



ADVENTA BERHAD
(Company No : 618533-M)
(Incorporated in Malaysia)
THIRD QUARTER REPORT ENDED 31 JULY 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 there is an increase in demand for the basic products like examination gloves from the H1N1 pandemic. The increase for the high end products remains relatively unaffected by the pandemic.

Sales of hospital isolation products in our distribution subsidiary have improved significantly, a reaction from the pandemic precautions by the healthcare centers.

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 July 2009.



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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.

During the current quarter, the Company has resale a total of 742,400 ordinary shares of RM0.50 each to the open market for a total consideration of RM902,992.

During the current quarter ended quarter ended 31 July 2009, a total of 30,000 new ordinary shares of RM0.50 each were issued and allotted pursuant to the exercise of the ESOS, and a total of 4,366,110 new ordinary shares of RM0.50 each were issued and allotted pursuant to the exercise of private placement. The details of the issued and paid-up capital of the Company as at 31 July 2009 are as follows:

	No. of shares	RM
As at 30 April 2009	139,155,340	69,577,670
Ordinary shares issued pursuant to the ESOS	30,000	15,000
Ordinary shares issued pursuant to private placement	4,366,110	2,183,055
As at 31 July 2009	<u>143,551,450</u>	<u>71,775,725</u>



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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

8. SEGMENTAL INFORMATION

	Individual period		Cumulative period	
	Current year quarter	Preceding year corresponding quarter	Current year quarter	Preceding year corresponding quarter
	31.07.2009 RM'000	31.07.2008 RM'000	31.07.2009 RM'000	31.07.2008 RM'000
<u>Segment Revenue</u>				
Healthcare products	130,762	111,478	373,907	216,477
Energy provider	3,903	3,538	11,285	6,821
Others	2,390	330	7,170	660
Total revenue including inter-segment sales	137,055	115,346	392,362	233,958
Elimination of inter-segment sales	(64,356)	(52,768)	(184,243)	(102,925)
Total	72,699	62,578	208,119	121,033

	Individual period		Cumulative period	
	Current year quarter	Preceding year corresponding quarter	Current year quarter	Preceding year corresponding quarter
	31.07.2009 RM'000	31.07.2008 RM'000	31.07.2009 RM'000	31.07.2008 RM'000
<u>Segment Results</u>				
Healthcare products	9,736	2,703	24,488	7,174
Energy provider	1,372	1,412	4,229	2,764
Others	1,837	(151)	5,287	(183)
Elimination	(2,144)	1,069	(4,793)	1,813
Total	10,801	5,033	29,211	11,568



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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 except as stated below :

On 1 August 2009, the Board of Directors of Adventa Berhad announced that the Company had acquired 100,000 ordinary shares of RM1.00 each in Cytotec (M) Sdn. Bhd. (“Cytotec”), representing 100% of equity interest in Cytotec for a purchase consideration of RM800,000. The purchase consideration was derived on the following basis:

- (i) The total assets in Cytotec amounting to RM796,945 as at 15 July 2009.
- (ii) The existing issued and paid up capital of RM100,000.

11. CHANGES IN COMPOSITION OF THE GROUP

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

12. CHANGES IN CONTINGENT LIABILITIES AND CONTINGENT ASSETS

As at 31 July 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 31 July 2009 is as follows:

Approved and contracted for	RM’000 <u>8,582</u>
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**PART B – ADDITIONAL INFORMATION AS REQUIRED BY APPENDIX 9B OF
BURSA MALAYSIA LISTING REQUIREMENTS**

14. PERFORMANCE REVIEW

The Group's revenue and operating profit improved 16% and 115% respectively compared to the comparative quarter last year. Profit before tax increased by RM1.75 million compared to same quarter last year. Net profit increased by 53.5% correspondingly.

On the whole the performance of the various subsidiaries are as expected. All subsidiaries reported improved results.

15. COMPARISON WITH PRECEDING QUARTER'S RESULTS

The Group gained sales of RM72.7 million for the quarter against RM67.3 million in the preceding quarter, an increase of 8%.

The Group's current quarter profit before tax of RM5.65 million against the preceding quarter profit before tax of RM3.88 million.

16. COMMENTARY ON CURRENT YEAR PROSPECTS

The Group's business continues to grow strongly although the delayed expansion due to the incomplete new boiler at the main facility hampers physical growth. This equipment is forecast to be completed in the first quarter next year, a delay of 5 months. The delay is related to regulatory approvals.

Losses from hedging activities of last year are winding down and this will remove a burden on the net profit.

The recovery of some countries' economy has reflected in the rise of energy cost as well as raw materials like natural latex and synthetic latex, which together form the main raw materials of manufacturing facilities. The rise is almost 20% in the last three months but is expected to stabilise in the next 3 months.



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Sales are expected to continue rising in a similar pattern to the past three quarters and we do not see a drop in demand, especially the higher end products. All product categories have experienced an increased uplift from almost all regions and this encouraging sign has made the Company to accelerate its expansion program.

The plant in Uruguay is waiting final approval from Brazilian authorities for compliance to its new import rulings and this should be cleared by end of the financial year. That will clear the facility for full export into Brazil.

17. PROFIT FORECAST

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

18. TAXATION

	<u>Individual period</u>		<u>Cumulative period</u>	
	Current year quarter 31.07.2009 RM'000	Preceding year corresponding quarter 31.07.2008 RM'000	Current year quarter 31.07.2009 RM'000	Preceding year corresponding quarter 31.07.2008 RM'000
Income tax	5	270	127	285
Deferred tax	1,117	684	629	826
	<u>1,122</u>	<u>954</u>	<u>756</u>	<u>1,111</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.



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20. MARKETABLE SECURITIES

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

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 July 2009.

22. BORROWINGS AND DEBT SECURITIES

	As at 31.07.2009 RM'000	As at 31.10.2008 RM'000
Short Term Borrowings:		
Secured	60,713	52,607
Unsecured	-	-
	60,713	52,607
Long Term Borrowings:		
Secured	59,559	61,811
Unsecured	-	-
	59,559	61,811
Total Borrowings	120,272	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

No interim ordinary dividend has been declared for the financial period ended 31 July 2009.

25. EARNINGS PER SHARE

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

(a) Basis

	Individual period		Cumulative period	
	Current year quarter 31.07.2009	Preceding year corresponding quarter 31.07.2008	Current year quarter 31.07.2009	Preceding year corresponding quarter 31.07.2008
Profit attributable to ordinary equity holders of the parent (RM'000)	4,584	2,946	11,605	8,070
Weighted average number of ordinary shares in issue ('000)	143,551	139,156	143,551	139,156
Basic earnings per share (sen)	3.19	2.12	8.08	5.80



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(b) Diluted

	Individual period		Cumulative period	
	Current year quarter 31.07.2009	Preceding year corresponding quarter 31.07.2008	Current year quarter 31.07.2009	Preceding year corresponding quarter 31.07.2008
Profit attributable to ordinary equity holders of the parent (RM'000)	4,584	2,946	11,605	8,070
Weighted average number of ordinary shares in issue ('000)	143,551	139,156	143,551	139,156
Effects of dilution: Share options ('000)	- *	913	- *	913
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	143,551	140,069	143,551	140,069
Diluted earnings per share (sen)	3.19	2.10	8.08	5.76

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



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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 15 September 2009.

By Order of the Board
Adventa Berhad

CHUA SIEW CHUAN
Company Secretary MAICSA 0777689