



ADVENTA BERHAD
(Company No : 618533-M)
(Incorporated in Malaysia)
SECOND QUARTER REPORT ENDED 30 APRIL 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

No cyclical or seasonal effects of any significance affect the healthcare business except for spikes in demand from epidemics and natural disasters. The current economic slowdown has in general lower global commodity prices, which benefited the Group.

Following our previous quarter report which foresee no drop in demand for the Group's products, this quarter affirms that forecast. Forward sales are increasing and demands in fact have risen.

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 30 April 2009.



ADVENTA BERHAD
(Company No : 618533-M)
(Incorporated in Malaysia)
SECOND QUARTER REPORT ENDED 30 APRIL 2009
UNAUDITED NOTES TO FINANCIAL STATEMENTS

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

On 25 June 2009 the Company has paid an interim tax exempt dividend for the financial year ended 31 October 2009 of 3 cents per share on 139,155,340 ordinary shares of RM0.50 each amounting to RM4.1 million



ADVENTA BERHAD
 (Company No : 618533-M)
 (Incorporated in Malaysia)
SECOND QUARTER REPORT ENDED 30 APRIL 2009
UNAUDITED NOTES TO FINANCIAL STATEMENTS

8. SEGMENTAL INFORMATION

| | 3 months ended 30.04.2009 RM'000 | Cumulative 6 months ended 30.04.2009 RM'000 |
|---|---|--|
| <u>Segment Revenue</u> | | |
| Healthcare products | 120,350 | 243,145 |
| Energy provider | 3,602 | 7,382 |
| Others | 4,390 | 4,780 |
| Total revenue including inter-segment sales | 128,342 | 255,307 |
| Elimination of inter- segment sales | (61,076) | (119,887) |
| Total | 67,266 | 135,420 |
| <u>Segment Results</u> | | |
| Healthcare products | 6,707 | 14,752 |
| Energy provider | 1,162 | 2,857 |
| Others | 3,741 | 3,450 |
| Elimination | (1,865) | (2,649) |
| Total | 9,745 | 18,410 |

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.

11. CHANGES IN COMPOSITION OF THE GROUP

There were no changes in the composition of the Group for the current quarter under review.



ADVENTA BERHAD
(Company No : 618533-M)
(Incorporated in Malaysia)
SECOND QUARTER REPORT ENDED 30 APRIL 2009
UNAUDITED NOTES TO FINANCIAL STATEMENTS

12. CHANGES IN CONTINGENT LIABILITIES AND CONTINGENT ASSETS

As at 30 April 2009, the Company has outstanding contingent liabilities amounting to RM213 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 30 April 2009 is as follows:

| | |
|-----------------------------|-------------------------------|
| Approved and contracted for | RM'000 <u>9,804</u> |
|-----------------------------|-------------------------------|

14. PERFORMANCE REVIEW

The Group's revenue and operating profit improved 15% and 49% respectively compared to the corresponding period from February 2008 to April 2008 last year. This comes from the Group's growing sales of new products in the OR – Operating Room division, which include surgical gloves.

Net profit fell 28% comparatively, a result of absorbing a currency hedging loss of RM4.3 million this quarter. This has been a painful drag on the Group's results but the hedge was taken to protect the Group's income before the current economic crisis turn the hedge into a liability.

Apart from this the results are encouraging from the point of market share and profitability increases. The Group still has a healthy pipeline of products to be launched.

The expansion of capacity has not come on stream yet and will only be operational by last quarter. Until then the Group is running at full operational capacity for all its products.



ADVENTA BERHAD
(Company No : 618533-M)
(Incorporated in Malaysia)
SECOND QUARTER REPORT ENDED 30 APRIL 2009
UNAUDITED NOTES TO FINANCIAL STATEMENTS

15. COMPARISON WITH PRECEDING QUARTER'S RESULTS

The Group gained sales of RM67.3 million for the quarter against RM68.2 million in the preceding quarter, a decrease of 1%.

The Group's current quarter profit before tax of RM3.88 million whereas the preceding quarter profit before tax of RM2.78 million.

16. COMMENTARY ON CURRENT YEAR PROSPECTS

From the two quarters performances, the Group is confident that the current economic slowdown has not much effect on the Group other than currency instability and a fast fluctuating commodity market. The Group is not affected by the increasing oil prices since the government has held energy prices stable.

The quality of the Group's receivables has remained very stable and has shown no sign of degrading. This and on top of the more stringent credit on sales should keep weak credit in check.

Hospitals orders are being booked consistently with a gradual rise in volume, increasing the order books by almost 25 days. This was helped by stronger non-Dollar currencies. Sales to large group purchasing organizations have shown a marked improvement and this show continuous wider acceptance of the Group's products.

The Group has started building a new plant in Kluang to produce synthetic medical gloves, taking advantage of the proximity to the source of raw material, also in Kluang. This plant should contribute to earning second quarter 2010. This is a High Volume High Automation plant, which is expected to produce at lower than market average cost.

The highlight of this year will be the successful introduction of the Group's new surgical products into the sophisticated market of western Europe and the USA. This will anchor the future market share of other products in the OR range.

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



ADVENTA BERHAD
(Company No : 618533-M)
(Incorporated in Malaysia)
SECOND QUARTER REPORT ENDED 30 APRIL 2009
UNAUDITED NOTES TO FINANCIAL STATEMENTS

17. PROFIT FORECAST

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

18. TAXATION

| | 3 months ended 30.04.2009 RM'000 | Cumulative 6 months ended 30.04.2009 RM'000 |
|--------------|---|--|
| Income tax | 24 | 122 |
| Deferred tax | 108 | (488) |
| | <hr/> 132 | <hr/> (366) |

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.



ADVENTA BERHAD
 (Company No : 618533-M)
 (Incorporated in Malaysia)
SECOND QUARTER REPORT ENDED 30 APRIL 2009
UNAUDITED NOTES TO FINANCIAL STATEMENTS

21. CORPORATE PROPOSALS

Status of Corporate Proposals

There were no corporate proposals announced which remain uncompleted at the end of the financial period ended 30 April 2009 except as follows:

On 20 May 2009, the announcements dated 23 October 2007, 21 November 2007, 26 November 2007, 20 May 2008 and 19 November 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 18 May 2009 approved the application for a further extension of time for a period of six (6) months to 19 November 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 30.04.2009 RM'000 | As at 31.10.2008 RM'000 |
|-------------------------------|--|--|
| Short Term Borrowings: | | |
| Secured | 56,471 | 52,607 |
| Unsecured | - | - |
| | 56,471 | 52,607 |
| Long Term Borrowings: | | |
| Secured | 62,905 | 61,811 |
| Unsecured | - | - |
| | 62,905 | 61,811 |
| Total Borrowings | 119,376 | 114,418 |



ADVENTA BERHAD
(Company No : 618533-M)
(Incorporated in Malaysia)
SECOND QUARTER REPORT ENDED 30 APRIL 2009
UNAUDITED NOTES TO FINANCIAL STATEMENTS

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

No interim ordinary dividend has been declared for the financial period ended 30 April 2009.

25. EARNINGS PER SHARE

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

(a) Basis

| | 3 months ended 30.04.2009 | Cumulative 6 months ended 30.04.2009 |
|---|--------------------------------------|---|
| Profit attributable to ordinary equity holders of the parent (RM'000) | 3,789 | 7,021 |
| Weighted average number of ordinary shares in issue ('000) | 139,156 | 139,156 |
| Basic earnings per share (sen) | 2.72 | 5.05 |



ADVENTA BERHAD
 (Company No : 618533-M)
 (Incorporated in Malaysia)
SECOND QUARTER REPORT ENDED 30 APRIL 2009

UNAUDITED NOTES TO FINANCIAL STATEMENTS

(b) Diluted

| | 3 months ended 30.04.2009 | Cumulative 6 months ended 30.04.2009 |
|--|--------------------------------------|---|
| Profit attributable to ordinary equity holders of the parent (RM'000) | 3,789 | 7,021 |
| Weighted average number of ordinary shares in issue ('000) | 139,156 | 139,156 |
| Effects of dilution: | | |
| Share options ('000) * | - | - |
| Adjusted weighted average number of ordinary shares in issue and issuable ('000) | 139,156 | 139,156 |
| Diluted earnings per share (sen) | 2.72 | 5.05 |

* There is no effect of dilution from share options as the conversion of the share options is anti-dilutive.

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 29 June 2009.

By Order of the Board
Adventa Berhad

CHUA SIEW CHUAN
 Company Secretary MAICSA 0777689