



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 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 31 DECEMBER 2022**

	Individual 6 months ended		Cumulative 12 months ended	
	31.12.2022 RM'000	31.12.2021 RM'000	31.12.2022 RM'000	31.12.2021 RM'000
Revenue	18,460	15,970	34,510	30,993
Cost of sales	(8,857)	(6,017)	(15,133)	(15,884)
Gross profit	9,603	9,953	19,377	15,109
Other operating income	3	168	84	246
Administrative and other operating expenses	(9,289)	(10,993)	(16,825)	(16,245)
Operating profit /(loss)	317	(873)	2,636	(891)
Finance costs	(596)	(296)	(1,021)	(404)
Profit/(Loss) before tax	(279)	(1,168)	1,615	(1,295)
Taxation	(33)	117	(526)	48
Profit/ (Loss) after tax	(313)	(1,051)	1,089	(1,247)
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive income	(313)	(1,051)	1,089	(1,247)
Profit/(Loss) and total comprehensive income attributable to:				
Owners of the Company	(321)	(1,068)	1,052	(1,249)
Non-controlling interests	9	-	37	2
	(313)	(1,051)	1,089	(1,247)
Earnings per share :-				
- Basic (sen)	(0.128)	(0.427)	0.420	(0.499)
- Diluted (sen)	(0.092)	(0.305)	0.300	(0.356)

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
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**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022**

	UNAUDITED As at 31.12.2022 RM'000	AUDITED As at 31.12.2021 RM'000
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	16,668	16,606
Rights-of-use asset	7,407	5,753
Goodwill	9,788	9,788
Total non-current assets	<u>33,864</u>	<u>32,147</u>
CURRENT ASSETS		
Inventories	5,340	4,408
Trade and other receivables	9,608	5,889
Current tax assets	600	647
Other investment	1,775	1,700
Cash and cash equivalents	2,086	1,850
Total current assets	<u>19,408</u>	<u>14,494</u>
TOTAL ASSETS	<u>53,272</u>	<u>46,641</u>
EQUITY AND LIABILITIES		
EQUITY		
Equity attributable to owners of the Company:-		
Share capital	31,443	31,439
Retained profit	2,613	1,544
	<u>34,057</u>	<u>32,982</u>
Non-controlling interest	(106)	(143)
TOTAL EQUITY	<u>33,951</u>	<u>32,839</u>
LIABILITIES		
NON-CURRENT LIABILITIES		
Deferred tax liabilities	47	102
Lease liabilities	3,344	2,219
Hire purchase liabilities	1,343	1,733
Loans and borrowings	472	1,344
Total non-current liabilities	<u>5,206</u>	<u>5,398</u>
CURRENT LIABILITIES		
Trade and other payables	2,420	2,950
Tax Liabilities	-	-
Lease liabilities	3,756	3,154
Hire Purchase Liabilities	2,420	863
Loans and borrowings	5,518	1,437
Total current liabilities	<u>14,115</u>	<u>8,404</u>
		-
TOTAL LIABILITIES	19,321	13,802
TOTAL EQUITY AND LIABILITIES	<u>53,272</u>	<u>46,641</u>
Net assets per share (sen)	13.56	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 31 DECEMBER 2022**

	Attributable to owners of the Company				
	Shares Capital RM'000	Retained Profit RM'000	Total RM'000	Non-Controlling Interest RM'000	Total Equity RM'000
As at 1 January 2022	31,439	1,544	32,983	(143)	32,840
Profit for the financial period	-	1,052	1,052	37	1,089
Issuance of new shares	4	-	4	-	4
Dividends	-	(125)	(125)	-	(125)
Adoption of MFRS16	-	143	143	-	143
As at 31 December 2022	31,443	2,613	34,057	(106)	33,951

	Attributable to owners of the Company				
	Shares Capital RM'000	Retained Profit RM'000	Total RM'000	Non-Controlling Interest RM'000	Total Equity RM'000
As at 1 January 2021	31,439	3,294	34,732	(145)	34,587
(Loss)/Profit for the financial period	-	(1,249)	(1,249)	2	(1,247)
Dividends	-	(501)	(501)	-	(501)
As at 31 December 2021	31,439	1,544	32,982	(143)	32,839

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 31 DECEMBER 2022**

	12 months ended	
	Unaudited 31.12.2022 RM'000	Audited 31.12.2021 RM'000
Cash flows From operating activities		
Profit/(Loss) before taxation	1,615	(1,294)
Adjustment for:		
Depreciation on property, plant and equipment	2,171	2,242
Depreciation on right-of-use assets	1,653	4,530
Reinstate of the previous year property, plant and equipment	(785)	-
Interest income	(1)	(105)
Interest expense	1,021	404
Gain on disposal of property, plants and equipment	-	(59)
Gain on termination of lease	-	(45)
Operating profit before working capital changes	5,675	5,673
(Increase)/ Decrease in inventories	(931)	603
(Increase)/ Decrease in trade and other receivables	(3,719)	941
(Decrease)/Increase in trade and other payables	(530)	1,005
Cash generated from/ (used in) operations	494	8,222
Interest received	1	105
Interest paid	(1,021)	(403)
Taxes paid	(526)	(444)
Net cash inflow/(outflow) from operating activities	(1,052)	7,480
Cash flows from investing activities		
Purchase of property, plant and equipment	(2,935)	(1,980)
Disposal of property, plant and equipment	-	110
Placement of fixed deposits	(1,775)	(1,500)
Proceeds from increase in capital	4	-
Net cash from/ (used in) investing activities	(4,706)	(3,370)
Cash flows from financing activities		
Dividend paid	(125)	(501)
Drawdown of borrowings	994	584
Repayments of bank borrowings	-	(287)
Repayment of lease liabilities	-	(5,498)
Repayment of hire purchase liabilities	-	(1,582)
Drawdown from finance lease	1,166	-
Net cash generated used in financing activities	2,035	(7,284)
Net decrease in cash and cash equivalents	(3,722)	(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	(2,372)	1,350
Cash and cash equivalents comprised:		
Bank Overdraft	(4,457)	(500)
Cash and bank balances	2,086	1,850
	(2,372)	1,350

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 31 DECEMBER 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

Amendments to MFRS 17	Initial Application of MFRS17 and MFRS 9 - Comparative Information
Amendments to MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates
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 1 January 2024

Amendments to MFRS 16	Lease Liability in a Sale and Leaseback
Amendments to MFRS 101	Presentation of Financial Statements - Disclosure of Accounting Policies

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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The Group intend to adopt these standards, if applicable, when they become effective.

A3 Seasonality or cyclicity

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 12 months ended	
	31.12.2022 RM'000	31.12.2021 RM'000	31.12.2022 RM'000	31.12.2021 RM'000
<i>Segmental revenue</i>				
Dental services	17,530	15,297	33,360	29,594
Trading of dental products & others	930	673	1,150	1,399
Total	18,460	15,970	34,510	30,993
<i>Segmental profit/ (loss) before tax</i>				
Dental services	(427)	(900)	1,445	(1,149)
Trading of dental products & others	148	(268)	170	(146)
Total	(279)	(1,168)	1,615	(1,295)

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 31.12.2022 RM'000	Preceding Year Corresponding 6 Month 31.12.2021 RM'000		
Revenue	18,460	15,970	2,490	16%
Operating profit / (loss)	317	(873)	1,189	136%
Profit/(loss) before taxation	(279)	(1,168)	889	-76%
Profit/(loss) after tax for the period	(313)	(1,051)	739	-70%
Profit/(loss) for the period attributable to:				
Owners of the Company	(321)	(1,068)	747	-70%
Non-controlling interest	9	-	9	100%
	(313)	(1,068)		

The Group recorded a revenue of RM18.46 million for the current financial period, representing an increased of RM2.49 million or 16% as compared to RM15.97 million in the corresponding period of the preceding financial year. Despite the ongoing Covid-19 pandemic, the Group had managed to sustain its business.

The Group recorded a loss before taxation of RM0.279 million for the current financial period, representing a decreased of RM0.889 million or -76% as compared to a loss before tax of RM1.168 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 31.12.2022 RM'000	Immediate Preceding 6 Month 30.6.2022 RM'000		
Revenue	18,460	16,050	2,410	15.0%
Operating profit / (loss)	317	2,319	(2,003)	-86%
Profit/(loss) before taxation	(279)	1,894	(2,174)	-115%
Profit/(loss) after tax for the period	(313)	1,402	(1,714)	-122%
Profit/(loss) for the period attributable to:				
Owners of the Company	(321)	1,374	(1,695)	-123%
Non-controlling interest	9	28	(19)	-68%
	(313)	1,402		

The Group had recorded a revenue of RM18.46 million for the current financial period, representing an increased of RM2.41 million or 15% as compared to RM16.05 million in the previous financial period.

The Group recorded a loss before taxation of RM0.279 million for the current financial period, representing a decreased of RM2.174 million or -115% as compared to profit before taxation of RM1.894 million in the corresponding period of the previous financial period.

The Company has spend more costs in finding some potential new clinics in various places in Malaysia. There are potential 20 clinics in the pipeline of expansion, the higher costs incurred during the financial period under review were due to travelling, initial bookings fee and administration costs includes recruitment, cost of licensing, transportation and so on. Despite expansion, the Company also in the midst of process some internal restructuring manpower of clinics and relocation planning.

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 also in the midst of restructuring and relocate on the unprofitable clinics.

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. With the minimum salary imposed by the government, the overhead has also be increased in manpower costs.

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.

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

- i) The Company had declared a Tax Exempt Interim Dividend for the total sum of RM125,202 which was paid on 5 October 2022.
- ii) The Company had declared a Tax Exempt Interim Dividend for the total sum of RM125,212 which was paid on 9 February 2023.

C5 Basis of calculation of earnings per share

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

	Current 6 month 31.12.2022	Preceding Year Corresponding 6 month 31.12.2021	Current Year To Date 31.12.2022	Preceding Year Corresponding Period 31.12.2021
Net profit/(loss) attributable to equity holders of the parent for the period (RM'000)	(321)	(1,068)	1,052	(1,249)
Weighted average number of shares in issue ('000)	250,425	250,405	250,425	250,405
Assume full conversion on the number warrants shares to ordinary shares	100,142	100,162	100,142	100,162
Adjusted weighted average number of shares issue after dilution ('000)	350,567	350,567	350,567	350,567
- Basic earnings per share (sen)	(0.128)	(0.427)	0.420	(0.499)
- Diluted earnings per share (sen)	(0.092)	(0.305)	0.300	(0.356)

Date : 27 February 2023