



SMILE-LINK HEALTHCARE GLOBAL BERHAD

Registration No: 201701040296 (1254469-U)

(Incorporated in Malaysia under the Companies Act 2016)

FINANCIAL STATEMENTS FOR THE 1ST HALF-YEAR ENDED 30 JUNE 2022

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 PERIOD ENDED 30 JUNE 2022**

	Individual 6 months ended		Cumulative 6 months ended	
	30.6.2022 RM'000	30.6.2021 RM'000	30.6.2022 RM'000	30.6.2021 RM'000
Revenue	16,050	15,023	16,050	15,023
Cost of sales	(6,276)	(9,867)	(6,276)	(9,867)
Gross profit	9,774	5,156	9,774	5,156
Other operating income	81	78	81	78
Administrative and other operating expenses	(7,536)	(5,252)	(7,536)	(5,252)
Operating profit /(loss)	2,319	(18)	2,319	(18)
Finance costs	(425)	(108)	(425)	(108)
Profit/(Loss) before tax	1,894	(126)	1,894	(126)
Taxation	(492)	(69)	(492)	(69)
Profit/ (Loss) after tax	1,402	(195)	1,402	(195)
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive income	1,402	(195)	1,402	(195)
Profit/(Loss) and total comprehensive income attributable to:				
Owners of the Company	1,374	(180)	1,374	(180)
Non-controlling interests	28	(15)	28	(15)
	1,402	(195)	1,402	(195)
Earnings per share :-				
- Basic (sen)	0.549	(0.072)	0.549	(0.072)
- 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 2021 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 30 JUNE 2022**

	UNAUDITED As at 30.6.2022 RM'000	AUDITED As at 31.12.2021 RM'000
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	16,301	16,606
Rights-of-use asset	5,494	5,753
Goodwill	9,788	9,788
Total non-current assets	31,583	32,147
CURRENT ASSETS		
Inventories	5,446	4,408
Trade and other receivables	6,965	5,889
Current tax assets	581	647
Other investment	1,700	1,700
Cash and cash equivalents	1,017	1,850
Total current assets	15,709	14,494
TOTAL ASSETS	47,292	46,641
EQUITY AND LIABILITIES		
EQUITY		
Equity attributable to owners of the Company:-		
Share capital	31,439	31,439
Retained profit	3,061	1,544
	34,500	32,983
Non-controlling interest	(115)	(143)
TOTAL EQUITY	34,385	32,840
LIABILITIES		
NON-CURRENT LIABILITIES		
Deferred tax liabilities	77	102
Lease liabilities	2,348	2,219
Hire purchase liabilities	2,729	1,733
Loans and borrowings	531	1,344
Total non-current liabilities	5,685	5,398
CURRENT LIABILITIES		
Trade and other payables	787	2,950
Tax Liabilities	552	-
Lease liabilities	1,983	3,153
Hire Purchase Liabilities	910	863
Loans and borrowings	2,990	1,437
Total current liabilities	7,222	8,403
TOTAL LIABILITIES	12,907	13,801
TOTAL EQUITY AND LIABILITIES	47,292	46,641
Net assets per share (sen)	13.73	13.11

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 2021 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 PERIOD ENDED 30 JUNE 2022**

	Attributable to owners of the Company				
	Shares Capital	Retained Profit	Total	Non-Controlling Interest	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000
As at 1 January 2022	31,439	1,544	32,983	(143)	32,840
Profit for the financial period	-	1,374	1,374	28	1,402
Adoption of MFRS16	-	143	143	-	143
As at 30 June 2022	31,439	3,061	34,500	(115)	34,385

	Attributable to owners of the Company				
	Shares Capital	Retained Profit	Total	Non-Controlling Interest	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000
As at 1 January 2021	31,439	3,294	34,732	(145)	34,587
Profit for the financial period	-	(1,248)	(1,248)	2	(1,246)
Dividends	-	(501)	(501)	-	(501)
As at 31 December 2021	31,439	1,544	32,983	(143)	32,840

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 2021 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 PERIOD ENDED 30 JUNE 2022**

	6 months ended	
	Unaudited 30.6.2022 RM'000	Audited 31.12.2021 RM'000
Cash flows From operating activities		
Profit/(Loss) before taxation	1,894	(1,294)
Adjustment for:		
Depreciation on property, plant and equipment	1,002	2,242
Depreciation on right-of-use assets	956	4,530
Interest income	-	(105)
Interest expense	425	403
Gain on disposal of property, plants and equipment	-	(59)
Gain on termination of lease	-	(45)
Operating profit before working capital changes	<u>4,277</u>	<u>5,672</u>
(Increase)/ Decrease in inventories	(1,038)	603
(Increase)/ Decrease in trade and other receivables	(2,468)	941
(Decrease)/Increase in trade and other payables	<u>(3,865)</u>	<u>1,005</u>
Cash generated from/ (used in) operations	(3,094)	8,221
Interest received	-	105
Interest paid	(425)	(403)
Taxes paid	<u>(492)</u>	<u>(444)</u>
Net cash inflow/(outflow) from operating activities	(4,011)	7,479
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,393)	(1,980)
Disposal of property, plant and equipment	-	110
Placement of fixed deposits	-	(1,500)
Net cash from/ (used in) investing activities	(1,393)	(3,370)
Cash flows from financing activities		
Dividend paid	-	(501)
Drawdown of borrowings	2,864	584
Repayments of bank borrowings	-	(287)
Repayment of lease liabilities	(1,042)	(5,497)
Repayment of hire purchase liabilities	-	(1,582)
Drawdown from finance lease	1,044	-
Net cash generated used in financing activities	2,866	(7,283)
Net decrease in cash and cash equivalents	(2,538)	(3,174)
Cash and cash equivalents at beginning of the financial period	1,350	4,524
Cash and cash equivalents at end of the financial period	<u>(1,188)</u>	<u>1,350</u>
Cash and cash equivalents comprised:		
Bank Overdraft	(2,205)	(500)
Cash and bank balances	1,017	1,850
	<u>(1,188)</u>	<u>1,350</u>

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 2021 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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**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2022**

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 2021.

A2 Changes In Accounting Policies

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
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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

There was no change in the composition of the Group for the interim financial period under review.

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 6 months ended	
	30.6.2022	30.6.2021	30.6.2022	30.6.2021
	RM'000	RM'000	RM'000	RM'000
<i>Segmental revenue</i>				
Dental services	15,830	14,297	15,830	14,297
Trading of dental products & others	220	726	220	726
Total	16,050	15,023	16,050	15,023
<i>Segmental profit/ (loss) before tax</i>				
Dental services	1,872	(249)	1,872	(249)
Trading of dental products & others	22	123	22	123
Total	1,894	(126)	1,894	(126)

A12 Capital Commitments

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

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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 30.6.2022 RM'000	Preceding Year Corresponding 6 Month 30.6.2022 RM'000		
Revenue	16,050	15,023	1,027	7%
Operating profit / (loss)	2,319	(18)	2,337	12983%
Profit/(loss) before taxation	1,894	(126)	2,020	1603%
Profit/(loss) after tax for the period	1,402	(195)	1,597	819%
Profit/(loss) for the period attributable to:				
Owners of the Company	1,374	(180)	1,554	863%
Non-controlling interest	28	(15)	43	287%
	1,402	(195)		

The Group recorded a revenue of RM16.05 million for the current financial period, representing an increased of RM1.03 million or 7% as compared to RM15.02 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 profit before taxation of RM1.89 million for the current financial period, representing an increased of RM2.02 million or 1,603% as compared to a loss before tax of RM0.126 million in the corresponding period of the preceding year. During the current financial period, the Group encountered the increase dental products and materials costs especially those imported products, furthermore, the increased in operating costs were due to higher overhead costs, logistic costs, upkeep of dental clinics and higher staff costs due 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 30.6.2022 RM'000	Immediate Preceding 6 Month 31.12.2021 RM'000		
Revenue	16,050	15,970	80	0.5%
Operating profit / (loss)	2,319	(873)	3,192	366%
Profit/(loss) before taxation	1,894	(1,168)	3,062	262%
Profit/(loss) after tax for the period	1,402	(1,052)	2,454	233%
Profit/(loss) for the period attributable to:				
Owners of the Company	1,374	(1,067)	2,441	229%
Non-controlling interest	28	17	11	65%
	1,402	(1,050)		

The Group had recorded a revenue of RM16.05 million for the current financial period, representing an increased of RM80,000 or 0.5% as compared to RM15.97 million in the previous financial period.

The Group recorded a profit before taxation of RM1.89 million for the current financial period, representing an increased of RM3.06 million or 262% as compared to RM1.17 million in the corresponding period of the preceding year.

The improvement was due to quality services and higher demand of services in certain location of the clinics.

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. The Group has managed to obtain few outlets with lower rental rate during the pandemic, at the date of this report, there are about 20 new clinics in the process of obtaining for the operating license.

The Group has managed to reduce costs of expansion in the long term due to economic of skill. It also train talents in manage of the clinics operations and conduct in-house training to the dentist and nurses. Once the Covid-19 pandemic is in well control, the Group will conduct several CSR program to the society.

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 30.6.2022	Preceding Year Corresponding 6 month 30.6.2021	Current Year To Date 30.6.2022	Preceding Year Corresponding Period 30.6.2021
Net profit/(loss) attributable to equity holders of the parent for the period (RM'000)	1,374	(180)	1,374	(180)
Weighted average number of shares in issue ('000)	250,405	250,405	250,405	250,405
- Basic earnings per share (sen)	0.549	(0.072)	0.549	(0.072)
- 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 : 29 August 2022