

ADVENTA BERHAD
(Company No : 200301016113 (618533-M))
(Incorporated in Malaysia)
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.

ADVENTA BERHAD
 (Company No : 200301016113 (618533-M))
 (Incorporated in Malaysia)
FIRST QUARTER REPORT ENDED 31 MARCH 2024

UNAUDITED NOTES TO FINANCIAL STATEMENTS

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	<u>10,449</u>	<u>4,310</u>
	<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:

ADVENTA BERHAD
 (Company No : 200301016113 (618533-M))
 (Incorporated in Malaysia)
FIRST QUARTER REPORT ENDED 31 MARCH 2024

UNAUDITED NOTES TO FINANCIAL STATEMENTS

	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

ADVENTA BERHAD
 (Company No : 200301016113 (618533-M))
 (Incorporated in Malaysia)
FIRST QUARTER REPORT ENDED 31 MARCH 2024

UNAUDITED NOTES TO FINANCIAL STATEMENTS

<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>

ADVENTA BERHAD
 (Company No : 200301016113 (618533-M))
 (Incorporated in Malaysia)
FIRST QUARTER REPORT ENDED 31 MARCH 2024
UNAUDITED NOTES TO FINANCIAL STATEMENTS

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.

ADVENTA BERHAD
 (Company No : 200301016113 (618533-M))
 (Incorporated in Malaysia)
FIRST QUARTER REPORT ENDED 31 MARCH 2024

UNAUDITED NOTES TO FINANCIAL STATEMENTS

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.

ADVENTA BERHAD
 (Company No : 200301016113 (618533-M))
 (Incorporated in Malaysia)
FIRST QUARTER REPORT ENDED 31 MARCH 2024

UNAUDITED NOTES TO FINANCIAL STATEMENTS

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.

ADVENTA BERHAD
(Company No : 200301016113 (618533-M))
(Incorporated in Malaysia)
FIRST QUARTER REPORT ENDED 31 MARCH 2024

UNAUDITED NOTES TO FINANCIAL STATEMENTS

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)

ADVENTA BERHAD
 (Company No : 200301016113 (618533-M))
 (Incorporated in Malaysia)
FIRST QUARTER REPORT ENDED 31 MARCH 2024

UNAUDITED NOTES TO FINANCIAL STATEMENTS

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