



ADVENTA BERHAD
(Company No : 618533-M)
(Incorporated in Malaysia)
SECOND QUARTER REPORT ENDED 30 APRIL 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 30 April 2010.



ADVENTA BERHAD
(Company No : 618533-M)
(Incorporated in Malaysia)
SECOND QUARTER REPORT ENDED 30 APRIL 2010
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.

During the current quarter ended quarter ended 30 April 2010, a total of 3,930,320 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 30 April 2010 are as follows:

	No. of shares	RM
As at 31 January 2010	145,520,250	72,760,125
Ordinary shares issued pursuant to the ESOS	3,930,320	1,965,160
As at 30 April 2010	<u>149,450,570</u>	<u>74,725,285</u>

7. DIVIDENDS PAID

There were no dividends paid during the current quarter.



ADVENTA BERHAD
 (Company No : 618533-M)
 (Incorporated in Malaysia)
SECOND QUARTER REPORT ENDED 30 APRIL 2010
UNAUDITED NOTES TO FINANCIAL STATEMENTS

8. SEGMENTAL INFORMATION

	Individual period		Cumulative period	
	Current year quarter 30.04.2010 RM'000	Preceding year corresponding quarter 30.04.2009 RM'000	Current year quarter 30.04.2010 RM'000	Preceding year corresponding quarter 30.04.2009 RM'000
<u>Segment Revenue</u>				
Healthcare products	136,865	120,350	272,713	243,145
Energy provider	3,834	3,602	7,504	7,382
Others	1,890	4,390	3,280	4,780
Total revenue including inter-segment sales	142,589	128,342	283,497	225,307
Elimination of inter-segment sales	(61,456)	(61,076)	(125,723)	(119,887)
Total	81,133	67,266	157,774	135,420

	Individual period		Cumulative period	
	Current year quarter 30.04.2010 RM'000	Preceding year corresponding quarter 30.04.2009 RM'000	Current year quarter 30.04.2010 RM'000	Preceding year corresponding quarter 30.04.2009 RM'000
<u>Segment Results</u>				
Healthcare products	9,879	3,595	23,843	5,397
Energy provider	1,380	1,162	2,601	2,857
Others	888	3,738	1,707	3,447
Elimination	(3,076)	(3,046)	(7,793)	(1,858)
Total	9,071	5,449	20,358	9,843

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.



ADVENTA BERHAD
(Company No : 618533-M)
(Incorporated in Malaysia)
SECOND QUARTER REPORT ENDED 30 APRIL 2010
UNAUDITED NOTES TO FINANCIAL STATEMENTS

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:

On 11 March 2010, the Board of Directors of Adventa Berhad (“Adventa”) announced that the Company had entered into a Share Sale Agreement to acquire 248,000 ordinary shares of RM1.00 each in Utama Associates Sdn. Bhd. (“Utama”), representing 40% shares of the total issued and paid-up capital of Utama at a purchase consideration of RM459,847, to be satisfied wholly by cash. The purchase consideration was derived on the following basis:

- (a) The total assets in Utama amounting to RM1,149,617.48 as at 31 January 2010.
- (b) The existing issued and paid up capital of RM620,000.

The contingent upon the above acquisition, Utama and its 100% wholly-owned subsidiary, Sun Healthcare (M) Sdn. Bhd., will become a 100% wholly-owned subsidiaries of Adventa.

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

	RM'000
Revenue	430
Profit before taxation	185
The aggregate net assets of the subsidiaries acquired	460
Net cash outflow of the Group	460



ADVENTA BERHAD
(Company No : 618533-M)
(Incorporated in Malaysia)
SECOND QUARTER REPORT ENDED 30 APRIL 2010
UNAUDITED NOTES TO FINANCIAL STATEMENTS

12. CHANGES IN CONTINGENT LIABILITIES AND CONTINGENT ASSETS

As at 30 April 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 30 April 2010 is as follows:

Approved and contracted for	RM'000 <u>17,491</u>
-----------------------------	--------------------------------

PART B – ADDITIONAL INFORMATION AS REQUIRED BY APPENDIX 9B OF BURSA MALAYSIA LISTING REQUIREMENTS

14. PERFORMANCE REVIEW

This quarter has achieved an increase of 21% in revenue over comparative quarter last year with earnings up by 72%.

There has been no increase in capacity this quarter since new additions are only due next quarter. Earnings are down compared to last quarter for the reasons that cost of our purchase of latex has increased by 27%. The fall of the US Dollars reduced revenue and impacted the bottom line.

Overall, the quarter performance is below forecast but with the latex and US Dollars effect taken into account, the earnings are stronger than expected.



ADVENTA BERHAD
(Company No : 618533-M)
(Incorporated in Malaysia)
SECOND QUARTER REPORT ENDED 30 APRIL 2010
UNAUDITED NOTES TO FINANCIAL STATEMENTS

15. COMPARISON WITH PRECEDING QUARTER'S RESULTS

The Group revenue of RM81.1 million for the quarter against RM76.6 million in the preceding quarter is an increase of 6%.

The Group's current quarter profit before tax is RM7.7 million compared to RM 10.5 million in the preceding quarter.

A drop of 3.7% in the USD/RM rate saw a drop of over RM2.0 million in revenue and earnings.

EBITDA is at RM12.8 million compared to RM14.2 million last quarter.

16. COMMENTARY ON CURRENT YEAR PROSPECTS

The wide swings in EURO/USD/RM exchange is creating some unpredictability in cost but as long as the trend remain within the expected bands, we do not anticipate significant effects on our business, both in revenue and earnings. The moderating factor is the gradual drop in rubber commodity price globally, softening latex prices.

The high prices of latex and the duration of it this year is quite surprising in view that production and consumption globally are both rather balanced. We believe speculative activities are still strong in the commodity markets. Being speculation, it should not last long. We are putting measures to mitigate this effect.

There has not been a trend of slowdown in demand of medical gloves in all markets. The typical annual increase is still continuing. Most markets still show an 8% to 11% annual increase, which is very healthy. As we grow in excess of that, we are gaining in same-market share.

Our new plant and new capacity are all expected to be on stream for the second half of the year and this will provide a relief to the under capacity situations we are in now. These will represent about 30% more capacity comparatively.



ADVENTA BERHAD
 (Company No : 618533-M)
 (Incorporated in Malaysia)
SECOND QUARTER REPORT ENDED 30 APRIL 2010
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

	Individual period		Cumulative period	
	Current year quarter 30.04.2010 RM'000	Preceding year corresponding quarter 30.04.2009 RM'000	Current year quarter 30.04.2010 RM'000	Preceding year corresponding quarter 30.04.2009 RM'000
Income tax	83	24	114	122
Deferred tax	1,200	108	1,839	(488)
	1,283	132	1,953	(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

ADVENTA BERHAD
(Company No : 618533-M)
(Incorporated in Malaysia)
SECOND QUARTER REPORT ENDED 30 APRIL 2010
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 2010.

22. BORROWINGS AND DEBT SECURITIES

	As at 30.04.2010 RM'000	As at 31.10.2009 RM'000
Secured:		
Short Term Borrowings	59,255	57,317
Long Term Borrowings	56,764	58,493
Total Borrowings	<u>116,019</u>	<u>115,810</u>

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 2010.



ADVENTA

ADVENTA BERHAD
(Company No : 618533-M)
(Incorporated in Malaysia)
SECOND QUARTER REPORT ENDED 30 APRIL 2010
UNAUDITED NOTES TO FINANCIAL STATEMENTS

25. EARNINGS PER SHARE

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

(a) Basis

	<u>Individual period</u>		<u>Cumulative period</u>	
	<u>Current year quarter 30.04.2010</u>	<u>Preceding year corresponding quarter 30.04.2009</u>	<u>Current year quarter 30.04.2010</u>	<u>Preceding year corresponding quarter 30.04.2009</u>
Profit attributable to ordinary equity holders of the parent (RM'000)	6,450	3,789	15,803	7,021
Weighted average number of ordinary shares in issue ('000)	148,002	139,156	148,002	139,156
Basic earnings per share (sen)	4.36	2.72	10.68	5.05



ADVENTA BERHAD
 (Company No : 618533-M)
 (Incorporated in Malaysia)
SECOND QUARTER REPORT ENDED 30 APRIL 2010
UNAUDITED NOTES TO FINANCIAL STATEMENTS

(b) Diluted

	Individual period		Cumulative period	
	Current year quarter 30.04.2010	Preceding year corresponding quarter 30.04.2009	Current year quarter 30.04.2010	Preceding year corresponding quarter 30.04.2009
Profit attributable to ordinary equity holders of the parent (RM'000)	6,450	3,789	15,803	7,021
Weighted average number of ordinary shares in issue ('000)	145,002	139,156	148,002	139,156
Effects of dilution: Share options ('000)	710	-	710	-
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	148,712	139,156	148,712	139,156
Diluted earnings per share (sen)	4.34	2.72	10.63	5.05

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 June 2010.

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