



ADVENTA BERHAD
(Company No : 618533-M)
(Incorporated in Malaysia)
FIRST QUARTER REPORT ENDED 31 JANUARY 2009

UNAUDITED NOTES TO FINANCIAL STATEMENTS

PART A - EXPLANATORY NOTES PURSUANT TO FRS 134

1. BASIS OF PREPARATION

The interim financial statements have been prepared on a historical basis.

The interim financial statements are unaudited and have been prepared in accordance with the requirements of FRS 134: Interim Financial Reporting and Chapter 9 paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements for the period ended 31 October 2008. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the period ended 31 October 2008.

2. AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

The preceding audited financial statements for the period ended 31 October 2008 were not subject to any qualification.

3. COMMENTS ABOUT SEASONAL, CYCLICAL AND EXCEPTIONAL FACTORS

The Group's operations are not typically affected by seasonal causes nor any cyclical effects other than material supply squeeze during the first few months of the year from wintering of rubber trees. This effect has of lately been reduced through larger storage capacity at latex processing facilities and at our factories.

Since the last quarter significant changes in world economies and financial turbulence has occurred in all our markets of Americas, Europe, East Asia, Africa and Asia-Pacific. Current evaluation and data shows no change in the healthcare industries and indirectly our businesses. We expect the healthcare and basic food industries to be the last in line to be affected. The management maintain its view of a modest growth in the global demand of its products. Buying pattern may move towards value products rather than brand preference in the higher end range which should be positive for the Company's many high quality but less well know brands. Although there has not been any cause for alarm in the quality of receivables, the Company operates on a cautious approach in extending credit until the global credit has eased.



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4. 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 financial period ended 31 January 2009.

5. CHANGES IN ESTIMATES

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

6. DEBTS AND EQUITY SECURITIES

Save as disclosed below, there were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities during the current quarter.

On 29 November 2005, 32,045,000 share options were granted to employees of the Company under the Company's Employees' Share Option Scheme ("ESOS"). Each option gives the holder the right to subscribe for one ordinary share of RM0.10 each of the Company at the exercise price of RM0.275.

On 30 June 2006, the number of share options was changed to 8,972,600 after the implementation of the Shares Consolidation and Bonus Issue. Each option gives the holder the right to subscribe for one ordinary share of RM0.50 each of the Company at the new exercise price of RM0.99. The scheme is to be in force for a period of 5 years from the date of implementation until year 2010. There was no share option vested during current quarter.

There have been no options exercised during the period from date of implementation until the end of this quarter.

7. DIVIDENDS PAID

There were no dividends paid during the current quarter.



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8. SEGMENTAL INFORMATION

	3 months ended 31.01.2009 RM'000	Cumulative 3 months ended 31.01.2009 RM'000
<u>Segment Revenue</u>		
Healthcare products	122,795	122,795
Energy provider	3,780	3,780
Others	390	390
Total revenue including inter-segment sales	126,965	126,965
Elimination of inter- segment sales	(58,811)	(58,811)
Total	68,154	68,154
<u>Segment Results</u>		
Healthcare products	8,045	8,045
Energy provider	1,695	1,695
Others	(291)	(291)
Elimination	(784)	(784)
Total	8,665	8,665

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.

10. SUBSEQUENT EVENTS

There were no material events subsequent to the end of the current quarter.



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11. CHANGES IN COMPOSITION OF THE GROUP

There were no changes in the composition of the Group for the current quarter under review except that the Company's wholly owned subsidiary, Adventa Health Sdn Bhd's application for a voluntary deregistration of its 51% owned subsidiary company, Adventa Health Australia Pty Ltd ("AHA"), a dormant company having its place of incorporation in Australia has been approved by the Australian Securities and Investments Commission. The voluntary deregistration of AHA will not have any material impact on the net assets and earning per share of Adventa for the current quarter results as AHA is not consolidated and the investment is classified as a current assets in the audited financial statements for the period ended 31 October 2008.

12. CHANGES IN CONTINGENT LIABILITIES AND CONTINGENT ASSETS

As at 31 January 2009, the Company has outstanding contingent liabilities amounting to RM219 million being corporate guarantees given to financial institutions and suppliers for banking facilities and material supplies to the Group's subsidiaries.

13. CAPITAL COMMITMENTS

The amount of commitments for the purchase of property, plant and equipment not provided for in the financial statements as at 31 January 2009 is as follows:

Approved and contracted for	RM'000 <u>9,920</u>
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14. PERFORMANCE REVIEW

The Group profit before tax was RM2.8 million compared to RM5.4 million in the corresponding period from November 2007 to January 2008 last year. Revenue rose to RM68.2 million from RM62.6 million the same corresponding period, an increase of 9%.

The price of latex reached a record high in the third quarter of last calendar year and the US Dollar was falling continuously for more than 12 months, squeezing profits and putting pressure to medium term contractual sales. In order to have a measure of certainty the management took a number of steps to protect cost and income by hedging. However in October 2008, the global financial crisis set in, causing commodity prices to fall and the US Dollar to appreciate against all currencies. The Company incurred a loss of RM4.3 million from the hedging positions taken previously.

15. COMPARISON WITH PRECEDING QUARTER'S RESULTS

The Group gained sales of RM68.2 million for the quarter against RM65.4 million in the preceding quarter, an increase of 2%.

The Group's current quarter profit before tax of RM2.8 million whereas the preceding quarter profit before tax of RM4.1 million. The lower profit is due to foreign exchange related loss.



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16. COMMENTARY ON CURRENT YEAR PROSPECTS

2009 will not be an easy year for its unpredictability. Most economies are in true or technical recession, with the typical problems associated thereof. This time it is compounded with the credit problems of the financial institutions. Trading and consumption is expected to fall. The quick measures and concerted efforts of the managers of the main economies is pushing extraordinarily large amount of money and spendings into the system. How this will translate into results is yet to be seen but a certainty is that government spendings in healthcare will not be cut but instead increased.

If such spendings continue, the effect will be more than normal organic growth in the industry. Public expenditure will include new healthcare facilities and increasing healthcare coverage, both presenting opportunities for the companies of the Group.

The subsidiaries have increased physical capacity towards last year and some are in the process of completion. This will enable the Company to absorb higher sales. The operating capacity in the Group is almost at 90% currently and the addition will be a relief, reducing delivery backlog to a more manageable level.

New markets in East Asia and Europe are showing healthy growth. Market share in America-Canada is expected to grow faster with the introduction of a complete new synthetic range of surgical gloves. The focus on higher value products is generating better margins. Market acceptances of these products are gaining satisfactorily.

The Company expects its turnover and operating income to grow strongly with margin increase from operation efficiencies and new product launch.

17. PROFIT FORECAST

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



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18. TAXATION

	3 months ended 31.01.2009 RM'000	Cumulative 3 months ended 31.01.2009 RM'000
Income tax	98	98
Deferred tax	(596)	(596)
	<u>(498)</u>	<u>(498)</u>

The effective tax rate of the Group is lower than that of the statutory tax rate due to availability of reinvestment allowances from capital expenditure incurred by certain subsidiaries and profits exempted under pioneer status for a period of 5 years and International Procurement Centre (“IPC”) status by Malaysian Industrial Development Authority (“MIDA”) for a period of 10 years granted to certain subsidiaries, subject to all the criterions set are met.

19. SALE OF UNQUOTED INVESTMENTS AND PROPERTIES

There was no sale of unquoted investments and properties during the financial period under review.

20. MARKETABLE SECURITIES

There was no purchase or disposal of marketable securities during the financial period ended under review.



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21. CORPORATE PROPOSALS

Status of Corporate Proposals

There were no corporate proposals announced which remain uncompleted at the end of the financial period ended 31 January 2009 except as follows:

On 19th November, the announcements dated 23rd October 2007, 21st November 2007, 26th November 2007, 14th December 2007 and 20th May 2008 in respect of the Private Placement which was made by KIBB on behalf of Adventa and announced that the SC had, vide a letter dated 18th November 2008 approved the application for a further extension of time for a period of six (6) months to 19th May 2009 for Adventa to complete the implementation of the Private Placement.

The balance of 30% of the placement shares to Bumiputera investors or increase of Bumiputera equity by 3.46% of the new enlarged issued and paid up share capital (representing 5,530,423 new Adventa shares) within 2 years from the date of implementation of the proposed Private Placement is not completed.

22. BORROWINGS AND DEBT SECURITIES

	As at 31.01.2009 RM'000	As at 31.10.2008 RM'000
Short Term Borrowings:		
Secured	54,084	52,607
Unsecured	-	-
	54,084	52,607
Long Term Borrowings:		
Secured	65,915	61,811
Unsecured	-	-
	65,915	61,811
Total Borrowings	119,999	114,418



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23. CHANGES IN MATERIAL LITIGATION

The Group is not engaged in any material litigation either as plaintiff or defendant and the directors do not have any knowledge of any proceedings pending or threatened against the Group as at the date of this report.

24. DIVIDEND PAYABLE

The Board of Directors is pleased to declare an interim dividend for the financial year ending 31 October 2009 of 3 cents per share comprising 3 cents tax exempt on the paid up capital of RM69,577,670 representing 6% tax exempt on 139,155,340 ordinary shares of RM0.50 each.

The interim dividend will be payable in June 2009 to shareholders.

25. EARNINGS PER SHARE

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

(a) Basis

	3 months ended 31.01.2009	Cumulative 3 months ended 31.01.2009
Profit attributable to ordinary equity holders of the parent (RM'000)	3,232	3,232
Weighted average number of ordinary shares in issue ('000)	139,156	139,156
Basic earnings per share (sen)	2.32	2.32



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(b) Diluted

	3 months ended 31.01.2009	Cumulative 3 months ended 31.01.2009
Profit attributable to ordinary equity holders of the parent (RM'000)	3,232	3,232
Weighted average number of ordinary shares in issue ('000)	139,156	139,156
Effects of dilution: Share options ('000)	53	53
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	139,209	139,209
Diluted earnings per share (sen)	2.32	2.32

26. AUTHORISED FOR ISSUE

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 26 March 2009.

By Order of the Board
Adventa Berhad

CHUA SIEW CHUAN
 Company Secretary MAICSA 0777689