



## **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 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 31 DECEMBER 2023**

	Individual 6 months ended		Cumulative 12 months ended	
	31.12.2023 RM'000	31.12.2022 RM'000	31.12.2023 RM'000	31.12.2022 RM'000
Revenue	18,224	18,460	35,347	34,525
Cost of sales	(9,576)	(8,857)	(17,322)	(15,192)
Gross profit	8,648	9,603	18,025	19,333
Other operating income	39	3	40	75
Administrative and other operating expenses	(9,206)	(9,289)	(16,824)	(16,798)
Operating profit /(loss)	(520)	317	1,241	2,610
Finance costs	(493)	(596)	(1,040)	(1,021)
Profit/(Loss) before tax	<b>(1,013)</b>	<b>(279)</b>	<b>201</b>	<b>1,589</b>
Taxation	14	(33)	(64)	(552)
<b>Profit/ (Loss) after tax</b>	<b>(998)</b>	<b>(313)</b>	<b>138</b>	<b>1,037</b>
<b>Other comprehensive income, net of tax</b>	-	-	-	-
<b>Total comprehensive income</b>	<b>(998)</b>	<b>(313)</b>	<b>138</b>	<b>1,037</b>
<b>Profit/(Loss) and total comprehensive income attributable to:</b>				
Owners of the Company	(996)	(321)	91	1,001
Non-controlling interests	(2)	9	47	36
	<b>(998)</b>	<b>(313)</b>	<b>138</b>	<b>1,037</b>
Earnings per share :-				
- Basic (sen)	(0.398)	(0.128)	0.036	0.400
- Diluted (sen)	(0.284)	(0.092)	0.026	0.285

**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  
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**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2023**

	<b>UNAUDITED</b> As at <b>31.12.2023</b> <b>RM'000</b>	<b>AUDITED</b> As at <b>31.12.2022</b> <b>RM'000</b>
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	15,272	16,619
Rights-of-use asset	3,720	7,975
Goodwill	9,788	9,788
Total non-current assets	<u>28,780</u>	<u>34,382</u>
<b>CURRENT ASSETS</b>		
Inventories	5,074	5,340
Trade and other receivables	11,686	9,593
Current tax assets	1,209	990
Other investment	200	1,775
Cash and cash equivalents	1,130	2,088
Total current assets	<u>19,300</u>	<u>19,786</u>
<b>TOTAL ASSETS</b>	<b><u>48,080</u></b>	<b><u>54,168</u></b>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
<b>Equity attributable to owners of the Company:-</b>		
Share capital	31,446	31,443
Retained profit	1,952	1,879
	<u>33,398</u>	<u>33,322</u>
Non-controlling interest	(60)	(107)
<b>TOTAL EQUITY</b>	<b><u>33,338</u></b>	<b><u>33,215</u></b>
<b>LIABILITIES</b>		
<b>NON-CURRENT LIABILITIES</b>		
Deferred tax liabilities	249	868
Lease liabilities	590	3,344
Hire purchase liabilities	790	734
Loans and borrowings	136	1,300
Total non-current liabilities	<u>1,766</u>	<u>6,246</u>
<b>CURRENT LIABILITIES</b>		
Trade and other payables	2,427	3,285
Lease liabilities	3,324	3,756
Hire Purchase Liabilities	2,885	2,740
Loans and borrowings	4,339	4,926
Total current liabilities	<u>12,976</u>	<u>14,707</u>
<b>TOTAL LIABILITIES</b>	<b>14,741</b>	<b>20,953</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b><u>48,080</u></b>	<b><u>54,168</u></b>
Net assets per share (sen)	13.31	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 31 DECEMBER 2023**

	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 2023	31,442	1,879	33,321	(107)	33,215
Profit for the financial period	-	91	91	47	138
Issuance of new shares	4	-	4	-	4
Dividends	-	(125)	(125)	-	(125)
Adoption of MFRS16	-	107	107	-	107
<b>As at 31 December 2023</b>	<b>31,446</b>	<b>1,952</b>	<b>33,398</b>	<b>(60)</b>	<b>33,338</b>

	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	31,438	1,003	32,441	-	32,298
Profit for the financial period	-	1,001	1,001	36	1,037
Issuance of new shares	4	-	4	-	4
Dividends	-	125	125	-	125
<b>As at 31 December 2022</b>	<b>31,442</b>	<b>1,879</b>	<b>33,321</b>	<b>-</b>	<b>33,215</b>

**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 31 DECEMBER 2023**

	12 months ended	
	Unaudited 31.12.2023 RM'000	Audited 31.12.2022 RM'000
<b>Cash flows From operating activities</b>		
Profit/(Loss) before taxation	201	1,589
Adjustment for:		
Depreciation on property, plant and equipment	2,131	3,035
Depreciation on right-of-use assets	1,244	1,550
Interest income	-	(1)
Interest expense	1,040	1,021
Gain on disposal of property, plants and equipment	(17)	(46)
Operating profit before working capital changes	4,599	7,148
(Increase)/ Decrease in inventories	265	(931)
(Increase)/ Decrease in trade and other receivables	(2,093)	(3,704)
(Decrease)/Increase in trade and other payables	(859)	335
Cash generated from/ (used in) operations	1,912	2,848
Interest received	-	1
Interest paid	(1,040)	(1,021)
Taxes paid	(64)	(220)
<b>Net cash inflow/(outflow) from operating activities</b>	<b>809</b>	<b>1,608</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(777)	(1,895)
Disposal of property, plant and equipment	10	47
Uplift/ (Placement) of fixed deposits	1,600	(75)
<b>Net cash from/ (used in) investing activities</b>	<b>833</b>	<b>(1,923)</b>
<b>Cash flows from financing activities</b>		
Dividend paid	(125)	(125)
Proceeds from increase in capital	4	4
Drawdown/ (Repayments) of borrowings	(1,715)	(513)
Repayment of lease liabilities	-	(159)
Repayment of hire purchase liabilities	-	(2,613)
Drawdown from finance lease	201	-
<b>Net cash generated used in financing activities</b>	<b>(1,636)</b>	<b>(3,406)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>6</b>	<b>(3,721)</b>
<b>Cash and cash equivalents at beginning of the financial period</b>	<b>(2,370)</b>	<b>1,351</b>
<b>Cash and cash equivalents at end of the financial period</b>	<b>(2,364)</b>	<b>(2,370)</b>
<b>Cash and cash equivalents comprised:</b>		
Bank Overdraft	(3,494)	(4,458)
Cash and bank balances	1,130	2,088
	<b>(2,364)</b>	<b>(2,370)</b>

**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 31 DECEMBER 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
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.

**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 were some changes in the composition of the Group for the interim financial period under review as below:

- i) A wholly owned subsidiary namely Smile-Link Asset Maintenance Sdn Bhd (202001032555 (1388875-H) has changed its name to Smile-Link DSO Sdn Bhd.
- ii) The Company has sold its fully owned share in the subsidiary Smile-Link Academy World Sdn Bhd (202101035316 (1435616-X) to Smile-Link DSO Sdn Bhd (f.k.a Smile-Link Asset Maintenance Sdn Bhd).

**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	
	31.12.2023 RM'000	31.12.2022 RM'000	31.12.2023 RM'000	31.12.2022 RM'000
<b>Segmental revenue</b>				
Dental services	17,392	17,530	33,888	33,360
Trading of dental products & others	832	930	1,459	1,165
<b>Total</b>	<b>18,224</b>	<b>18,460</b>	<b>35,347</b>	<b>34,525</b>
<b>Segmental profit/ (loss) before tax</b>				
Dental services	(675)	(427)	15	1,445
Trading of dental products & others	(338)	148	186	143
<b>Total</b>	<b>(1,013)</b>	<b>(279)</b>	<b>201</b>	<b>1,589</b>

**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 31.12.2023 RM'000	Preceding Year Corresponding 6 Month 31.12.2022 RM'000		
Revenue	18,224	18,460	(236)	-1%
Operating profit / (loss)	(520)	317	(837)	264%
Profit/(loss) before taxation	(1,013)	(279)	(733)	262%
Profit/(loss) after tax for the period	(998)	(313)	(686)	219%
Profit/(loss) for the period attributable to:				
Owners of the Company	(996)	(321)	(675)	210%
Non-controlling interest	(2)	9	(11)	100%
	(998)	(313)		

The Group recorded a revenue of RM18.224 million for the current financial period, representing a decreased of RM0.236 million or -1% as compared to RM18.460 million in the corresponding period of the preceding financial year. The revenue was dropped particular in East Malaysia, it is due to the structure in term of ruling in manpower with additional requirement by the State of Sarawak, hence the Group was having challenges in the intake of new dentist and staff.

The Group recorded a loss before taxation of RM1.013 million for the current financial period, representing an increased losses of RM0.733 million or -262% as compared to a loss before tax of RM0.279 million in the corresponding period of the preceding year. During the current financial period, the Group encountered the increase in pricing dental products and materials costs especially those imported products, the increased in operating costs were due to higher overhead costs in hiring staff for replacement, logistic costs, upkeep of dental clinics due to aging of wear and tear of the equipments.

**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 31.12.2023 RM'000	Immediate Preceding 6 Month 30.6.2023 RM'000		
Revenue	18,224	17,123	1,101	6.4%
Operating profit / (loss)	(520)	1,761	(2,281)	-130%
Profit/(loss) before taxation	(1,013)	1,214	(2,227)	-183%
Profit/(loss) after tax for the period	(998)	1,136	(2,134)	-188%
Profit/(loss) for the period attributable to:				
Owners of the Company	(996)	1,087	(2,083)	-192%
Non-controlling interest	(2)	49	(51)	-104%
	(998)	1,136		

The Group had recorded a revenue of RM18.224 million for the current financial period, representing an increased of RM1.101 million or 6.4% as compared to RM17.123 million in the previous financial period.

The Group recorded a loss before taxation of RM1.013 million for the current financial period, representing a decreased of RM2.227 million or -183% as compared to profit before taxation of RM1.214 million in the corresponding period of the previous financial period.

With certain unforesee circumstance the Group need to relocate certain clinics due to increase in rentals, execution of documentation of licensing and some was need to have temporary close due to shortage of staff in certain location. Those potential clinics is still in pipeline of renovation and application for licensing remain closely monitoring in schedule. The direct costs has been increased due to it need in hiring temporary staff for replacement, of which, some existing staff has been relocate base on experience basis to the relevant clinic as require on the services.



**B2 Prospects**

In view that the global economic in an uncertainty condition, as consumers are not willing in spending unless urgency, however, 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 is 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 scale. 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**

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

**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 31.12.2023	Preceding Year Corresponding 6 month 31.12.2022	Current Year To Date 31.12.2023	Preceding Year Corresponding Period 31.12.2022
Net profit/(loss) attributable to equity holders of the parent for the period (RM'000)	(996)	(321)	91	1,001
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	100,122	100,142	100,122	100,142
Adjusted weighted average number of shares issue after dilution ('000)	350,567	350,547	350,567	350,547
- Basic earnings per share (sen)	(0.398)	(0.128)	0.036	0.400
- Diluted earnings per share (sen)	(0.284)	(0.092)	0.026	0.285

**Date : 27 February 2024**