



ADVENTA BERHAD
(Company No : 618533-M)
(Incorporated in Malaysia)
FOURTH QUARTER REPORT ENDED 31 OCTOBER 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

There was no cyclical factors that had an impact of significance nor any exceptional factors that influenced the businesses.

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 October 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 ended quarter ended 31 October 2009, a total of 1,489,700 new ordinary shares of RM0.50 each were issued and allotted pursuant to the exercise of the ESOS. The details of the issued and paid-up capital of the Company as at 31 October 2009 are as follows:

	No. of shares	RM
As at 31 July 2009	143,551,450	71,775,725
Ordinary shares issued pursuant to the ESOS	1,489,700	744,850
As at 31 October 2009	<u>145,041,150</u>	<u>72,520,575</u>

7. DIVIDENDS PAID

There were no dividends paid during the current quarter.



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8. SEGMENTAL INFORMATION

	Individual period		Cumulative period	
	Current year quarter 31.10.2009 RM'000	Preceding year corresponding quarter 31.10.2008 RM'000	Current year quarter 31.10.2009 RM'000	Preceding year corresponding quarter 31.10.2008 RM'000
<u>Segment Revenue</u>				
Healthcare products	126,066	127,838	499,973	344,315
Energy provider	3,807	3,376	15,092	10,197
Others	4,390	2,510	11,560	3,170
Total revenue including inter-segment sales	134,263	133,724	526,625	357,682
Elimination of inter-segment sales	(59,511)	(68,809)	(243,754)	(171,734)
Total	74,752	64,915	282,871	185,948

	Individual period		Cumulative period	
	Current year quarter 31.10.2009 RM'000	Preceding year corresponding quarter 31.10.2008 RM'000	Current year quarter 31.10.2009 RM'000	Preceding year corresponding quarter 31.10.2008 RM'000
<u>Segment Results</u>				
Healthcare products	5,644	5,727	30,132	12,901
Energy provider	1,854	1,504	6,083	4,268
Others	5,634	3,759	10,921	3,576
Elimination	(3,409)	(5,688)	(8,202)	(3,875)
Total	9,723	5,302	38,934	16,870

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.



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10. SUBSEQUENT EVENTS

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

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:

- a) 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.
- b) On 5 October 2009, the Board of Directors of Adventa Berhad announced that the Company’s 97.2% subsidiary, namely Purnabina Sdn. Bhd. had incorporated a new subsidiary in Malaysia, namely Icodex Sdn. Bhd (“Icodex”). with a paid-up capital of RM3/-. The principal activity of Icodex is trading and marketing of gloves, commodities and medical related products.

The effects of the above acquisitions that have been included in the interim financial statement are as follows:

	RM’000
Revenue	NIL
Loss before taxation	6
The aggregate net assets of the subsidiaries acquired	75
Net cash outflow of the Group	800



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12. CHANGES IN CONTINGENT LIABILITIES AND CONTINGENT ASSETS

As at 31 October 2009, the Company has outstanding contingent liabilities amounting to RM218 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 October 2009 is as follows:

Approved and contracted for	RM'000 <u>7,484</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 15% and 83% respectively compared to the comparative quarter last year. Profit before tax improved by 48% compared to same quarter last year. Net profit decreased slightly by less than 1% correspondingly.

The revenue increase came from progressive addition of capacity in the surgical and dental gloves products. The cost reduction exercises and high yield has improved the margin.

15. COMPARISON WITH PRECEDING QUARTER'S RESULTS

The Group revenue of RM74.8 million for the quarter against RM72.7 million in the preceding quarter is an increase of 3%.

The Group's current quarter profit before tax is RM6.1 million compared to RM 5.65 million in the preceding quarter is an increase of 7.6%.



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16. COMMENTARY ON CURRENT YEAR PROSPECTS

The businesses of the Group continue to perform strongly with increased order logs from 4.7 to 5.3 months reflecting higher market demand for the core products. The flu pandemic has a small but insignificant impact on the sales.

Forex hedging losses are booked and provided for this year, removing a drag on future earnings. This hedging loss realised and provided is RM14.9 million.

With some economic recovery in almost all countries, credit and cash flow improved with faster transaction time between order received and financial confirmation. This will in turn allow quicker shipments of goods.

Sales is expected to increase substantially this year, gaining from the new capacities coming on stream and the new high output factory in Kluang. The plant in Uruguay has been certified and shall contribute to the profits.

The Group intends to increase investment into distribution and the life science division. These will be a strong contributor to the Group in the future.

17. PROFIT FORECAST

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

18. TAXATION

	Individual period		Cumulative period	
	Current year quarter 31.10.2009 RM'000	Preceding year corresponding quarter 31.10.2008 RM'000	Current year quarter 31.10.2009 RM'000	Preceding year corresponding quarter 31.10.2008 RM'000
Income tax	189	971	316	1,256
Deferred tax	511	(2,306)	1,140	(1,480)
	700	(1,335)	1,456	(224)

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.



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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.

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 October 2009.

22. BORROWINGS AND DEBT SECURITIES

	As at 31.10.2009 RM'000	As at 31.10.2008 RM'000
Short Term Borrowings:		
Secured	54,774	52,607
Unsecured	-	-
	54,774	52,607
 Long Term Borrowings:		
Secured	60,047	61,811
Unsecured	-	-
	60,047	61,811
 Total Borrowings	114,821	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 recommended a final dividend for the financial year ended 31.10.2009 of 4 cents per share comprising 4 cents tax exempt on the enlarged capital of RM72,520,575 representing 145,041,150 ordinary shares of RM0.50 each amounting to RM5.8 million which is subject to the shareholders approval at the forthcoming Annual General Meeting (“AGM”).

25. EARNINGS PER SHARE

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

(a) Basis

	Individual period		Cumulative period	
	Current year quarter 31.10.2009	Preceding year corresponding quarter 31.10.2008	Current year quarter 31.10.2009	Preceding year corresponding quarter 31.10.2008
Profit attributable to ordinary equity holders of the parent (RM'000)	5,398	5,435	17,003	13,660
Weighted average number of ordinary shares in issue ('000)	145,041	139,156	145,041	139,156
Basic earnings per share (sen)	3.72	3.91	11.72	9.82



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(b) Diluted

	Individual period		Cumulative period	
	Current year quarter 31.10.2009	Preceding year corresponding quarter 31.10.2008	Current year quarter 31.10.2009	Preceding year corresponding quarter 31.10.2008
Profit attributable to ordinary equity holders of the parent (RM'000)	5,398	5,435	17,003	13,660
Weighted average number of ordinary shares in issue ('000)	145,041	139,156	145,041	139,156
Effects of dilution: Share options ('000)	207	512	207	512
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	145,248	139,668	145,248	139,668
Diluted earnings per share (sen)	3.72	3.89	11.71	9.78

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 22 December 2009.

By Order of the Board
Adventa Berhad
CHUA SIEW CHUAN
 Company Secretary MAICSA 0777689