



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 2023

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 2023**

	Individual 6 months ended		Cumulative 6 months ended	
	30.6.2023 RM'000	30.6.2022 RM'000	30.6.2023 RM'000	30.6.2022 RM'000
Revenue	17,123	16,050	17,123	16,050
Cost of sales	(7,746)	(6,276)	(7,746)	(6,276)
Gross profit	9,378	9,774	9,378	9,774
Other operating income	1	81	1	81
Administrative and other operating expenses	(7,618)	(7,536)	(7,618)	(7,536)
Operating profit /(loss)	1,761	2,319	1,761	2,319
Finance costs	(547)	(425)	(547)	(425)
Profit/(Loss) before tax	1,214	1,894	1,214	1,894
Taxation	(78)	(492)	(78)	(492)
Profit/ (Loss) after tax	1,136	1,402	1,136	1,402
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive income	1,136	1,402	1,136	1,402
Profit/(Loss) and total comprehensive income attributable to:				
Owners of the Company	1,087	1,374	1,087	1,374
Non-controlling interests	49	28	49	28
	1,136	1,402	1,136	1,402
Earnings per share :-				
- Basic (sen)	0.434	0.549	0.434	0.549
- 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 2022 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 FINANCIAL POSITION
AS AT 30 JUNE 2023**

	UNAUDITED As at 30.6.2023 RM'000	AUDITED As at 31.12.2022 RM'000
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	15,984	16,619
Rights-of-use asset	5,786	7,975
Goodwill	9,788	9,788
Total non-current assets	31,559	34,382
CURRENT ASSETS		
Inventories	5,894	5,340
Trade and other receivables	9,523	9,593
Current tax assets	1,193	990
Other investment	1,800	1,775
Cash and cash equivalents	1,172	2,088
Total current assets	19,581	19,786
TOTAL ASSETS	51,140	54,168
EQUITY AND LIABILITIES		
EQUITY		
Equity attributable to owners of the Company:-		
Share capital	31,446	31,443
Retained profit	2,948	1,879
	34,395	33,322
Non-controlling interest	(59)	(107)
TOTAL EQUITY	34,337	33,215
LIABILITIES		
NON-CURRENT LIABILITIES		
Deferred tax liabilities	-	868
Lease liabilities	1,511	3,344
Hire purchase liabilities	733	734
Loans and borrowings	1,378	1,300
Total non-current liabilities	3,621	6,246
CURRENT LIABILITIES		
Trade and other payables	1,079	3,285
Tax Liabilities	161	-
Lease liabilities	4,256	3,756
Hire Purchase Liabilities	2,576	2,740
Loans and borrowings	5,110	4,926
Total current liabilities	13,183	14,707
TOTAL LIABILITIES	16,804	20,953
TOTAL EQUITY AND LIABILITIES	51,140	54,168
Net assets per share (sen)	13.71	13.26

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 2022 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 2023**

	Attributable to owners of the Company				
	Shares	Retained	Total	Non-Controlling	Total
	Capital	Profit		Interest	Equity
	RM'000	RM'000	RM'000	RM'000	RM'000
As at 1 January 2023	31,443	1,879	33,322	(107)	33,215
Issuance of shares	4	-	4	-	4
Profit for the financial period	-	1,087	1,087	49	1,136
Adoption of MFRS16	-	143	143	-	143
As at 30 June 2023	31,446	2,948	34,395	(59)	34,337

	Attributable to owners of the Company				
	Shares	Retained	Total	Non-Controlling	Total
	Capital	Profit		Interest	Equity
	RM'000	RM'000	RM'000	RM'000	RM'000
As at 1 January 2022	31,439	1,003	32,442	(143)	32,299
Issuance of shares	4	-	4	-	4
Profit for the financial period	-	1,001	1,001	36	1,037
Dividends	-	(125)	(125)	-	(125)
As at 31 December 2022	31,443	1,879	33,322	(107)	33,215

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 2022 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 2023**

	6 months ended	
	Unaudited 30.6.2023 RM'000	Audited 31.12.2022 RM'000
Cash flows From operating activities		
Profit/(Loss) before taxation	1,214	1,589
Adjustment for:		
Depreciation on property, plant and equipment	1,047	3,035
Depreciation on right-of-use assets	2,189	1,550
Interest income	-	(1)
Interest expense	547	1,021
Reinstate of the previous year gain on property, plant and equipment	124	-
Gain on disposal of property, plants and equipment	-	(46)
Operating profit before working capital changes	<u>5,120</u>	<u>7,148</u>
(Increase)/ Decrease in inventories	(554)	(931)
(Increase)/ Decrease in trade and other receivables	71	(3,704)
(Decrease)/Increase in trade and other payables	<u>(2,207)</u>	<u>335</u>
Cash generated from/ (used in) operations	2,429	2,848
Interest received	-	1
Interest paid	(547)	(1,021)
Taxes paid	<u>(78)</u>	<u>(220)</u>
Net cash inflow/(outflow) from operating activities	1,805	1,608
Cash flows from investing activities		
Purchase of property, plant and equipment	(535)	(1,895)
Disposal of property, plant and equipment	-	47
Placement of fixed deposits	-	(75)
Net cash from/ (used in) investing activities	<u>(535)</u>	<u>(1,923)</u>
Cash flows from financing activities		
Dividend paid	(125)	(125)
Proceed of issuance of shares	4	4
Drawdown/ (Repayments) of borrowings	639	(513)
Repayment of lease liabilities	(1,042)	(159)
Repayment of hire purchase liabilities	<u>(166)</u>	<u>(2,613)</u>
Net cash generated used in financing activities	(690)	(3,406)
Net decrease in cash and cash equivalents	580	(3,721)
Cash and cash equivalents at beginning of the financial period	<u>(2,370)</u>	<u>1,351</u>
Cash and cash equivalents at end of the financial period	<u>(1,790)</u>	<u>(2,370)</u>
Cash and cash equivalents comprised:		
Bank Overdraft	(2,962)	(4,458)
Cash and bank balances	<u>1,172</u>	<u>2,088</u>
	<u>(1,790)</u>	<u>(2,370)</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 2022 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 2023**

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 2022.

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 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 except conversion of 20,000 units of warrant into ordinary shares.

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	
	30.6.2023 RM'000	30.6.2022 RM'000	30.6.2023 RM'000	30.6.2022 RM'000
<i>Segmental revenue</i>				
Dental services	16,496	15,830	16,496	15,830
Trading of dental products & others	627	220	627	220
Total	17,123	16,050	17,123	16,050
<i>Segmental profit/ (loss) before tax</i>				
Dental services	690	1,872	690	1,872
Trading of dental products & others	525	22	525	22
Total	1,214	1,894	1,214	1,894

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 30.6.2023 RM'000	Preceding Year Corresponding 6 Month 30.6.2022 RM'000		
Revenue	17,123	16,050	1,073	7%
Operating profit / (loss)	1,761	2,319	(560)	-24%
Profit/(loss) before taxation	1,214	1,894	(680)	-36%
Profit/(loss) after tax for the period	1,136	1,402	(266)	-19%
Profit/(loss) for the period attributable to:				
Owners of the Company	1,087	1,374	(286)	-21%
Non-controlling interest	49	28	21	74%
	1,136	1,402		

The Group recorded a revenue of RM17.12 million for the current financial period, representing an increased of RM1.07 million or 7% as compared to RM16.05 million in the corresponding period of the preceding financial year. The Group had managed to sustain its businesses, with improvement of efficiency of staff training program.

The Group recorded a profit before taxation of RM1.21 million for the current financial period, representing a decreased of RM0.68 million or -36% as compared to a profit before tax of RM1.894 million in the corresponding period of the preceding year. During the current financial period, the Group encountered the increased 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 30.6.2023 RM'000	Immediate Preceding 6 Month 31.12.2022 RM'000		
Revenue	17,123	18,460	(1,337)	-7.2%
Operating profit / (loss)	1,761	317	1,444	456%
Profit/(loss) before taxation	1,214	(279)	1,493	-534%
Profit/(loss) after tax for the period	1,136	(313)	1,448	-463%
Profit/(loss) for the period attributable to:				
Owners of the Company	1,087	(321)	1,409	-438%
Non-controlling interest	49	9	40	444%
	1,136	(313)		-463%

The Group had recorded a revenue of RM17.12 million for the current financial period, representing a of RM1.34 million or -7.2% as compared to RM18.46 million in the previous immediate preceding 6 months.

The Group recorded a profit before taxation of RM1.21 million for the current financial period, representing an increased of RM1.49 million or -534% as compared to loss before taxation of RM0.28 million in the corresponding period of the immediate preceding 6 months period.

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 since year 2020, 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 with longer contract period, meanwhile, it also underwent for some restructuring of clinics to safe cost and enjoy economic of scale.

The Group has continuing to train talents in manage of the clinics operations and conduct in-house training to the dentist and nurses. The Group has conducted serveral 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.

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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

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

On 10 September 2021, the Company had completed the bonus issue of 100,161,935 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 30.6.2023	Preceding Year Corresponding 6 month 30.6.2022	Current Year To Date 30.6.2023	Preceding Year Corresponding Period 30.6.2022
Net profit/(loss) attributable to equity holders of the parent for the period (RM'000)	1,087	1,374	1,087	1,374
Weighted average number of shares in issue ('000)	250,445	250,405	250,445	250,405
Assume full conversion on the number warrants shares to ordinary shares ('000)	100,122	100,162	100,142	100,162
Adjusted weighted average number of shares issue after dilution ('000)	350,567	350,567	350,587	350,567
- Basic earnings per share (sen)	0.434	0.549	0.434	0.549
- Diluted earnings per share (sen)	0.310	0.392	0.310	0.392

**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 : 25 August 2023