



SMILE-LINK HEALTHCARE GLOBAL BERHAD

Registration No: 201701040296 (1254469-U)
(Incorporated in Malaysia under the Companies Act 2016)

FINANCIAL STATEMENTS FOR THE 3RD HALF-YEAR ENDED 30 JUNE 2024

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 2024**

	Individual 6 months ended		Cumulative 18 months ended	
	30.6.2024	30.6.2023	30.6.2024 (18 months)	30.6.2023 (6 months)
	RM'000	RM'000	RM'000	RM'000
Revenue	14,310	N/A	49,657	N/A
Cost of sales	(7,965)	N/A	(25,287)	N/A
Gross profit	6,345	N/A	24,370	N/A
Other operating income	930	N/A	970	N/A
Administrative and other operating expenses	(10,448)	N/A	(27,272)	N/A
Operating profit /(loss)	(3,172)	N/A	(1,932)	N/A
Finance costs	(819)	N/A	(1,858)	N/A
Profit/(Loss) before tax	(3,991)	N/A	(3,790)	N/A
Taxation	(182)	N/A	(245)	N/A
Profit/ (Loss) after tax	(4,173)	N/A	(4,035)	N/A
Other comprehensive income, net of tax	-	N/A	-	N/A
Total comprehensive income	(4,173)	N/A	(4,035)	N/A
Profit/(Loss) and total comprehensive income attributable to:				
Owners of the Company	(4,202)	N/A	(4,111)	N/A
Non-controlling interests	29	N/A	76	N/A
	(4,173)	N/A	(4,035)	N/A
Earnings per share :-				
- Basic (sen)	(1.666)	N/A	(1.630)	N/A
- Diluted (sen)	(1.199)	N/A	(1.173)	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
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**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2024**

	UNAUDITED As at 30.06.2024 RM'000	AUDITED As at 31.12.2022 RM'000
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	13,573	16,619
Rights-of-use asset	3,258	7,975
Goodwill	9,788	9,788
Total non-current assets	26,619	34,382
CURRENT ASSETS		
Inventories	4,673	5,340
Trade and other receivables	8,527	9,593
Current tax assets	1,087	990
Other investment	200	1,775
Cash and cash equivalents	1,501	2,088
Total current assets	15,989	19,786
TOTAL ASSETS	42,608	54,168
EQUITY AND LIABILITIES		
EQUITY		
Equity attributable to owners of the Company:-		
Share capital	31,770	31,443
Retained profit/(loss)	(2,251)	1,879
	29,519	33,322
Non-controlling interest	(31)	(107)
TOTAL EQUITY	29,488	33,215
LIABILITIES		
NON-CURRENT LIABILITIES		
Deferred tax liabilities	1	868
Lease liabilities	1,093	3,344
Hire purchase liabilities	783	734
Loans and borrowings	88	1,300
Total non-current liabilities	1,965	6,246
CURRENT LIABILITIES		
Trade and other payables	1,716	3,285
Lease liabilities	3,149	3,756
Hire Purchase Liabilities	2,437	2,740
Loans and borrowings	3,852	4,926
Total current liabilities	11,155	14,707
TOTAL LIABILITIES	13,119	20,953
TOTAL EQUITY AND LIABILITIES	42,608	54,168
Net assets per share (sen)	11.69	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 2024**

	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	-	(4,111)	(4,111)	76	(4,035)
Issuance of new shares	328	-	328	-	328
Dividends	-	(125)	(125)	-	(125)
Adoption of MFRS16	-	106	106	-	106
As at 30 June 2024	31,770	(2,251)	29,519	(31)	29,488

	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	-	143	32,298
Profit for the financial period	-	1,001	1,001	36	1,037	
Issuance of new shares	4	-	4	-	4	
Dividends	-	-	125	-	-	125
As at 31 December 2022	31,442	1,879	33,321	-	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 2024

	Unaudited 30.6.2024 RM'000	Audited 31.12.2022 RM'000
Cash flows From operating activities		
Profit/(Loss) before taxation	(3,790)	1,589
Adjustment for:		
Depreciation on property, plant and equipment	1,331	3,035
Depreciation on right-of-use assets	1,576	1,550
Reinstate of the previous year property, plant and equipment	2,388	-
Interest income	-	(1)
Interest expense	1,858	1,021
Gain on disposal of property, plants and equipment	-	(46)
Operating profit before working capital changes	<u>3,363</u>	<u>7,148</u>
(Increase)/ Decrease in inventories	666	(931)
(Increase)/ Decrease in trade and other receivables	1,066	(3,704)
(Decrease)/Increase in trade and other payables	<u>(1,569)</u>	<u>335</u>
Cash generated from/ (used in) operations	3,526	2,848
Interest received	-	1
Interest paid	(1,858)	(1,021)
Taxes paid	<u>(245)</u>	<u>(220)</u>
Net cash inflow/(outflow) from operating activities	<u>1,422</u>	<u>1,608</u>
Cash flows from investing activities		
Proceeds from disposal of investment in subsidiaries	-	-
Purchase of property, plant and equipment	(780)	(1,895)
Disposal of property, plant and equipment	107	47
Uplift/ (Placement) of fixed deposits	1,400	(75)
Net cash from/ (used in) investing activities	<u>727</u>	<u>(1,923)</u>
Cash flows from financing activities		
Dividend paid	(125)	(125)
Proceeds from increase in capital	328	4
Drawdown/ (Repayments) of borrowings	(96)	(513)
Repayment of lease liabilities	-	(159)
Repayment of hire purchase liabilities	-	(2,613)
Drawdown from finance lease	<u>(1,820)</u>	<u>-</u>
Net cash generated used in financing activities	<u>(1,714)</u>	<u>(3,406)</u>
Net decrease in cash and cash equivalents	436	(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>(1,934)</u>	<u>(2,370)</u>
Cash and cash equivalents comprised:		
Bank Overdraft	(3,436)	(4,458)
Cash and bank balances	<u>1,501</u>	<u>2,088</u>
	<u>(1,934)</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 2024**

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

Basis of preparation

Amendments to accounting standards that are effective for the Company's financial year beginning on or after 1 January 2023 are as follows:

- MFRS 17, "Insurance Contracts"
- Amendments to MFRS 17, "Insurance Contracts"
- Amendments to MFRS 101, "Presentation of Financial Statements" (Classification of Liabilities as Current or Non-current)
- Amendments to MFRS 101, "Presentation of Financial Statements" (Disclosure of Accounting Policies)
- Amendments to MFRS 108, "Accounting Policies, Changes in Accounting Estimates and Errors" (Definition of Accounting Estimates)
- Amendments to MFRS 112, "Income Taxes" (Deferred Tax related to Assets and Liabilities arising from a Single Transaction)

The above accounting standard and amendments to accounting standards effective during the financial year do not have any significant impact to the financial results and position of the Company.

Amendments to accounting standards that are applicable for the Company in the following periods but are not yet effective:

Annual periods beginning on/after 1 January 2024

- Amendments to MFRS 16, "Leases" (Lease Liability in a Sale and Leaseback)
- Amendments to MFRS 101, "Presentation of Financial Statements" (Non-Current Liabilities with Covenants)

Amendments to MFRS 107, "Statement of Cash Flows" and MFRS 7, "Financial Instruments : Disclosure"(Supplier Finance Arrangements)

Annual periods beginning on/after 1 January 2025

- Amendments to MFRS 121, "The Effects of Changes in Foreign Exchange Rates" (Lack of Exchange ability).
- Amendments to MFRS 10, "Consolidated Financial Statements" and MFRS 128, "Investments in Associates and Joint Ventures" (Sale or Contribution of Assets between an Investor and its Associate or Joint Venture)

Effective date yet to be determined by the Malaysian Accounting Standards Board

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

The adoption of the amendments to accounting standards are not expected to have any significant impact to the financial statements of the Company.

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

- i) Acquired a wholly owned subsidiary namely Cloudscape Resources Sdn Bhd (201901042241(1351571-X) on 9 July 2024.
- ii) Acquired a wholly owned subsidiary namely Dentiste Eco Sdn Bhd (20200107339 (1363659-V) on 9 July 2024.

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 18 months ended	
	30.6.2024 RM'000	30.6.2023 RM'000	30.6.2024 RM'000	30.6.2023 RM'000
Segmental revenue				
Dental services	13,926	N/A	47,815	N/A
Trading of dental products & others	383	N/A	1,842	N/A
Total	14,310	N/A	49,657	N/A
Segmental profit/ (loss) before tax				
Dental services	(4,123)	N/A	(4,109)	N/A
Trading of dental products & others	132	N/A	319	N/A
Total	(3,991)	N/A	(3,790)	N/A

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	Preceding Year		
	6 Month 30.6.2024 RM'000	Corresponding 6 Month 30.6.2023 RM'000		
Revenue	14,310	17,123	(2,813)	-16.4%
Operating profit / (loss)	(3,172)	1,761	(4,933)	-280%
Profit/(loss) before taxation	(3,991)	1,214	(5,205)	-429%
Profit/(loss) after tax for the period	(4,173)	1,136	(5,309)	-467%
Profit/(loss) for the period attributable to:				
Owners of the Company	(4,202)	1,087	(5,289)	-486%
Non-controlling interest	29	49	(20)	-41%
	(4,173)	1,136		

The Group recorded a revenue of RM14.31 million for the current financial period, representing a decreased of RM2.81 million or -16.4% as compared to RM17.13 million in the corresponding period of the preceding financial year. The revenue was dropped particular in East Malaysia due to the structure in term of ruling in manpower with additional requirement by the State Government of Sarawak, and the Group also in progress of downsizing in the clinics operation.

The Group recorded a loss before taxation of RM3.99 million for the current financial period, representing an increased losses of RM5.20 million or -429% as compared to a profit before tax of RM1.21 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. The adjustment also inclusive of the amortization of rights of use, depreciation and written off of fixed assets due to restructuring of clinics.

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	Immediate		
	6 Month 30.6.2024 RM'000	Preceding 6 Month 30.12.2023 RM'000		
Revenue	14,310	18,224	(3,914)	-21.5%
Operating profit / (loss)	(3,172)	(520)	(2,652)	510%
Profit/(loss) before taxation	(3,991)	(1,013)	(2,978)	294%
Profit/(loss) after tax for the period	(4,173)	(998)	(3,175)	318%
Profit/(loss) for the period attributable to:				
Owners of the Company	(4,202)	(996)	(3,206)	322%
Non-controlling interest	29	(2)	31	1438%
	(4,173)	(998)		

The Group had recorded a revenue of RM14.31 million for the current financial period, representing decreased of RM3.91 million or -21.5% as compared to RM18.22 million in the previous financial period.

The Group recorded a loss before taxation of RM3.99 million for the current financial period, representing a increased in losses of RM2.98 million or 294% as compared to loss before taxation of RM1.01 million in the corresponding period of the previous financial period.

With certain unforesee circumstance the Group need to relocate certain clinics due to increase of rentals, execution of documentation of licensing and some required temporary close in operations 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.

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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 30.6.2024	Preceding Year Corresponding 6 month 30.6.2023	Current Year To Date 30.6.2024	Preceding Year Corresponding Period 30.6.2023
Net profit/(loss) attributable to equity holders of the parent for the period (RM'000)	(4,202)	N/A	(4,111)	N/A
Weighted average number of shares in issue ('000)	252,245	N/A	252,245	N/A
Assume full conversion on the number warrants shares to ordinary shares	98,282	N/A	98,282	N/A
Adjusted weighted average number of shares issue after dilution ('000)	350,527	N/A	350,527	N/A
- Basic earnings per share (sen)	(1.666)	-	(1.630)	-
- Diluted earnings per share (sen)	(1.199)	-	(1.173)	-

Date : 28.8.2024