



ADVENTA BERHAD

(Company No : 200301016113 (618533-M))

(Incorporated in Malaysia)

FIRST QUARTER REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2024

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENTS

	Note	Individual period		Cumulative period	
		Current Year Quarter 31-Mar-2024 RM'000	Preceding Year Corresponding Quarter 31-Mar-2023 RM'000	Current Year Quarter 31-Mar-2024 RM'000	Preceding Year Corresponding Quarter 31-Mar-2023 RM'000
Revenue	9	13,503	13,751	13,503	13,751
Operating expenses		(13,444)	(14,280)	(13,444)	(14,280)
Net foreign exchange gain/(loss)	27	30	(37)	30	(37)
Other income	27	409	57	409	57
Operating profit/(loss)		498	(509)	498	(509)
Finance costs	27	(197)	(322)	(197)	(322)
Profit/(loss) before taxation	9	301	(831)	301	(831)
Income tax credit/(expense)	20	-	-	-	-
Profit/(loss) for the period		301	(831)	301	(831)
Profit attributable to:					
Owners of the parent	26	304	(825)	304	(825)
Non-controlling interests		(3)	(6)	(3)	(6)
Profit/(loss) for the period		301	(831)	301	(831)
Earnings/(losses) per share (sen):					
Basic	26	0.10	(0.54)	0.10	(0.54)
Diluted		N/A	N/A	N/A	N/A
Number of ordinary shares ('000)	26	305,572	152,786	305,572	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 2024

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Individual period		Cumulative period	
	Current Year Quarter 31-Mar-2024 RM'000	Preceding Year Corresponding Quarter 31-Mar-2023 RM'000	Current Year Quarter 31-Mar-2024 RM'000	Preceding Year Corresponding Quarter 31-Mar-2023 RM'000
Profit for the period	301	(831)	301	(831)
Other comprehensive income:				
Foreign currency translation	334	888	334	888
Total comprehensive income for the period	<u>635</u>	<u>57</u>	<u>635</u>	<u>57</u>
Total comprehensive income attributable to:				
Owners of the parent	304	(825)	304	(825)
Non-controlling interests	331	882	331	882
Total comprehensive income for the period	<u>635</u>	<u>57</u>	<u>635</u>	<u>57</u>

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FIRST QUARTER REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2024

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Note	Unaudited As at 31-Mar-2024 RM'000	Audited As at 31-Dec-2023 RM'000
ASSETS			
Non-current assets			
Property, plant & equipment		34,799	29,840
Intangible assets		55	55
Investment	7	11,500	11,500
Deferred tax assets		1,535	1,535
		47,889	42,930
Current assets			
Inventories		13,060	12,405
Trade and other receivables	8	24,910	14,318
Tax recoverable		598	628
Cash and bank balances		15,812	34,113
		54,380	61,464
TOTAL ASSETS		102,269	104,394

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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CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Unaudited	Audited
	As at	As at
Note	31-Mar-2024	31-Dec-2023
	RM'000	RM'000
EQUITY AND LIABILITIES		
Non-Current liabilities		
Bank borrowings	24 <u>-</u>	<u>5,670</u>
Current liabilities		
Trade payables and other payables	8,918	4,730
Bank borrowings	24 <u>789</u>	<u>2,067</u>
	<u>9,707</u>	<u>6,797</u>
Total liabilities	<u>9,707</u>	<u>12,467</u>
Equity		
Share capital	95,192	95,192
Foreign exchange reserve	656	329
Retained earnings	<u>(3,314)</u>	<u>(3,618)</u>
Equity attributable to owners of the parent	92,534	91,903
Non-controlling interests	<u>28</u>	<u>24</u>
Total equity	<u>92,562</u>	<u>91,927</u>
TOTAL EQUITY AND LIABILITIES	<u>102,269</u>	<u>104,394</u>
Net assets per share (RM)	<u>0.30</u>	<u>0.30</u>

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FIRST QUARTER REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2024

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
<u>Period ended 31 December 2023</u>						
At 1 January 2023	57,680	(154)	5,458	62,984	(13)	62,971
Additional share capital	37,512	-	-	37,512	-	37,512
Profit for the financial period	-	-	(9,076)	(9,076)	(82)	(9,158)
Other comprehensive income						
Foreign currency translation differences for foreign operations, representing total other comprehensive income	-	483	-	483	119	602
Total comprehensive income	-	483	-	483	119	602
At 31 December 2023	<u>95,192</u>	<u>329</u>	<u>(3,618)</u>	<u>91,903</u>	<u>24</u>	<u>91,927</u>
<u>Period ended 31 March 2024</u>						
At 1 January 2024	95,192	329	(3,618)	91,903	24	91,927
Profit for the financial period	-	-	304	304	(3)	301
Other comprehensive income						
Foreign currency translation differences for foreign operations, representing total other comprehensive income	-	327	-	327	7	334
Total comprehensive income	-	327	-	327	7	334
At 31 March 2024	<u>95,192</u>	<u>656</u>	<u>(3,314)</u>	<u>92,534</u>	<u>28</u>	<u>92,562</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 2024

UNAUDITED ADJUSTED CONSOLIDATED STATEMENTS OF CASH FLOW

	Current Period to Date Ended 31-Mar-2024 RM'000	Corresponding Period to Date Ended 31-Mar-2023 RM'000
Cash flows from operating activities		
Profit/(loss) before tax	301	(831)
Adjustments for:		
Depreciation of property, plant and equipment	323	166
Interest expense	198	322
Interest income	(179)	(10)
Operating profit/(loss) before working capital changes	643	(353)
(Increase)/decrease in inventories	(655)	2,823
Increase in receivables	(10,806)	(11,670)
Increase/(decrease) in payables	4,590	(3,067)
Cash used in operations	(6,228)	(12,267)
Taxes refund / (paid)	30	(11)
Net cash used in operating activities	(6,198)	(12,278)

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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UNAUDITED ADJUSTED CONSOLIDATED STATEMENTS OF CASH FLOW

	Current Year to Date Ended 31-Mar-2024 Unaudited RM'000	Corresponding Year to Date Ended 31-Mar-2023 Audited RM'000
Cash flows from investing activities		
Purchase of property, plant and equipment	(5,300)	(5)
Proceed from disposal of plant and equipment	8	1,216
Interest received	179	10
Net cash (used in)/from investing activities	(5,113)	1,221
Cash flows from financing activities		
Net (decrease)/increase in borrowings	(6,948)	10,848
Interest paid	(198)	(322)
Net cash (used in)/from financing activities	(7,146)	10,526
Net decrease in cash and cash equivalents	(18,457)	(531)
Effects of foreign exchange rate changes	156	890
Cash and cash equivalents at beginning of financial period	34,113	10,945
Cash and cash equivalents at end of financial period	15,812	11,304
Cash and cash equivalents at end of financial period comprise:		
- Cash and bank balances	15,812	11,304

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 ENDED 31 MARCH 2024
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 2023. 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 2023.

The audited financial statements of the Group for the year ended 31 December 2023 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 2023.

2. AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

The preceding audited financial statements for the year ended 31 December 2023 were not 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. INVESTMENT

	As at 31-Mar-24 RM ('000)	As at 31-Dec-23 RM ('000)
Unquoted shares at cost	11,500	11,500

8. TRADE AND OTHER RECEIVABLES

	As at 31-Mar-24 RM ('000)	As at 31-Dec-23 RM ('000)
Trade Receivables		
Third parties	15,691	10,924
Allowance for impairment loss	(3,069)	(3,069)
	<u>12,622</u>	<u>7,855</u>
Other Receivables		
Third and Related parties	1,839	2,153
	<u>1,839</u>	<u>2,153</u>
Deposits and Prepayments	10,449	4,310
	<u>24,910</u>	<u>14,318</u>

a) Trade Receivables

The Group's normal trade credit term ranges from 30 to 90 days (2023: 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:

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	As at 31-Mar-24 RM ('000)	As at 31-Dec-23 RM ('000)
Not past due	9,250	4,617
Past due:		
- Less than 30 days	1,020	615
- 31 to 60 days	402	577
- 61 to 90 days	137	400
- More than 90 days	4,882	4,715
	15,691	10,924
Less: Loss allowance		
- Collectively impaired	(28)	(28)
- Individually impaired	(3,041)	(3,041)
Trade Receivable net	12,622	7,855

Credit impaired.

Trade receivables are determined to be impaired at the reporting date are debts that are deemed to be difficult to collect in full or in part for respective reasons. These receivables are not secured by any collateral or credit enhancements.

9. SEGMENTAL INFORMATION

Healthcare: The business involves the supply of healthcare and related products, services to hospitals, healthcare centers and pharmacies.

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-24	31-Mar-23	31-Mar-24	31-Mar-23
<u>Segment</u>	RM ('000)	RM ('000)	RM ('000)	RM ('000)
Healthcare	14,031	14,428	14,031	14,428
Corporate	210	240	210	240
Elimination	(738)	(917)	(738)	(917)
Total	13,503	13,751	13,503	13,751

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<u>(LBT)/PBT result</u>	Individual Quarter Ended		Cumulative Quarter Ended	
	31-Mar-24	31-Mar-23	31-Mar-24	31-Mar-23
<u>Segment</u>	RM ('000)	RM ('000)	RM ('000)	RM ('000)
Healthcare	645	(635)	645	(635)
Corporate	(344)	(196)	(344)	(196)
Elimination	-	-	-	-
Total	301	(831)	301	(831)

10. 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.

11. 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.

12. CHANGES IN COMPOSITION OF THE GROUP

There were no changes in the composition of the Group during the financial period ended 31 March 2024 and subsequent to financial period.

13. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

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

14. CAPITAL COMMITMENTS

The capital commitments at the financial period ended 31 March 2024 is as follows:

Capital Expenditure approved and contracted for	RM ('000)
- Property, plant and equipment for the manufacturing facility	<u>15,587</u>

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

15. PERFORMANCE REVIEW

	Individual Quarter Ended 1Q 2024	Individual Quarter Ended 1Q 2023	Changes	Changes
	RM ('000)	RM ('000)	RM ('000)	%
Revenue	13,503	13,751	-248	-2%
Profit before tax/ (Loss before tax)	301	(831)	1,132	136%

Revenue was flat compared to same period last year but the profit before tax in this quarter is 136% higher than same quarter last year. This improvement in profit is in part, the result of cost containment, rationalization of operations and expansion of products carried out over the last 6 months.

16. COMPARISON WITH PRECEDING QUARTER'S RESULTS

	Reporting Quarter 1Q 2024	Previous Quarter 4Q 2023	Changes	Changes
	RM ('000)	RM ('000)	RM ('000)	%
Revenue	13,503	8,647	4,856	56%
Profit before tax/ (Loss before tax)	301	(4,898)	5,199	106%

The current quarter revenue increased 56% compared to the previous quarter. Higher sales of equipment segment, house brands and third-party businesses drove this change. Profit before tax turned around from a loss of RM4.9 million to a profit of RM301k compared to the previous quarter. However the previous quarter contained some impairment and write-downs which are one-offs. There is operations profit growth of RM 1.08 million this quarter.

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17. COMMENTARY ON CURRENT YEAR PROSPECTS

The current year is shaping up to be a potentially transformative one for our Group, particularly rebounding from the previous years weaker financial performance. The Company took several measures that improved the business model which contributed to this positive shift. These enhances our operational efficiency, reduce redundancies, respond faster to changing market dynamics and strengthen our competitive position in the market. The Company will continue its strategy review and re-calibration to stay ahead.

With the manufacturing investments in Indonesia almost ready, the Company expects another revenue stream in the second half of the year. It is not expected to substantially affect the revenue or income in the first 6 months of operation. New products require registrations and user validations but these are expected to be completed within 6 months. The new business unit offers exciting export opportunities to regional countries.

18. UTILISATION OF PROCEEDS

The gross proceeds arising from the Issuance of Rights Issue of RM38.19 million are as follows:

Details of Utilisation	Expected utilization time frame	Proposed Utilisation	Actual Utilisation	Remaining balance
		RM ('000)	RM ('000)	RM ('000)
Business Expansion	Within 24 months	20,605	11,036	9,569
Working Capital	Within 18 months	8,182	7,534	648
Repayment of bank borrowings	Within 6 months	8,755	8,755	NIL
Estimated Expenses	Upon completion	654	654	NIL
Total		38,196	27,979	10,217

19. PROFIT FORECAST

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

20. TAXATION

No taxation is provided for the company during the quarter under review as there's no taxable income.

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21. SALE OF UNQUOTED INVESTMENTS AND PROPERTIES

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

22. MARKETABLE SECURITIES

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

23. CORPORATE PROPOSALS

There was no corporate proposal announced which remains uncompleted at the financial period ended 31 March 2024.

24. BANK BORROWINGS AND DEBT SECURITIES

The total bank borrowings of the Group as of financial period ended 31 Mar 2024 is as below:

	As at 31-Mar-24 RM ('000)	As at 31-Dec-23 RM ('000)
Non-Current (Secured):		
Term loan	-	5,670
Current (Secured):		
Trade loan	789	606
Term loan	-	1,461
Total Bank Borrowings	789	7,737

25. 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.

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26. EARNINGS PER SHARE

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

a. Basic

	Individual Quarter Ended		Cumulative Quarter Ended	
	31-Mar-24	31-Mar-23	31-Mar-24	31-Mar-23
Profit attributable to ordinary equity holders of the parent (RM '000)	293	(825)	293	(825)
Weighted average number of ordinary shares in issue (Unit '000)	305,572	152,786	305,572	152,786
Basic earnings per share (sen)	0.10	(0.54)	0.10	(0.54)

b. Diluted

There were no diluted earnings per share.

27. (LOSS) / PROFIT BEFORE TAX

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

	Individual Quarter Ended		Cumulative Quarter Ended	
	31-Mar-24	31-Mar-23	31-Mar-24	31-Mar-23
	RM'000	RM'000	RM'000	RM'000
Other income	230	47	230	47
Interest income	179	10	179	10
Net foreign exchange loss/(gain)	(30)	37	(30)	37
Interest expenses	(197)	(322)	(197)	(322)

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28. REALISED AND UNREALISED PROFITS/LOSSES

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

	As at 31-Mar-2024	As at 31-Mar-2023
	RM'000	RM'000
Group's total Retained profits:		
Realised	757	8,578
Unrealised	(3,071)	(3,118)
Total Realised and unrealised	(2,314)	5,460
Less: Consol adjustments	(1,000)	(827)
(Accumulated losses)/ Retained profits	(3,314)	4,633

29. 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 2nd May 2024.

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