	15,308	29,542	25,251
Trading of dental products & others	673	199	1,399	1,093
Total	15,918	15,507	30,941	26,344
Segmental profit/ (loss) before tax				
Dental services	(203)	1,346	(452)	1,729
Trading of dental products & others	(269)	84	(146)	92
Total	(473)	1,431	(599)	1,821

A12 Capital Commitments

There were no capital commitments for the Group during the interim financial period under review.

B ADDITIONAL INFORMATION REQUIRED UNDER THE LISTING REQUIREMENTS

B1 Review of Performance

FINANCIAL REVIEW FOR CURRENT FINANCIAL PERIOD AND PRECEDING YEAR FINANCIAL PERIOD

	Interim Financial Period		Changes Amount RM'000	Changes %
	Current 6 Month 31.12.2021 RM'000	Preceding Year Corresponding 6 Month 31.12.2020 RM'000		
Revenue	15,918	15,507	411	3%
Operating profit / (loss)	(279)	1,937	(2,216)	-114%
Profit/(loss) before taxation	(473)	1,430	(1,903)	-133%
Profit/(loss) after tax for the period	(563)	566	(1,129)	-200%
Profit/(loss) for the period attributable to:				
Owners of the Company	(580)	637	(1,217)	-191%
Non-controlling interest	17	(71)	88	-124%
	(563)	566		

The Group recorded a revenue of RM15.918 million for the current financial period, representing an increase of RM0.411 million or 3% as compared to RM15.507 million in the corresponding period of the preceding financial year. Despite the on-going Covid-19 pandemic, the Group had managed to sustain its business.

The Group recorded a loss before taxation of RM0.473 million for the current financial period, representing a decrease of RM1.903 million or -133% as compared to a profit before tax of RM1.43 million in the corresponding period of the preceding year. During the current financial period, the Group encountered the increase dental products and materials costs, the increase in costs also due to higher overhead costs, logistic cost as a result of upkeep of dental clinics and higher staff costs following the Group's expansion.

FINANCIAL REVIEW FOR CURRENT INTERIM 6 MONTHS FINANCIAL PERIOD COMPARED WITH IMMEDIATE PRECEDING 6 MONTHS FINANCIAL PERIOD

	Interim Financial Period		Changes Amount RM'000	Changes %
	Current 6 Month 31.12.2021 RM'000	Immediate Preceding 6 Month 30.6.2021 RM'000		
Revenue	15,918	15,023	894	6%
Operating profit / (loss)	(279)	(18)	(261)	1451%
Profit/(loss) before taxation	(473)	(126)	(346)	274%
Profit/(loss) after tax for the period	(563)	(195)	(368)	188%
Profit/(loss) for the period attributable to:				
Owners of the Company	(580)	(180)	(400)	222%
Non-controlling interest	17	(15)	32	-213%
	(563)	(195)		

The Group had recorded a revenue of RM15.918 million for the current financial period, representing an increase of RM0.894 million or 6% as compared to RM15.023 million in the previous financial period.

This was mainly due to lockdowns were imposed as a result of the on-going Covid-19 pandemic during the current financial period.

The Group recorded a loss before taxation of RM0.473 million for the current financial period, representing a decrease of RM0.346 million or 188% as compared to RM0.126 million in the corresponding period of the preceding year.

The loss before taxation was mainly due to additional overhead costs incurred on manpower and maintenance costs.

B2 Prospects

In view that the global economic has affected by Covid-19 pandemic, the Group remains focus on the dental services, trading of dental products and others. As at the date of this interim report, the Group is able to continue its business operations which are recognized as essential service. However, the business has slowed down due to uncertainties in relation to restrictions imposed by the Malaysian Government on the economic sectors.

The Group will continue to look for opportunity to expand its business by opening more new clinics at different area in Peninsular Malaysia. The Group is in the midst of securing several banking facilities to cater the working capitals and business expansion.

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.

C OTHER INFORMATION

C1 STATUS OF CORPORATE PROPOSALS

There was no corporate proposal announced as at the date of this report.

C2 UTILISATION OF PROCEEDS

There was no additional funds raise during the financial period under review.

C3 Material Litigation

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

C4 Dividends

There was no dividend declare during the financial period under review.

C5 Basis of calculation of earnings per share

On 10 September 2021, the Company had completed the bonus issue of 100,165,935 warrants in the Company ("Warrant"), at the conversion exercise price of RM0.18 each to the ordinary shares within a duration of 5 years from 7 September 2021 being the issuance date of the Warrants.

The basic and fully diluted earnings per share for the interim period and cumulative year to date are computed as follows:

	Current 6 month 31.12.2021	Preceding Year Corresponding 6 month 31.12.2020	Current Year To Date 31.12.2021	Preceding Year Corresponding Period 31.12.2020
Net profit/(loss) attributable to equity holders of the parent for the period (RM'000)	(580)	637	(760)	991
Weighted average number of shares in issue ('000)	250,405	250,405	250,405	250,405
- Basic earnings per share (sen)	(0.232)	0.254	(0.304)	0.396
- Diluted earnings per share (sen)*	-	-	-	-

**Fully diluted earnings per share was not computed as there was no outstanding ordinary share to be issued as at the end of the reporting period.*

Date : 28 February 2022