

10. FINANCIAL INFORMATION**10.1 PROFORMA PROFIT TRACK RECORD**

The summary of the proforma consolidated audited results of Adventa for the five (5) financial years ended 31 January 2000 to 2004 below has been prepared for illustrative purposes only based on the audited accounts of the Adventa Group and on the assumption that the current structure of the Group had been in existence throughout the period under review:

	← Financial Year Ended →				
	31.1. 2000	31.1.2001	31.1.2002	31.1. 2003	31.1.2004
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	39,585	43,945	51,513	63,548	92,116
Profit before amortisation, depreciation, interest and R&D	8,136	6,925	5,917	7,586	11,295
Depreciation	(1,436)	(1,510)	(1,755)	(1,662)	(1,802)
Interest expense	(467)	(764)	(976)	(1,040)	(1,625)
Interest income	70	63	66	27	7
R&D expense	(129)	(357)	(430)	(422)	(484)
PBT before exceptional item	6,174	4,357	2,822	4,489	7,391
Exceptional item	-	-	-	-	(2,135)
PBT after exceptional item	6,174	4,357	2,822	4,489	5,256
Taxation	(616)	(534)	(579)	(675)	(159)
PAT	5,558	3,823	2,243	3,814	5,097
Number of shares ('000) [#]	260,000	260,000	260,000	260,000	260,000
Gross EPS (sen)	2.37	1.68	1.09	1.73	2.02
Net EPS (sen)	2.14	1.47	0.86	1.47	1.96

Notes:

[#] Number of shares assumed in issue after Acquisitions but prior to IPO

Commentary

- The proforma consolidated income statement of Adventa Group is presented for illustrative purposes only and is prepared on the basis that the acquisitions of the subsidiary companies had been effected throughout the five (5) year period to 31 January 2004 under review. As some of the subsidiary companies have different financial year ends from 31 January, the income statement of the subsidiary companies concerned have been time-apportioned to financial year ended 31 January for inclusion in the proforma consolidated income statement of Adventa Group.

10. FINANCIAL INFORMATION (cont'd)

2. The summarised proforma consolidated income statement is prepared based on the following:
- audited financial statements of TSB for the five (5) years ended 31 January 2004;
 - audited financial statements of PPM for four (4) years ended 31 December 2002 and 13 months ended 31 January 2004;
 - audited financial statements of Nusaco for the four years ended 28 February 2003 and 11 months ended 31 January 2004;
 - audited financial statements of AHSB for the three (3) years ended 31 December 2001, 13 months ended 31 January 2003 and year ended 31 January 2004; and
 - audited financial statements of Ulma for the period from 15th January 2003 to 31st December 2003.
3. The gross and net earnings per share of Adventa Group are calculated based on the profit before taxation and profit after taxation to the existing issued share capital of 260,000,000 ordinary shares of RM0.10 each, after Acquisitions, but before Placement and Public Issue.
4. The effective tax rates are calculated based on taxation to profit before taxation. The effective tax rates for the period under review were lower than the statutory tax rate due principally to the pioneer status incentive enjoyed and the reinvestment allowances claimed by the Group.
9. Revenue growth from 11% to 45% is mainly due to higher sales of surgical gloves, a result of the Group's continuous efforts to increase production capacity and the continuing growth in demand from overseas market. Although the Group achieved increasing revenue growth, the reported gross profit margin and pre-tax margin declined mainly due to substantial increase of fuel oil and latex prices and a dip in glove prices since year 2001. The gross profit margin and pre-tax and exceptional item profit margin in 2003 and 2004 had improved mainly due to higher demand, higher sales and increase in average selling price of products.
10. The increase in interest expense is consistent with the increase in external borrowings throughout the financial year 2000 to 2004 as additional bank overdrafts and other credit facilities were obtained for working capital and to finance the new glove production lines.
11. There were no exceptional and extraordinary items included in the income statement for the relevant years under review except for the written off of advances to a former shareholder namely China National Foreign Trade Leasing Corporation, a company incorporated in the People's Republic of China and a former director in 2004 by a subsidiary company (PPM), both parties are not related nor controlled by the promoter/substantial shareholder of proforma Adventa Group.
12. Financial results for the year 2004 were presented after elimination of inter-company transactions as listed below:

	RM'000
Purchase from Profit Point by Terang Nusa	823
Sales to Ulma by Terang Nusa	3,122
	3,945

The above transactions were made in the normal course of business at terms mutually agreed between the respective companies and were at arm's length.

10. FINANCIAL INFORMATION (cont'd)**10.2 OVERVIEW OF HISTORICAL PROFIT TRACK RECORD****Financial year ended 31 January 2000**

Revenue increased by 8% in 2000 from the previous year despite a drop in revenue from the sale of examination gloves by 1%, primarily due to the increase in revenue from the sale of surgical gloves. As well, since 1999, efforts have been put in to upgrade and modernise existing facilities which have led to improved production capacity. Output for examination gloves had increased by approximately 11% while surgical gloves output increased by 50% from 1999 to 2000. The decrease in PBT was mainly a result of an increase in operating costs due to higher latex and fuel oil prices.

Financial year ended 31 January 2001

Revenue increased by 11% in 2001 compared to the previous year. The increase in revenue was again attributable to a significant increase in the sale of surgical gloves, this time by approximately 67% compared to the previous year. Although the Group achieved increasing revenue growth, the reported PBT margin declined mainly due to substantial increase of fuel oil and latex prices and a dip in glove prices since the year 2000. Additionally, one of its subsidiaries had reported losses before taxation, which had further adversely affected profit margins.

Financial year ended 31 January 2002

In 2002, revenues increased further by 17% as a result of an increase in the sales of both surgical and examination gloves. One contributing factor was due to the success of the Group in launching new product ranges which gained acceptance by the market. Despite the slight decrease in prices of surgical gloves, actual output for the gloves had increased significantly by 100%. In spite of the increase in revenues, PBT fell further by 35% compared to the year 2001. In addition to rising prices of raw materials, increases in depreciation costs, interests expenses and R&D expenses had also contributed to the significant fall in profits.

Financial year ended 31 January 2003

For the year ended 2003, revenue increased by 23% while PBT increased by 59% compared to the previous year. Revenue from surgical gloves and examination gloves had increased by approximately 41% and 6% respectively. In addition, revenues from the distribution of medical and other hospital related products as a result of the acquisition of Ulma on 15 January 2003 by TNSB, had contributed to approximately 2% of total revenues. In 2003, the increased PBT margin was due to the increased proportion of surgical to examination gloves production, which enabled the lowering of overhead costs per unit of surgical gloves resulting from economies of scale.

Financial year ended 31 January 2004

The year 2004 saw a significant increase in revenue by 45%. This was a result of the success of the Group in launching new product ranges, which gained acceptance by the market. In addition, surgical gloves that are marketed under the Group's brand names have increasingly received acceptance in the global market. Surgical production lines had increased to five (5) lines from three (3) lines previously. As well, the sales mix of surgical gloves compared to examination gloves had changed from a ratio of 50:50 to 60:40. The Group had also undertaken various cost cutting measures as well as increased production efficiency such that the overhead costs per unit has decreased significantly. PBT has increased by 17% from the previous year.

10. FINANCIAL INFORMATION (cont'd)**10.3 IMPACT OF FOREIGN EXCHANGE AND INTEREST RATES ON OPERATING PROFITS**

For the financial year ended 31 January 2004, 98% of the Group's products were exported mainly to the US, South America, Europe and Middle East. This dependency on foreign markets is expected to remain for the coming years. As such, the Group is subject to the risk of fluctuating foreign exchange rates and interest rates. Currently, the risk has to a certain extent been mitigated as the Group conducts its transactions in USD. The foreign currency peg at RM3.80:USD1.00 has, to a certain extent, stabilised these risks. Hence, the Group has not been adversely affected by foreign exchange and interest rates fluctuations for the past five (5) financial years under review.

However, there can be no assurance that the currency controls will remain and that the potential resultant foreign exchange and interest rates fluctuations, if the currency controls are lifted or adjusted, will not adversely affect the Group.

10.4 FINANCIAL PERFORMANCE, POSITION AND OPERATIONS

Save as disclosed in Section 10 of this Prospectus, the Directors are of the view that the financial performance, position and operation of the Group are not affected by any of the following:

- (i) Known trends, demands, commitments, events or uncertainties that have had, or the Company reasonably expects to have, a material favourable or unfavourable impact on the financial performance, position and operations of the Group;
- (ii) Material capital commitments;
- (iii) Unusual, infrequent events or transactions or significant economic changes that have materially affected the financial performance, positions and operations of the Group; and
- (iv) Known events, circumstances, trends, uncertainties and commitments that are likely to make the historical financial statements not indicative of future financial performance and position.

10.5 SEGMENTAL ANALYSIS

The following tables set out the segmental analysis by products and market of the Adventa Group for the past five (5) financial years ended 31 January 2004. The results were prepared on the assumption that the current structure has been in existence throughout the financial years under review.

Revenue by products

	← Financial Year Ended →				
	31.1.2000	31.1.2001	31.1. 2002	31.1.2003	31.1.2004
	RM'000	RM'000	RM'000	RM'000	RM'000
Surgical gloves	8,979	14,995	21,969	31,056	47,956
Examination gloves	30,606	28,950	29,544	31,296	33,327
Others	-	-	-	1,196	10,833
Total	39,585	43,945	51,513	63,548	92,116

10. FINANCIAL INFORMATION (cont'd)**Revenue by market**

	← Financial Year Ended →				
	31.1.2000	31.1.2001	31.1. 2002	31.1.2003	31.1.2004
	RM'000	RM'000	RM'000	RM'000	RM'000
Local sales	2,985	5,141	4,968	2,509	1,889
Export sales	36,600	38,804	46,545	61,039	40,227
Total	39,585	43,945	51,513	63,548	92,116

Total revenue have been on an increasing trend from the years 2000 to 2004. Total revenues from sale of gloves increased by more than 100% to RM92.1 million in 2004 from RM39.6 million in 2000.

Revenue from the production of surgical gloves have increased significantly throughout the years. In the year 2000, contribution to revenue from the sale of surgical gloves total 23%. This number increased significantly to 52% of total revenue for the year 2004. The increase is mainly due to more production lines being set up for the surgical gloves. As well, the Company had been putting more emphasis on the marketing of surgical gloves due to its better margins and the opportunity to establish a global niche market.

Revenue from examination gloves have been fairly consistent throughout the years. There were no significant increases in revenue due to the shift in focus of the Company's strategy to put more emphasis on surgical gloves. Despite the constraints, the slightly increasing trends in revenues from examination gloves can be attributed somewhat to the increase in efficiency for production.

Gross profit by products

	← Financial Year Ended →				
	31.1.2000	31.1.2001	31.1. 2002	31.1.2003	31.1.2004
	RM'000	RM'000	RM'000	RM'000	RM'000
Surgical gloves	3,130	3,749	5,055	7,823	12,236
Examination gloves	8,307	6,593	4,717	5,129	5,305
Distribution	-	-	-	322	2,798
Total	11,437	10,342	9,772	13,274	20,339

THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK

10. FINANCIAL INFORMATION (cont'd)**Gross profit margin**

	← Financial Year Ended →				
	31.1.2000	31.1.2001	31.1.2002	31.1.2003	31.1.2004
	%	%	%	%	%
Surgical gloves	35	25	23	25	26
Examination gloves	27	23	16	16	16
Distribution	-	-	-	27	26
Average gross margin	28	24	19	21	22

In 2000, the average gross profit margin was 28%. From 2001 however, gross margins fell by 4% to 24%, and subsequently to 19% in 2002 due to rising competition for examination gloves as a result of falling prices as well as increasing fuel and latex prices.

The higher gross margins reported in 2000 was attributed to the launching of two (2) new product range which have higher gross profit margins, as well as, the implementation of new marketing strategies.

Starting from 2003, gross profit margins improved in comparison to the previous year mainly due to redesign of work flow processes as well as modernisation of the manufacturing process which had increased efficiency and effectiveness.

10.6 WORKING CAPITAL, MATERIAL LITIGATION, BORROWINGS, CONTINGENT LIABILITIES AND MATERIAL COMMITMENTS**Working capital**

The Directors of Adventa are of the opinion that, after taking into consideration the banking facilities available and the net proceeds from the IPO, Adventa will have adequate working capital for a period of not less than twelve (12) months from the date of issue of this Prospectus.

Borrowings

As at 30 April 2004, the Group's total bank borrowings, all of which are interest bearing, amount to approximately RM34,393,000 and comprise the following :

Type of borrowing	RM'000
Long term borrowings	18,340
Short term borrowings	16,053

There are no default of payments of either interest and/or principal sums in respect of any borrowings throughout the past one (1) financial year and the subsequent financial period thereof, immediately preceding the date of this Prospectus.

10. FINANCIAL INFORMATION (cont'd)**Contingent liabilities**

As at 30 April 2004, being the latest practicable date prior to the printing of this Prospectus, the Directors of the Company are not aware of any contingent liabilities that may have a substantial impact on the operations or the financial results of the Adventa Group.

Material litigation

As at 30 April 2004, being the latest practicable date prior to the printing of this Prospectus, neither the Company nor its subsidiaries are engaged in any material litigation or arbitration (either as plaintiff or defendant) which might materially effect the financial position of the Group and the Directors do not know of any proceedings pending or threatened or of any fact likely to give rise to any proceedings which might materially and adversely affect the position or business of the Adventa Group, save as disclosed:

On 21 June 2002, TNSB commenced legal action against Madegom LTDA ("Madegom") for the recovery of a debt for the sum of approximately USD108,721 for goods sold and delivered by TNSB to Madegom.

The Civil Court of Santiago had on 30 September 2003, ruled in favour of TNSB for Madegom to pay the amount claimed by TNSB of USD108,721 plus interests and readjustments. In addition, a caveat was placed on the office building, five trucks and goods belonging to Madegom totaling USD110,000 as additional security. Madegom filed an appeal on the judgement on 20 October 2003.

The solicitors of TNSB for this case are of the view that TNSB has a good prospect of the recovery of the debt.

Material commitments

Save as disclosed below, as at 30 April 2004, being the latest practicable date prior to the printing of this Prospectus, there are no other material commitments for capital expenditure incurred or known to be incurred by Adventa Group which may have a substantial impact on the financial position of the Group:

	Group RM'000	Company RM'000
Approved and contracted for	-	-
Approved but not contracted for	2,080	-

10.7 TRADE DEBTORS AND AGING ANALYSIS

As at 31 January 2004, the summary of trade debtors receivable is as follows:

0 – 30 days RM'000	31 – 60 days RM'000	61 – 90 days RM'000	91 – 120 days RM'000	> 120 days RM'000	Total RM'000
10,253	7,657	4,103	1,006	3,780	26,799
38%	29%	15%	4%	14%	100%

The Directors of Adventa have confirmed that, save for the RM197,594 written-off as bad debts for the financial year ended 31 January 2004 as well as provisions for doubtful debts amounting to RM2.5 million for the financial year ending 31 January 2005 that were made for trade debtors with accounts outstanding for more than six (6) months, disputed amounts or where legal action has been taken against the trade debtor, no additional allowance for bad and doubtful debts was necessary for inclusion into the financial statement for the financial year ending 31 January 2005, as all balances exceeding the credit period have been fully collected to date.

10. FINANCIAL INFORMATION (cont'd)**10.8 FUTURE FINANCIAL INFORMATION****Consolidated profit forecast and assumptions**

The Directors of Adventa forecast the consolidated PAT for Adventa for the financial year ending 31 January 2005 to be as follows:

Financial year ending	Forecast 31 January 2005 (RM'000)
Revenue	123,716
Consolidated PBT	14,257
Taxation	(2,412)
Consolidated PAT	11,845
Pre-acquisition profit	(979)
Profit attributable to shareholders	10,866
Weighted average number of shares in issue ('000)	327,500
Enlarged number of shares in issue ('000)	450,000
Based on weighted average number of shares in issue	
Gross EPS per share ¹	4.35 sen
Net EPS per share ²	3.62 sen
Gross PE Multiple*	6.90 times
Net PE Multiple*	8.29 times
Based on enlarged number of shares in issue	
Gross EPS per share ³	3.17 sen
Net EPS per share ⁴	2.63 sen
Gross PE Multiple*	9.46 times
Net PE Multiple*	11.41 times

Notes:

* Based on the IPO price of RM0.30 per Share

¹ Calculated based on the consolidated PBT of RM14.257 million and the weighted average number of shares in issue of 327,500,000 Shares

² Calculated based on the consolidated PAT of RM11.845 million and the weighted average number of shares in issue of 327,500,000 Shares

³ Calculated based on the consolidated PBT of RM14.257 million and the enlarged number of shares in issue of 450,000,000 Shares

⁴ Calculated based on the consolidated PAT of RM11.845 million and the enlarged number of shares in issue of 450,000,000 Shares

10. FINANCIAL INFORMATION (cont'd)

The financial estimate/forecast have been prepared on bases and accounting principles consistent with those previously adopted in the preparation of the audited financial statements.

The principal bases and assumptions upon which the profit forecast have been prepared are as follows:

- (i) The Placement, Offer for Sale and Public Issue are expected to be completed by 1 July 2004;
- (ii) The Adventa Group is able to achieve the sales mix of examination and surgical gloves as forecasted;
- (iii) Sales will be made through existing marketing channel in order to increase the Group's market share especially in South America, United States of America and Europe;
- (iv) There will be no significant changes in the prices of raw materials and other incidental costs other than those taken into consideration in the profit forecast;
- (v) There will be no material changes in wages, fuel oil, gas, freight and export charges, transportation costs, sterilization charges, repair and maintenance and other incidental operating costs other than those taken into consideration in the profit forecast;
- (vi) There will be no material acquisition or disposal of property, plant and equipment other than those proposed in the profit forecast pursuant to the capital expenditure;
- (vii) There will be no significant changes in the demand for gloves and selling prices other than those taken into consideration in the profit forecast;
- (viii) Existing financing facilities will remain available with no significant changes in the interest rates and the Group will be able to secure sufficient financing facilities for working capital purposes if necessary;
- (ix) There will be no significant changes in the existing key personnel and management and accounting policies from those presently adopted by the Group, other than the basis of determining the provision for doubtful debts on trade debtors;
- (x) There will be no significant changes in the corporate tax rates, regulations and other levies from current levels. Certain companies in the Group will continue to enjoy pioneer status incentive under Promotion of Investment Act 1986 and reinvestment allowance claimed under Income Tax Act 1967. The current statutory tax rate is 28% in Malaysia. The current effective tax rate for Ulma, which is based in Germany, is 39%;
- (xi) Provisions for doubtful debts on trade debtors is made on the following basis:
 - disputed amounts;
 - trade debtors under legal proceedings; or
 - amount overdue exceeding four (4) months as at the balance sheet date.

The Directors have ensured that any trade debtors which were unlikely to realise their value as shown in the accounting records in the ordinary course of business have been written down and that adequate provision had been made for doubtful debts; and

The provision for doubtful debts made on the above basis amounts to RM2,500,000.

10. FINANCIAL INFORMATION (cont'd)

- (xii) The expected gross proceeds arising from the Placement and Public Issue of RM57 million will be utilised in as follows:

Utilisation	Amount (RM'000)
Capital expenditure	14,700
Repayment of bank borrowings	10,000
Research and development	500
Estimated listing expenses	2,000
Working capital	29,800
Total	57,000

The estimated listing expenses of RM2,000,000 will be set off against share premium.

- (xiii) The interest costs saving arising from the repayment of bank borrowings and other credit facilities using the proceeds from Placement and Public Issue is approximately RM 920,000 for the year ending 31 January 2005.

Directors' analysis on consolidated profit forecast

The Directors of Adventa confirm that they have reviewed and analysed the consolidated profit forecast of Adventa and the underlying bases and assumptions stated therein. The Directors further confirm that, after due and careful enquiry, the consolidated profit forecast is fair and reasonable in light of the risks of the Group's businesses and the prospects of the medical and glove manufacturing industries in which it operates and the future prospects and strategies of the Group as set out in Section 4 and Section 5.4 of this Prospectus, and after taking into consideration the forecast gearing level, liquidity and working capital requirements of the Adventa Group.

The financial forecast are based on subjective judgements and there can be no assurance that the consolidated profit forecast will be realised. Accordingly, the Adventa Group's actual results for the financial year ending 31 January 2005 may differ significantly from the consolidated profit forecast shown herein.

THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK

10. FINANCIAL INFORMATION (cont'd)**10.9 SENSITIVITY ANALYSIS**

The impact of changes in the revenue and cost of sales for the financial year ending 31 January 2005 are illustrated below:

Changes in revenue

RM'000	Financial Year Ending 31 January 2005				
	(10%)	(5%)	Forecast	5%	10%
Revenue	106,994	112,938	118,882	124,826	130,770
Cost of Sales	90,272	90,272	90,272	90,272	90,272
PBT	2,122	8,066	14,010	19,954	25,898
PAT	1,828	6,949	11,680	17,189	22,310

All other factors remaining equal, an increase in revenue by 5% or 10% will result in an increase in the PBT of the Group by 42% and 85% respectively. A decrease in revenue by 5% or 10%, will result in a similar decrease in PBT. An increase in revenue by 5% and 10% however, will result in a marginally higher PAT of 47% and 91% respectively, while a decrease of 5% and 10% will result in a decrease of 41% and 84% of Group PAT.

Changes in cost of sales

RM'000	Financial Year Ending 31 January 2005				
	(10%)	(5%)	Forecast	5%	10%
Revenue	118,882	118,882	118,882	118,882	118,882
Cost of Sales	81,245	85,758	90,272	94,785	99,299
PBT	23,037	18,524	14,010	9,497	4,983
PAT	19,845	15,957	11,680	8,181	4,293

All other factors remaining equal, an increase in cost of sales by 5% or 10% will result in a decrease in PBT of the Group by 32% and 64% respectively. A decrease in cost of sales by 5% or 10%, will result in a similar increase in PBT. An increase in cost of sales by 5% and 10% however, will result in lower PAT of 30% and 63% respectively, while a decrease of 5% and 10% will result in an increase of 37% and 70% of Group PAT.

Changes in revenue and cost of sales

RM'000	Financial Year Ending 31 January 2005				
	(10%)	(5%)	Forecast	5%	10%
Revenue	106,994	112,938	118,882	124,826	130,770
Cost of Sales	81,245	85,758	90,272	94,785	99,299
PBT	11,149	12,580	14,010	15,441	16,871
PAT	9,604	10,837	11,680	13,301	14,534

All other factors remaining equal, an increase in revenue and cost of sales by 5% and 10% will result in an increase in PBT of the Group by 10% and 20% respectively. A decrease in revenue and cost of sales by 5% or 10% will result in a similar decrease in PBT. An increase in revenue and cost of sales by 5% and 10% however, will result in a marginally higher PAT of 14% and 24% respectively, while a decrease of 5% and 10% will result in a decrease of 7% and 18% of Group PAT.

10. FINANCIAL INFORMATION (cont'd)

10.10 AUDITORS' LETTER ON CONSOLIDATED PROFIT FORECAST

[Prepared for inclusion in this Prospectus]



27th May 2004

The Board of Directors
Adventa Berhad
No.1, Jalan 8
Pengkalan Chepa 2 Industrial Zone
16100 Kota Bharu
Kelantan Darul Naim

Dear Sirs,

**ADVENTA BERHAD ("Adventa" or "the Company")
CONSOLIDATED PROFIT FORECAST FOR THE YEAR ENDING 31ST JANUARY 2005**

We have reviewed the consolidated profit forecast of Adventa Group for the year ending 31 January 2005 as set out in the accompanying statement (which we have stamped for the purpose of identification) in accordance with International Standard on Auditing [ISA 810] applicable to the review of forecasts. The consolidated profit forecast has been prepared for the purpose of inclusion in this Prospectus to be dated 9 June 2004 in connection with the following and should not be relied on for any other purposes :-

- i) Placement of 122,500,000 new ordinary shares of RM0.10 each in Adventa to Bumiputera investors approved by the Ministry of International Trade and Industry (hereinafter referred to as the "MITI") at an issue price of RM0.30 per share (hereinafter referred to as the "Placement").
- ii) Offer for Sale by the shareholder of the Company of 12,500,000 existing ordinary shares of RM0.10 each in Adventa at an offer price of RM0.30 per share to Bumiputera investors approved by the MITI (hereinafter referred to as the "Offer for Sale").
- iii) Public Issue of 67,500,000 new ordinary shares of RM0.10 each in Adventa at an issue price of RM0.30 per share (hereinafter referred to as the "Public Issue") comprising :-
 - a) 11,000,000 new ordinary shares of RM0.10 each available for application by eligible directors, employees, customers and suppliers of Adventa Group;
 - b) 30,000,000 new ordinary shares of RM0.10 each available for application by the Malaysian public; and
 - c) 26,500,000 new ordinary shares of RM0.10 each available for placement to selected investors.

10. FINANCIAL INFORMATION (cont'd)**Y**ENG & CO.
CHARTERED ACCOUNTANTS

- iv) The listing of and quotation for the entire issued and paid-up capital of Adventa on the Second Board of the Bursa Malaysia Securities Berhad (formerly known as Malaysia Securities Exchange Berhad) (hereinafter referred to as "Listing").

Further, Adventa had obtained the approval of Securities Commission to establish an Employees' Share Option Scheme (hereinafter referred to as "ESOS"). The total number of shares to be offered under the ESOS shall not exceed 15% of the enlarged issued and paid-up capital at any one time.

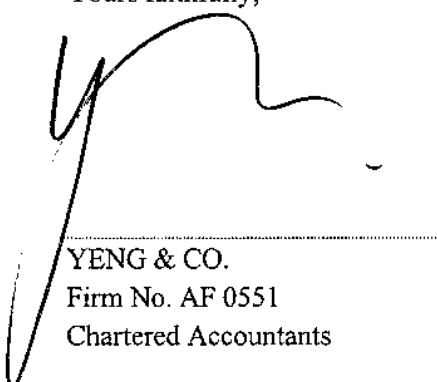
Our review has been undertaken to enable us to form an opinion as to whether the forecast, in all material respects, is properly prepared on the basis of the assumptions made by the Directors of Adventa and is presented on a basis consistent with the accounting policies adopted and disclosed by the Adventa Group in its audited financial statements for the year ended 31st January 2004. The Directors of Adventa are solely responsible for the preparation and presentation of the profit forecast and the assumptions on which the profit forecast is based.

Forecast, in this context, means prospective financial information prepared on the basis of assumptions as to future events which management expects to take place and the actions which management expects to take as of the date the information is prepared (best-estimate assumptions). While information may be available to support the assumptions on which forecast is based, such information is generally future oriented and therefore uncertain. Thus, actual results are likely to be different from the forecast since anticipated events frequently do not occur as expected and the variation could be material.

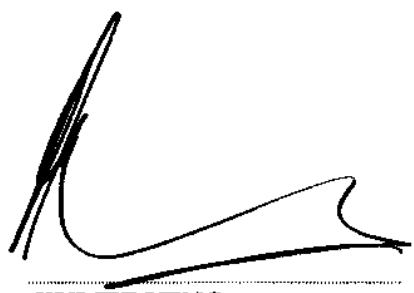
Subject to the matters stated in the preceding paragraphs :-

- (i) nothing has come to our attention which causes us to believe that the assumptions made by the Directors of Adventa, as set out in the accompanying statement, do not provide a reasonable basis for the preparation of the profit forecast; and
- (ii) in our opinion, the profit forecast, so far as the calculations are concerned, is properly prepared on the basis of the assumptions made by the Directors of Adventa and is presented on a basis consistent with the accounting policies adopted and disclosed by the Adventa Group in its audited financial statements for the year ended 31st January 2004 except for the change in accounting policy in respect of the basis of determining the provision for doubtful debts on trade debtors as disclosed in Note 11.

Yours faithfully,



YENG & CO.
Firm No. AF 0551
Chartered Accountants



KUI JEE YENG
CA(M), FCA(ICAEW), FTII
Approval No. 1169/08/2004(J)

10. FINANCIAL INFORMATION (cont'd)

**ADVENTA BERHAD AND ITS SUBSIDIARIES ("Adventa Group")
CONSOLIDATED PROFIT FORECAST FOR THE YEAR ENDING 31ST JANUARY 2005**

ASSUMPTIONS FOR THE CONSOLIDATED PROFIT FORECAST

The directors forecast that, barring unforeseen circumstances, the results for the financial year ending 31st January 2005 will be approximately as follows :-

	Financial year ending 31.1.2005 RM'000
Revenue	123,716
Consolidated profit before taxation	14,257
Taxation	(2,412)
Consolidated profit after taxation	11,845
Pre-acquisition profit	
Profit before taxation	1,073
Taxation	(94)
Profit after taxation	(979)
Profit attributable to shareholders	10,866
Weighted average number of ordinary shares in issue of RM0.10 each ('000)	327,500
Enlarged number of ordinary shares in issue of RM0.10 each ('000)	450,000

The gross and net earnings per share and PE Multiple are as follows :-

	<u>Based on weighted average number of shares</u>	<u>Based on enlarged share capital</u>
a) Gross earnings per share (sen) *	4.35	3.17
b) Net earnings per share (sen) *	3.62	2.63
c) Gross PE Multiple (based on the IPO price of RM0.30 per share) (times) *	6.90	9.46
d) Net PE Multiple (based on the IPO price of RM0.30 per share) (times) *	8.29	

* Based on the results before pre-acquisition profit.



**ADVENTA BERHAD AND ITS SUBSIDIARIES ("Adventa Group")
CONSOLIDATED PROFIT FORECAST FOR THE YEAR ENDING 31ST JANUARY 2005****ASSUMPTIONS FOR THE CONSOLIDATED PROFIT FORECAST**

The principal assumptions upon which the profit forecast has been prepared are as follows :-

Specific Assumptions

1. The Placement, Offer for Sale and Public Issue are expected to be completed by 1st July 2004.
2. The Adventa Group is able to achieve the sales mix of examination and surgical gloves as forecasted.
3. Sales will be made through existing marketing channel in order to increase the Group's market share especially in South America, United States of America and Europe.
4. There will be no significant changes in the prices of raw materials and other incidental costs other than those taken into consideration in the profit forecast.
5. There will be no material changes in wages, fuel oil, gas, freight and export charges, transportation costs, sterilization charges, repair and maintenance and other incidental operating costs other than those taken into consideration in the profit forecast.
6. There will be no material acquisition or disposal of property, plant and equipment other than those proposed in the profit forecast pursuant to the capital expenditure.
7. There will be no significant changes in the demand for gloves and selling prices other than those taken into consideration in the profit forecast.
8. Existing financing facilities will remain available with no significant changes in the interest rates and the Group will be able to secure sufficient financing facilities for working capital purposes if necessary.
9. There will be no significant changes in the existing key personnel and management and accounting policies from those presently adopted by the Group, other than the basis of determining the provision for doubtful debts on trade debtors as disclosed in Note 11.
10. There will be no significant changes in the corporate tax rates, regulations and other levies from current levels. Certain companies in the Group will continue to enjoy pioneer status incentive under Promotion of Investment Act 1986 and reinvestment allowance claimed under Income Tax Act 1967. The current statutory tax rate is 28% in Malaysia. The current effective tax rate for Ulma, which is based in Germany, is 39%.



10. FINANCIAL INFORMATION (cont'd)

**ADVENTA BERHAD AND ITS SUBSIDIARIES ("Adventa Group")
CONSOLIDATED PROFIT FORECAST FOR THE YEAR ENDING 31ST JANUARY 2005**

ASSUMPTIONS FOR THE CONSOLIDATED PROFIT FORECAST

11. The provision for doubtful debts on trade debtors is made on the following basis :-
- i) disputed amounts;
 - ii) trade debtors under legal proceedings; or
 - iii) the amount overdue exceeding four (4) months as at the balance sheet date.

The provision for doubtful debts made on the above basis amounting to RM2,500,000.

The directors have ensured that any trade debtors which were unlikely to realise their value as shown in the accounting records in the ordinary course of business have been written down and that adequate provision had been made for doubtful debts.

12. The expected gross proceeds arising from the Placement and Public Issue of RM57,000,000 will be utilised as follows :-

Utilisation	Timeframe for utilisation	RM'000
Repayment of bank borrowings	3rd quarter 2004	10,000
Capital expenditure	1st quarter 2005	14,700
Research and development - laboratory equipment	1st quarter 2005	500
Estimated listing expenses	2nd and 3rd quarter 2004	2,000
Working capital	Progressive	29,800
		57,000

The estimated listing expenses of RM2,000,000 will be offset against share premium.

13. The interest costs saving arising from the repayment of bank borrowings and other credit facilities using the proceeds from Placement and Public Issue is approximately RM 920,000 for the year ending 31st January 2005.



**ADVENTA BERHAD AND ITS SUBSIDIARIES (“Adventa Group”)
 CONSOLIDATED PROFIT FORECAST FOR THE YEAR ENDING 31ST JANUARY 2005**
ASSUMPTIONS FOR THE CONSOLIDATED PROFIT FORECAST
General Assumptions

1. There will be no significant changes in the structure and principal activities of the Group other than those taken into consideration in the profit forecast.
2. There will be no significant changes in the present legislation or Government regulations, rates, and bases of duties, levies and taxes affecting the Group or the market in which they operate.
3. There will be no major breakdowns or disruptions of plant and machineries and their supplies both domestic and overseas, and industrial disputes which will adversely affect the operations of the Group.
4. The Group will not be involved in any material litigation and there will be no legal proceedings against the Group which will adversely affect the activities or performance of the Group or give rise to any contingent liabilities which will materially affect the financial position or business of the Group.
5. The inflation rate and exchange rates of foreign currencies will not change significantly from their present levels. The exchange rates used for the profit forecast are as follows :-

<u>Foreign Currency</u>	<u>Exchange Rate (RM)</u>
1 US Dollar	3.80
1 Euro	4.50
1 Singapore Dollar	2.20

6. There will be no significant changes in the prevailing economic, social and natural conditions in Malaysia and elsewhere which will adversely affect the activities or performance of the Group.



10. FINANCIAL INFORMATION (cont'd)**10.11 DIVIDEND FORECAST**

It is the policy of the Directors of Adventa to recommend dividends to allow shareholders to participate in the profits of the Group as well as to provide for adequate reserves for the future growth of the Group.

No dividends will be declared for the financial year ending 31 January 2004. However, based on the forecast consolidated PAT for the year ending 31 January 2005, the Directors of Adventa anticipate that the Group would be able to declare a tax exempt dividend of 6% based on the enlarged issued and paid-up share capital of 450,000,000 ordinary shares of RM0.10 each.

The intended appropriation of the forecast consolidated PAT is as follows:

Financial year ending	Forecast 31 January 2005
<u>Gross Dividend</u> (tax exempt)	
Forecast gross dividend per ordinary share (sen)	0.6
Forecast gross dividend yield based on the IPO price of RM0.30 per share (%)	2.0
Gross dividend cover based on gross EPS of 4.35 sen (times)	7.3
<u>Net Dividend</u>	
Forecast net dividend per ordinary share (sen)	0.6
Forecast dividend yield based on the IPO price of RM0.30 per share (%)	2.0
Net dividend cover based on net EPS of 3.62 sen (times)	6.0

Future dividends may be waived in the event that:

- (i) the Group is in a loss position for the relevant financial period; or
- (ii) the Group has insufficient cashflow to meet any dividend payments.

Notwithstanding the above, the Directors of Adventa may at their discretion waive any future dividend payments as and when deemed necessary in the best interests of the Group.

THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK

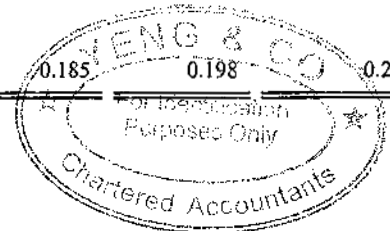
10. FINANCIAL INFORMATION (cont'd)**10.12 PROFORMA CONSOLIDATED BALANCE SHEETS**

The proforma consolidated balance sheets set out below are for illustrative purposes only to show the effects of the IPO on the proforma consolidated balance sheets of the Adventa Group as at 31 January 2004 on the assumption that the IPO had been effected on that date.

YENG & CO.
CHARTERED ACCOUNTANTS

	Note	Proforma Group				
		(I)	(II)	(III)	(IV)	
		Audited as at 31.1.2004 RM'000	Acquisitions RM'000	After (I) and Placement RM'000	After (II) and Public Issue RM'000	After (III) and assuming full exercise of ESOS Options RM'000
ASSETS EMPLOYED						
PROPERTY, PLANT AND EQUIPMENT	2	-	43,459	43,459	58,659	58,659
INTANGIBLE ASSETS		-	44	44	44	44
CURRENT ASSETS						
Inventories		-	12,878	12,878	12,878	12,878
Trade Debtors		-	26,799	26,799	26,799	26,799
Sundry Debtors, Deposits and Prepayments		-	3,164	3,164	3,164	3,164
Tax Recoverable		-	215	215	215	215
Fixed Deposits		-	221	221	221	221
Cash and Bank Balances	3	*	3,098	39,848	19,898	40,148
		-	46,375	83,125	63,175	83,425
CURRENT LIABILITIES						
Trade Creditors		-	13,962	13,962	13,962	13,962
Sundry Creditors and Accruals	3	-	3,180	3,180	3,180	3,180
Hire Purchase and Lease Creditors		-	342	342	342	342
Amounts Owing To Directors		-	501	501	501	501
Bank Borrowings	4	-	16,559	16,559	3,559	3,559
Taxation		-	267	267	267	267
		(3)	(34,811)	(34,811)	(21,811)	(21,811)
NET CURRENT (LIABILITIES)/ASSETS		(3)	11,564	48,314	41,364	61,614
		(3)	55,067	91,817	100,067	120,317
FINANCED BY						
SHARE CAPITAL	5	*	26,000	38,250	45,000	51,750
SHARE PREMIUM	6	-	-	24,500	36,000	49,500
ACCUMULATED LOSSES	7	(3)	(3)	(3)	(3)	(3)
RESERVE ON CONSOLIDATION	8	-	8,013	8,013	8,013	8,013
SHAREHOLDERS' (DEFICIT)/EQUITY		(3)	34,010	70,760	89,010	109,260
LONG TERM LIABILITIES	9	-	17,785	17,785	7,785	7,785
DEFERRED TAXATION		-	3,272	3,272	3,272	3,272
		(3)	55,067	91,817	100,067	120,317
Number of shares of RM0.10 each ('000)		*	260,000	382,500	450,000	517,500
Net tangible (liabilities)/assets per share of RM0.10 each (RM)		(150)	0.131	0.185	0.198	0.211

* Insignificant to present



NOTES TO THE PROFORMA CONSOLIDATED BALANCE SHEETS

1. The statement of assets and liabilities of the Proforma Adventa Group is prepared based on the audited financial statements of Ulma as at 31st December 2003 and audited financial statements of Adventa and its other subsidiary companies as at 31st January 2004. This is presented for illustrative purposes to show the effects of Acquisitions, Public Issue and Placement and utilisation of the proceeds from the Public Issue and Placement on the assumption that the respective transactions had been completed on 31st January 2004.

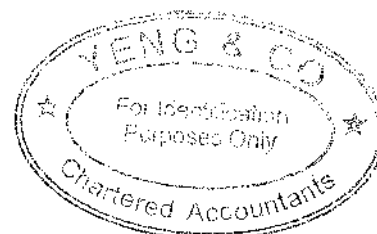
Proforma I

Proforma I represents the financial position of the Adventa Group after incorporating the effects of the acquisitions (hereinafter referred to as the "Acquisitions") undertaken by Adventa as follows :-

- a) Acquisition by Adventa of the entire issued and paid-up capital of Profit Point Manufacturing Sdn. Bhd. ("Profit Point") from Terang Nusa Sdn. Bhd. ("Terang Nusa") for a cash consideration of RM3,838,000;
- b) Acquisition by Adventa of the entire issued and paid-up capital of Ulma International GmbH ("Ulma") from Terang Nusa for a cash consideration of RM100,000;
- c) Acquisition by Adventa of the entire issued and paid-up capital of Nusaco Sdn. Bhd. ("Nusaco") for a cash consideration of RM170,000;
- d) Acquisition by Adventa of the entire issued and paid-up capital of Terang Nusa for a purchase consideration of RM25,400,000 to be satisfied by the issuance of 254,000,000 new ordinary shares of RM0.10 each in Adventa as issued and fully paid-up at an issue price of RM0.10 per share; and
- e) Acquisition by Adventa of the entire issued and paid-up capital of American Healthcare (Malaysia) Sdn. Bhd. ("American Healthcare") for a purchase consideration of RM599,998 to be satisfied by the issuance of 5,999,980 new ordinary shares of RM0.10 each in Adventa as issued and fully paid-up at an issue price of RM0.10 per share.

Proforma II

Proforma II takes into account the effects of Proforma I and the enlarged issued and paid-up capital of Adventa pursuant to a Placement of 122,500,000 new ordinary shares of RM0.10 each in Adventa to Bumiputera investors approved by the MITI at an issue price of RM0.30 per share (hereinafter referred to as the "Placement").



10. FINANCIAL INFORMATION (cont'd)**Proforma III**

Proforma III incorporates the effects of Proforma II and the increase in the issued and paid-up capital of Adventa pursuant to the Public Issue of 67,500,000 new ordinary shares of RM0.10 each in Adventa at an issue price of RM0.30 per share (hereinafter referred to as the "Public Issue") comprising :-

- a) 11,000,000 new ordinary shares of RM0.10 each available for application by eligible directors, employees, customers and suppliers of Adventa Group;
- b) 30,000,000 new ordinary shares of RM0.10 each available for application by the Malaysian public;
- c) 26,500,000 new ordinary shares of RM0.10 each available for placement to selected investors.

The expected gross proceeds arising from the Placement and Public Issue of RM57,000,000 will be utilised as follows :-

Utilisation	Timeframe for utilisation	RM'000
Repayment of bank borrowings	3rd quarter 2004	10,000
Capital expenditure	1st quarter 2005	14,700
Research and development - laboratory equipment	1st quarter 2005	500
Estimated listing expenses	2nd and 3rd quarter 2004	2,000
Working capital	Progressive	29,800
		57,000

The estimated listing expenses of RM2,000,000 will be offset against share premium.

Proforma IV

Proforma IV incorporates the effects of Proforma III and assuming the full conversion of 67,500,000 share options under the Employees' Share Option Scheme at an assumed exercise price of RM0.30 per share (hereinafter referred to as "ESOS").



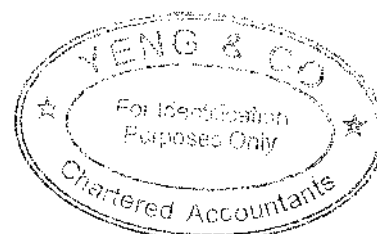
10. FINANCIAL INFORMATION (cont'd)**NOTES TO PROFORMA CONSOLIDATED BALANCE SHEETS - (CONT'D)****2. PROPERTY, PLANT AND EQUIPMENT**

	RM'000
At 31st January 2004	-
Property, plant and equipment arising from the Acquisitions	43,459
As per Proforma I and II	43,459
Additional property, plant and equipment acquired	14,700
Additional laboratory equipment acquired	500
As per Proforma III and IV	58,659

3. CASH AND BANK BALANCES

	RM'000
At 31st January 2004	*
Cash acquired arising from Acquisitions	3,098
As per Proforma I	3,098
Proceeds from Placement	36,750
As per Proforma II	39,848
Proceeds from Public Issue	20,250
Purchase of property, plant and equipment	(14,700)
Repayment of bank overdrafts and borrowings	(13,000)
Repayment of term loans	(10,000)
Purchase of laboratory equipment	(500)
Payment of listing expenses	(2,000)
As per Proforma III	19,898
Proceeds from full exercise of ESOS options	20,250
As per Proforma IV	40,148

* Insignificant to present



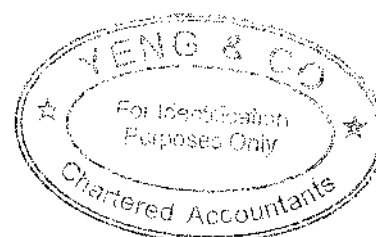
10. FINANCIAL INFORMATION (cont'd)**NOTES TO PROFORMA CONSOLIDATED BALANCE SHEETS - (CONT'D)**4. BANK BORROWINGS

	RM'000
At 31st January 2004	-
Bank borrowings acquired arising from Acquisitions	16,559
As per Proforma I and II	16,559
Repayment of bank overdrafts and borrowings	(13,000)
As per Proforma III and IV	3,559

5. SHARE CAPITAL

	RM'000
At 31st January 2004	*
Shares issued for Acquisitions	26,000
As per Proforma I	26,000
Shares issued pursuant to Placement	12,250
As per Proforma II	38,250
Shares issued pursuant to Public Issue	6,750
As per Proforma III	45,000
Shares issued pursuant to full exercise of ESOS options	6,750
As per Proforma IV	51,750

* Insignificant to present



10. FINANCIAL INFORMATION (cont'd)**NOTES TO PROFORMA CONSOLIDATED BALANCE SHEETS - (CONT'D)****6. SHARE PREMIUM**

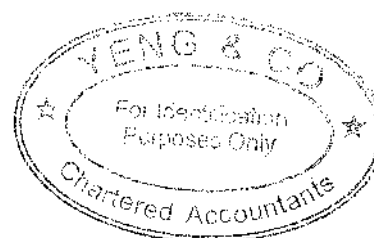
	RM'000
At 31st January 2004 and as per Proforma I	*
Share premium arising from Placement	24,500
As per Proforma II	24,500
Share premium arising from Public Issue	13,500
Payment of listing expenses	(2,000)
As per Proforma III	36,000
Share premium arising from full exercise ESOS options	13,500
As per Proforma IV	49,500
* Insignificant to present	

7. ACCUMULATED LOSSES

This mainly refers to incorporation expenses of Adventa written off.

8. RESERVE ON CONSOLIDATION

	RM'000
At 31st January 2004	-
Reserve on consolidation arising from Acquisitions (Note A)	8,013
As per Proforma I, II, III and IV	8,013



10. FINANCIAL INFORMATION (cont'd)

YENG & CO.
CHARTERED ACCOUNTANTS

NOTES TO PROFORMA CONSOLIDATED BALANCE SHEETS - (CONT'D)**8. RESERVE ON CONSOLIDATION - (CONT'D)****RM'000***Note A*

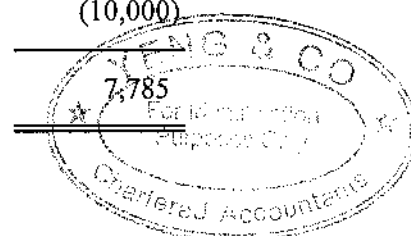
Total Net Tangible Assets Acquired	
- Terang Nusa (Note B)	34,706
- Profit Point	2,174
- Nusaco	160
- American Healthcare	544
- Ulma	537
	<hr/>
	38,121
Purchase Consideration	
- Cash	(4,108)
- Issuance of Adventa shares	(26,000)
	<hr/>
	8,013
	<hr/> <hr/>

Note B

Net Tangible Assets of Terang Nusa as at 31st January 2004	32,416
Gain from disposal of Investment in subsidiaries	2,290
	<hr/>
Adjusted Net Tangible Assets	34,706
	<hr/> <hr/>

9. LONG TERM LIABILITIES**RM'000**

At 31st January 2004	-
Long term liabilities acquired arising from Acquisitions	
- Term loan (non-current portion)	17,321
- Hire purchase and lease liabilities (non-current portion)	464
	<hr/>
	17,785
As per Proforma I and II	17,785
Repayment of term loans	(10,000)
	<hr/>
As per Proforma III and IV	7,785
	<hr/> <hr/>



10. FINANCIAL INFORMATION (cont'd)

10.13 AUDITORS' LETTER ON PROFORMA CONSOLIDATED BALANCE SHEETS

[Prepared for inclusion in this Prospectus]



**AUDITORS' LETTER ON THE PROFORMA CONSOLIDATED BALANCE SHEETS
AS AT 31ST JANUARY 2004
(Prepared for inclusion in the Prospectus)**

27th May 2004

The Board of Directors
Adventa Berhad
No.1, Jalan 8
Pengkalan Chepa 2 Industrial Zone
16100 Kota Bharu
Kelantan Darul Naim

Dear Sirs,

**ADVENTA BERHAD ("Adventa" or "the Company")
PROFORMA CONSOLIDATED BALANCE SHEETS AS AT 31ST JANUARY 2004**

We have reviewed the Proforma Consolidated Balance Sheets of Adventa, for which the Directors are solely responsible, for the year ended 31st January 2004 as set out in the accompanying statement (which we have stamped for the purpose of identification only) for the purpose of inclusion in this Prospectus to be dated9 June 2004..... in connection with the following and should not be relied on for any other purposes :-

- i) Placement of 122,500,000 new ordinary shares of RM0.10 each in Adventa to Bumiputera investors approved by the Ministry of International Trade and Industry (hereinafter referred to as the "MITI") at an issue price of RM0.30 per share (hereinafter referred to as the "Placement").
- ii) Offer for Sale by the shareholder of the Company of 12,500,000 existing ordinary shares of RM0.10 each in Adventa at an offer price of RM0.30 per share to Bumiputera investors approved by the MITI (hereinafter referred to as the "Offer for Sale").
- iii) Public Issue of 67,500,000 new ordinary shares of RM0.10 each in Adventa at an issue price of RM0.30 per share (hereinafter referred to as the "Public Issue") comprising :-
 - a) 11,000,000 new ordinary shares of RM0.10 each available for application by eligible directors, employees, customers and suppliers of Adventa Group;
 - b) 30,000,000 new ordinary shares of RM0.10 each available for application by the Malaysian public; and
 - c) 26,500,000 new ordinary shares of RM0.10 each available for placement to selected investors.

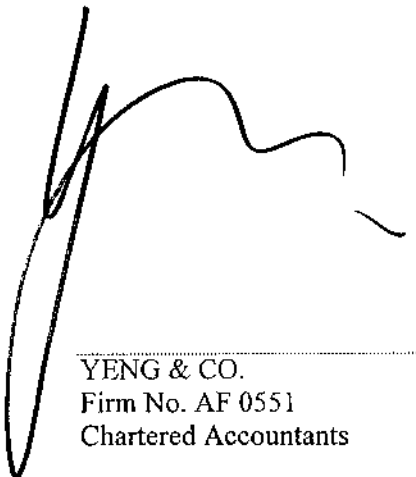
**AUDITORS' LETTER ON THE PROFORMA CONSOLIDATED BALANCE SHEETS
AS AT 31ST JANUARY 2004
(Prepared for inclusion in the Prospectus)**

- iv) The listing of and quotation for the entire issued and paid-up capital of Adventa on the Second Board of the Bursa Malaysia Securities Berhad (formerly known as Malaysia Securities Exchange Berhad) (hereinafter referred to as "Listing").


Further, Adventa had obtained the approval of Securities Commission to establish an Employees' Share Option Scheme (hereinafter referred to as "ESOS"). The total number of shares to be offered under the ESOS shall not exceed 15% of the enlarged issued and paid-up capital at any one time.

In our opinion, the Proforma Consolidated Balance Sheets, which are provided for illustrative purposes only, have been properly compiled on the basis set out in the notes to the Proforma Consolidated Balance Sheets. This basis is consistent with the accounting policies of Adventa Group and the adjustments made are appropriate for the purposes of the Proforma Consolidated Balance Sheets.

Yours faithfully,



.....
YENG & CO.
Firm No. AF 0551
Chartered Accountants



.....
KUI JEE YENG
CA(M), FCA(ICAEW), FTII
Approval No. 1169/08/2004(J)