



ADVENTA BERHAD
(Company No : 618533-M)
(Incorporated in Malaysia)
FIRST QUARTER REPORT ENDED 31 JANUARY 2010
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 year ended 31 October 2009. 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 year ended 31 October 2009.

2. AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

The preceding audited financial statements for the period ended 31 October 2009 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 January 2010.



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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 January 2010, a total of 479,100 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 January 2010 are as follows:

	No. of shares	RM
As at 31 October 2009	145,041,150	72,520,575
Ordinary shares issued pursuant to the ESOS	479,100	239,550
As at 31 January 2010	<u>145,520,250</u>	<u>72,760,125</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 31.01.2010 RM'000	Preceding year corresponding quarter 31.01.2009 RM'000	Current year quarter 31.01.2010 RM'000	Preceding year corresponding quarter 31.01.2009 RM'000
<u>Segment Revenue</u>				
Healthcare products	135,848	122,795	135,848	122,795
Energy provider	3,670	3,780	3,670	3,780
Others	1,390	390	1,390	390
Total revenue including inter-segment sales	140,908	126,965	140,908	126,965
Elimination of inter-segment sales	(64,267)	(58,811)	(64,267)	(58,811)
Total	76,641	68,154	76,641	68,154

	Individual period		Cumulative period	
	Current year quarter 31.01.2010 RM'000	Preceding year corresponding quarter 31.01.2009 RM'000	Current year quarter 31.01.2010 RM'000	Preceding year corresponding quarter 31.01.2009 RM'000
<u>Segment Results</u>				
Healthcare products	13,964	3,774	13,964	3,774
Energy provider	1,221	1,695	1,221	1,695
Others	819	(291)	819	(291)
Elimination	(4,717)	(784)	(4,717)	(784)
Total	11,287	4,394	11,287	4,394

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.

12. CHANGES IN CONTINGENT LIABILITIES AND CONTINGENT ASSETS

As at 31 January 2010, 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 January 2010 is as follows:

Approved and contracted for	RM'000 <u>17,607</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 12% and 157% respectively compared to the comparative quarter last year. Profit before tax increased to RM10 million compared to same quarter last year.

Improved revenue reflects some additional capacity coming on stream late in the quarter. The addition of capacity shall continue through out the year.

15. COMPARISON WITH PRECEDING QUARTER'S RESULTS

The Group revenue of RM76.6 million for the quarter against RM74.6 million in the preceding quarter is an increase of 3%.

The Group's current quarter profit before tax is RM10.5 million compared to RM 6.1 million in the preceding quarter is an increase of 72%.

16. COMMENTARY ON CURRENT YEAR PROSPECTS

Global requirement for medical gloves remain robust and this trend is expected to remain unchanged for the rest of the year. Demands of both sterile surgical gloves and non sterile examination gloves is strong in all markets.

With Asia and South America showing a surging increase in usage of medical gloves, in part from a higher standard of healthcare delivery and better understanding of medical risks containment, and the matured market increasing the typical 5-10%, there will be a need for higher supply in the year.

Natural rubber latex prices have shot up very strongly in the quarter from the cyclical lower output months of Feb-May. Uncertainties in the equities markets which fuel speculations in the commodities, is also a contributing factor. This needs to be passed on to the consumer, which has in the past been successful and we do not see any difficulties this year in this respect as the commodity prices are well publicised.



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The Company do not expect a full year margin impact but may see a small change in margins in the next quarter from the time lag in price increments. The Company is optimistic to remain profitable.

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 31.01.2010 RM'000	Preceding year corresponding quarter 31.01.2009 RM'000	Current year quarter 31.01.2010 RM'000	Preceding year corresponding quarter 31.01.2009 RM'000
Income tax	31	98	31	98
Deferred tax	639	(596)	639	(596)
	670	(498)	670	(498)

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 January 2010.

BORROWINGS AND DEBT SECURITIES

	As at 31.01.2010 RM'000	As at 31.10.2009 RM'000
Secured:		
Short Term Borrowings	58,398	57,317
Long Term Borrowings	54,980	58,493
Total Borrowings	<u>113,378</u>	<u>115,810</u>

22. 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.



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23. 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 31.01.2010	Preceding year corresponding quarter 31.01.2009	Current year quarter 31.01.2010	Preceding year corresponding quarter 31.01.2009
Profit attributable to ordinary equity holders of the parent (RM'000)	9,353	3,232	9,353	3,232
Weighted average number of ordinary shares in issue ('000)	145,461	139,156	145,461	139,156
Basic earnings per share (sen)	6.43	2.32	6.43	2.32



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(b) Diluted

	Individual period		Cumulative period	
	Current year quarter 31.01.2010	Preceding year corresponding quarter 31.01.2009	Current year quarter 31.01.2010	Preceding year corresponding quarter 31.01.2009
Profit attributable to ordinary equity holders of the parent (RM'000)	9,353	3,232	9,353	3,232
Weighted average number of ordinary shares in issue ('000)	145,461	139,156	145,461	139,156
Effects of dilution: Share options ('000)	2,903	53	2,903	53
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	148,364	139,209	148,364	139,209
Diluted earnings per share (sen)	6.30	2.32	6.30	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 3 March 2010.

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