



# ADVENTA

## ADVENTA BERHAD

(Company No : 200301016113 (618533-M))

(Incorporated in Malaysia)

### FIRST QUARTER REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2023

#### UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENTS

	Note	Individual period		Cumulative period	
		Current Year Quarter 31-Mar-2023 RM'000	Preceding Year Corresponding Quarter 31-Mar-2022 RM'000	Current Year Quarter 31-Mar-2023 RM'000	Preceding Year Corresponding Quarter 31-Mar-2022 RM'000
Revenue	8	13,751	18,295	13,751	18,295
Operating expenses		(14,280)	(16,832)	(14,280)	(16,832)
Net foreign exchange loss	25	(37)	(108)	(37)	(108)
Other income	25	57	118	57	118
Operating profit/(loss)		(509)	1,473	(509)	1,473
Finance costs	25	(322)	(334)	(322)	(334)
Share of results of associates		-	(229)	-	(229)
Profit/(loss) before taxation	8	(831)	910	(831)	910
Income tax expense	18	-	(372)	-	(372)
Profit/(loss) for the period		(831)	538	(831)	538
Profit attributable to:					
Owners of the parent	24	(825)	700	(825)	700
Non-controlling interests		(6)	(162)	(6)	(162)
Profit/(loss) for the period		(831)	538	(831)	538
Earnings/(losses) per share (sen):					
Basic	24	(0.54)	0.46	(0.54)	0.46
Diluted		N/A	N/A	N/A	N/A
Number of ordinary shares ('000)	24	152,786	152,786	152,786	152,786

These condensed consolidated income statements should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.



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FIRST QUARTER REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2023

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

	<u>Individual period</u>		<u>Cumulative period</u>	
	<u>Current Year</u> <u>Quarter</u> <u>31-Mar-2023</u> <u>RM'000</u>	<u>Preceding Year</u> <u>Corresponding</u> <u>Quarter</u> <u>31-Mar-2022</u> <u>RM'000</u>	<u>Current Year</u> <u>Quarter</u> <u>31-Mar-2023</u> <u>RM'000</u>	<u>Preceding Year</u> <u>Corresponding</u> <u>Quarter</u> <u>31-Mar-2022</u> <u>RM'000</u>
Profit for the period	(831)	538	(831)	538
Other comprehensive income:				
Foreign currency translation	888	(211)	888	(211)
Total comprehensive income for the period	<u>57</u>	<u>327</u>	<u>57</u>	<u>327</u>
Total comprehensive income attributable to:				
Owners of the parent	(825)	700	(825)	700
Non-controlling interests	882	(373)	882	(373)
Total comprehensive income for the period	<u>57</u>	<u>327</u>	<u>57</u>	<u>327</u>

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**FIRST QUARTER REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2023**

**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

	Note	Unaudited As at 31-Mar-2023 RM'000	Audited As at 31-Dec-2022 RM'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant & equipment		12,746	14,123
Intangible assets		55	55
Deferred tax assets		426	426
		13,227	14,604
<b>Current assets</b>			
Inventories		16,925	19,747
Trade and other receivables	7	37,245	25,574
Tax recoverable		1,144	1,138
Cash and bank balances		11,304	10,945
		66,618	57,404
<b>TOTAL ASSETS</b>		79,845	72,008

*These condensed consolidated statements of financial position should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.*



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**FIRST QUARTER REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2023**

**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

	Unaudited As at Note 31-Mar-2023 RM'000	Audited As at 31-Dec-2022 RM'000
<b>EQUITY AND LIABILITIES</b>		
<b>Current liabilities</b>		
Trade payables and other payables	5,362	8,429
Lease liabilities	47	67
Bank borrowings	22 11,408	541
	<u>16,817</u>	<u>9,037</u>
<b>Total liabilities</b>	<u>16,817</u>	<u>9,037</u>
<b>Equity</b>		
Share capital	57,680	57,680
Foreign exchange reserve	706	(153)
Retained earnings	4,633	5,457
<b>Equity attributable to owners of the parent</b>	<u>63,019</u>	<u>62,984</u>
Non-controlling interests	9	(13)
<b>Total equity</b>	<u>63,028</u>	<u>62,971</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>79,845</u>	<u>72,008</u>
Net assets per share (RM)	<u>0.41</u>	<u>0.41</u>

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FIRST QUARTER REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2023

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

	<u>Non-distributable</u>		<u>Distributable</u>		Non-controlling interests	Total equity
	Share capital	Foreign exchange reserve	Retained profits	Total		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b><u>Period ended 31 December 2022</u></b>						
At 1 January 2022	57,680	2	10,599	68,281	20	68,301
Profit for the financial period	-	-	(5,141)	(5,141)	(64)	(5,205)
<b>Other comprehensive income</b>						
Foreign currency translation differences for foreign operations, representing total other comprehensive income	-	(156)	-	(156)	31	(125)
<b>Total comprehensive income</b>	-	(156)	-	(156)	31	(125)
At 31 December 2022	<u>57,680</u>	<u>(154)</u>	<u>5,458</u>	<u>62,984</u>	<u>(13)</u>	<u>62,971</u>
<b><u>Period ended 31 March 2023</u></b>						
At 1 January 2023	57,680	(154)	5,458	62,984	(13)	62,971
Profit for the financial period	-	-	(825)	(825)	(6)	(831)
<b>Other comprehensive income</b>						
Foreign currency translation differences for foreign operations, representing total other comprehensive income	-	860	-	860	28	888
<b>Total comprehensive income</b>	-	860	-	860	28	888
At 31 March 2023	<u>57,680</u>	<u>706</u>	<u>4,633</u>	<u>63,019</u>	<u>9</u>	<u>63,028</u>

These condensed consolidated statements of changes in equity should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.



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**FIRST QUARTER REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2023**

**UNAUDITED ADJUSTED CONSOLIDATED STATEMENTS OF CASH FLOW**

	<b>Current Period to Date Ended 31-Mar-2023 RM'000</b>	<b>Corresponding Period to Date Ended 31-Mar-2022 RM'000</b>
<b>Cash flows from operating activities</b>		
Profit/(loss) before tax	(831)	910
Adjustments for:		
Depreciation of property, plant and equipment	166	273
Interest expense	322	334
Interest income	(10)	(69)
Operating profit/(loss) before working capital changes	(353)	1,448
Increase in inventories	2,823	900
(Increase)/decrease in receivables	(11,670)	13,007
Decrease in payables	(3,067)	(15,707)
Cash used in operations	(12,267)	(352)
Taxes paid	(11)	(159)
Net cash used in operating activities	(12,278)	(511)

*These condensed consolidated statements of cash flow should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.*



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**FIRST QUARTER REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2023**

**UNAUDITED ADJUSTED CONSOLIDATED STATEMENTS OF CASH FLOW**

	Current Year to Date Ended 31-Mar-2023 Unaudited RM'000	Corresponding Year to Date Ended 31-Mar-2022 Audited RM'000
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(5)	(46)
Proceed from disposal of plant and equipment	1,216	-
Interest received	10	69
Net cash used from investing activities	1,221	23
<b>Cash flows from financing activities</b>		
Net increase in borrowings	10,848	468
Interest paid	(322)	(334)
Net cash used from financing activities	10,526	134
Effects of foreign exchange rate changes	890	230
Net decrease/(increase) in cash and cash equivalents	359	(124)
Cash and cash equivalents at beginning of financial period	10,945	7,805
<b>Cash and cash equivalents at end of financial period</b>	<b>11,304</b>	<b>7,681</b>
Cash and cash equivalents at end of financial period comprise:		
- Cash and bank balances	11,304	7,681

*These condensed consolidated statements of cash flow should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.*

**ADVENTA BERHAD**  
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**FIRST QUARTER REPORT ENDED 31 MARCH 2023**  
**UNAUDITED NOTES TO FINANCIAL STATEMENTS**

**PART A - EXPLANATORY NOTES PURSUANT TO MFRS 134**

**1. BASIS OF PREPARATION**

The interim financial report is unaudited and has been prepared in accordance with Malaysia Financial Reporting Standard ("MFRS") 134: Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial report should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2022. The explanatory notes attached to the interim financial statements explain events and transactions that are significant to the understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2022.

The audited financial statements of the Group for the year ended 31 December 2022 were prepared in accordance with Malaysian Financial Reporting Standards ("MFRS"). The significant accounting policies and method of computations adopted in the preparation of the financial report are consistent with those adopted in the audited financial statements of the Group for the financial year ended 31 December 2022.

**2. AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS**

The preceding audited financial statements for the year ended 31 December 2022 were no subject to any qualification.

**3. UNUSUAL ITEMS DUE TO THEIR NATURE, SIZE, OR INCIDENCE**

There were no other unusual items affecting assets, liabilities, equity, net income, and cash flows during the current quarter under review.

**4. CHANGES IN ESTIMATES**

There were no changes in estimates that have had a material effect on the current quarter results.

**5. DEBTS AND EQUITY SECURITIES**

There were no issuances, cancellations, repurchases, resale, and repayments of debt and equity securities during the current quarter under review.

**6. DIVIDENDS PAID**

There was no dividend paid during the current quarter under review.

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**7. TRADE AND OTHER RECEIVABLES**

	<b>As at 31-Mar-23 RM ('000)</b>	<b>As at 31-Dec-22 RM ('000)</b>
<b>Trade Receivables</b>		
Third parties	25,608	20,491
Allowance for impairment loss	(742)	(742)
	<u>24,866</u>	<u>19,749</u>
<b>Other Receivables</b>		
Third and Related parties	2,732	2,560
Allowance for impairment loss	(2,449)	(2,449)
	<u>283</u>	<u>111</u>
<b>Deposits and Prepayments</b>	<u>12,096</u>	<u>5,914</u>
	<u>37,245</u>	<u>25,774</u>

**a) Trade Receivables**

The Group's normal trade credit term ranges from 30 to 90 days (2022: 30 to 90 days). Other credit terms are assessed and approved on a case-by-case basis. They are recognized at their original invoice amounts which represent their fair value on initial recognition.

The Group recognizes loss allowances for expected credit losses (ECLs) on trade receivables measured at amortised cost. The Group applies the simplified approach to provide ECLs for all trade receivables as permitted by MFRS 9.

The following table provides information about the exposure to credit risk and ECLs for trade receivables:

	<b>As at 31-Mar-23 RM ('000)</b>	<b>As at 31-Dec-22 RM ('000)</b>
Not past due	9,511	4,749
Past due:		
- Less than 30 days	2,788	1,150
- 31 to 60 days	1,762	2,811
- 61 to 90 days	500	4,642
- More than 90 days	11,047	7,139
	<u>25,608</u>	<u>20,491</u>
Less: Loss allowance		
- Collectively impaired	(136)	(136)
- Individually impaired	(606)	(606)
Trade Receivable net	<u>24,866</u>	<u>19,749</u>

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Credit impaired

Trade receivables that are individually determined to be impaired at the reporting date relate to debtors that are in significant financial difficulties and have defaulted payments. These receivables are not secured by any collateral or credit enhancements.

**8. SEGMENTAL INFORMATION**

**Healthcare:** The business involves the supply of healthcare and related products, services to hospitals, healthcare centers and pharmacies. This includes the renal dialysis business which is for home and center-based treatments, serving both the domestic and export markets. This renal dialysis business was disposed of on 3 May 2021.

The Group's segmental revenue and profit/(loss) before tax (PBT/LBT) for the current quarter are as follow:

<u>Revenue</u>	Individual Quarter Ended		Cumulative Quarter Ended	
	31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22
<u>Segment</u>	RM ('000)	RM ('000)	RM ('000)	RM ('000)
Healthcare	14,428	18,295	14,428	18,295
Corporate	240	240	240	240
Elimination	(917)	(240)	(917)	(240)
<b>Total</b>	<b>13,751</b>	<b>18,295</b>	<b>13,751</b>	<b>18,295</b>

  

<u>(LBT)/PBT result</u>				
<u>Segment</u>	RM ('000)	RM ('000)	RM ('000)	RM ('000)
Healthcare	(635)	939	(635)	939
Corporate	(196)	(29)	(196)	(29)
Elimination	-	-	-	-
<b>Total</b>	<b>(831)</b>	<b>910</b>	<b>(831)</b>	<b>910</b>

**9. VALUATIONS OF PROPERTY, PLANT AND EQUIPMENT**

The valuations of property, plant and equipment have been brought forward, without amendment from the previous annual financial statements of the Group.

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**UNAUDITED NOTES TO FINANCIAL STATEMENTS**

**10. SIGNIFICANT EVENTS**

There are no material events subsequent to the end of the reporting period under review that have not been reflected in the quarterly financial statements.

**11. CHANGES IN COMPOSITION OF THE GROUP**

There were no changes in the composition of the Group during the financial period ended 31 March 2023 and subsequent to financial period as of to date.

**12. CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

There were no contingent liabilities or contingent assets for the Group for the current quarter under review.

**13. CAPITAL COMMITMENTS**

There were no material capital commitments at the financial period ended 31 March 2023.

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**UNAUDITED NOTES TO FINANCIAL STATEMENTS**

***PART B – ADDITIONAL INFORMATION AS REQUIRED BY APPENDIX 9B OF BURSA MALAYSIA LISTING REQUIREMENTS***

**14. PERFORMANCE REVIEW**

	<b>Individual Quarter Ended 1Q 2023</b>	<b>Individual Quarter Ended 1Q 2022</b>	<b>Changes</b>	<b>Changes</b>
	<b>RM ('000)</b>	<b>RM ('000)</b>	<b>RM ('000)</b>	<b>%</b>
Revenue	13,751	18,295	(4,544)	-25%
Profit before tax / (Loss before tax)	(831)	910	(1,741)	-191%

Revenue was lower by 25% from RM18.29m compared to Q1 last year mainly due to lower demand for certain products resulting from over-stocked positions and budget constraints from hospitals.

The lower sales revenue has resulted in a loss before tax of RM831k compared to a previous profit of RM910k. Increased procurement costs and competitive pricing has resulted in margin contraction for certain products especially products like disposable gloves.

**15. COMPARISON WITH PRECEDING QUARTER'S RESULTS**

	<b>Reporting Quarter 1Q 2023</b>	<b>Previous Quarter 4Q 2022</b>	<b>Changes</b>	<b>Changes</b>
	<b>RM ('000)</b>	<b>RM ('000)</b>	<b>RM ('000)</b>	<b>%</b>
Revenue	13,751	8,447	5,304	63%
Loss Before Tax (LBT)	(831)	(3,599)	(2,768)	77%

This quarter recorded an increase in revenue of 63% compared to the previous quarter and a loss before tax of RM831k, compared to a loss of RM3.6m due to impairment of receivables.

Losses incurred in this quarter is mainly due to lower margin for certain products due to competitive pricing particularly for products like disposable gloves.

**16. COMMENTARY ON CURRENT YEAR PROSPECTS**

While near-term headwinds such as from elevated inflation, high energy prices and rising interest rates this year still remains, current year prospects remain challenging in the face of reduced local demand for our products. The Company has expanded the product portfolio with our in-house brand to counter the margin contraction issue and is optimistic about the long term business prospects.

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**UNAUDITED NOTES TO FINANCIAL STATEMENTS**

**17. PROFIT FORECAST**

No profit forecast was announced hence there was no comparison between actual results and forecast.

**18. TAXATION**

No taxation is provided as the company incurred a loss during the quarter under review.

	<b>Individual Quarter Ended</b>		<b>Cumulative Quarter Ended</b>	
	<b>31-Mar-23</b>	<b>31-Mar-22</b>	<b>31-Mar-23</b>	<b>31-Mar-22</b>
	<b>RM ('000)</b>	<b>RM ('000)</b>	<b>RM ('000)</b>	<b>RM ('000)</b>
Income tax credit/(expense)	-	(372)	-	(372)
Deferred tax assets/(liabilities)	-	-	-	-
<b>Total</b>	-	<b>(372)</b>	-	<b>(372)</b>

**19. SALE OF UNQUOTED INVESTMENTS AND PROPERTIES**

There was no sale of unquoted investments and properties during the current quarter under review.

**20. MARKETABLE SECURITIES**

There was no purchase or disposal of marketable securities during the current quarter under review.

**21. CORPORATE PROPOSALS**

There was no corporate proposal announced which remain uncompleted at the financial period ended 31 March 2023.

**22. BANK BORROWINGS AND DEBT SECURITIES**

The total bank borrowings of the Group as of financial period ended 31 March 2023 is as below :

	<b>As at 31-Mar-23 RM ('000)</b>	<b>As at 31-Mar-22 RM ('000)</b>
<b>Current (Secured):</b>		
Trade loan	3,258	1,207
Term loan	8,150	-
<b>Total Bank Borrowings</b>	<u>11,408</u>	<u>1,207</u>

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**23. CHANGES IN MATERIAL LITIGATION**

The Board confirms that the Adventa Group is not engaged in any material litigation, claims or arbitration, either as plaintiff or defendant. The Board has no knowledge of any proceedings pending against Adventa Group or any facts likely to give rise to any proceeding which may have a material impact on the business or the financial position of Adventa Group.

**24. EARNINGS PER SHARE**

The basic and diluted earnings per share for the reporting period are computed as follows:

**a. Basic**

	<b>Individual Quarter Ended</b>		<b>Cumulative Quarter Ended</b>	
	<b>31-Mar-23</b>	<b>31-Mar-22</b>	<b>31-Mar-23</b>	<b>31-Mar-22</b>
Profit attributable to ordinary equity holders of the parent (RM '000)	(826)	700	(826)	700
Weighted average number of ordinary shares in issue (Unit '000)	152,786	152,786	152,786	152,786
Basic earnings per share (sen)	(0.54)	0.46	(0.54)	0.46

**b. Diluted**

There were no diluted earnings per share.

**25. (LOSS) / PROFIT BEFORE TAX**

(Loss) / profit before tax is stated after charging/(crediting):

	<b>Individual Quarter Ended</b>		<b>Cumulative Quarter Ended</b>	
	<b>31-Mar-23</b>	<b>31-Mar-22</b>	<b>31-Mar-23</b>	<b>31-Mar-22</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Other income	47	49	47	49
Interest income	10	69	10	69
Net foreign exchange loss/(gain)	(37)	(108)	(37)	(108)
Interest expenses	(322)	(334)	(322)	(334)

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**UNAUDITED NOTES TO FINANCIAL STATEMENTS**

**26. REALISED AND UNREALISED PROFITS/LOSSES)**

The breakdown of the retained profits of the Group as at reporting date into realised and unrealised profits/(losses) is as follows:

	<b>As at 31-Mar-2023</b>	<b>As at 31-Mar-2022</b>
	<b>RM'000</b>	<b>RM'000</b>
<b><u>Group's total Retained profits:</u></b>		
Realised	8,578	16,659
Unrealised	(3,118)	(3,931)
<b>Total Realised and unrealised</b>	<b>5,460</b>	<b>12,728</b>
Less: Consol adjustments	(827)	(1,429)
<b>Retained profits</b>	<b>4,633</b>	<b>11,299</b>

**27. AUTHORISED FOR ISSUE**

The interim financial statements were authorized for issue by the Board of Directors in accordance with a resolution of the directors on 18<sup>th</sup> May 2023.

**By Order of the Board**  
**Adventa Berhad**  
**CHUA SIEW CHUAN**  
 Company Secretary MAICSA 0777689