



ADVENTA BERHAD
(Company No : 618533-M)
(Incorporated in Malaysia)
FOURTH QUARTER REPORT ENDED 31 OCTOBER 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 year 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 October 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 October 2010, a total of 1,791,600 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 2010 are as follows:

	No. of shares	RM
As at 31 July 2010	150,994,170	75,497,085
Ordinary shares issued pursuant to the ESOS	1,791,600	895,800
As at 31 October 2010	<u>150,994,170</u>	<u>76,392,885</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 31.10.2010 RM'000	Preceding year corresponding quarter 31.10.2009 RM'000	Current year quarter 31.10.2010 RM'000	Preceding year corresponding quarter 31.10.2009 RM'000
<u>Segment Revenue</u>				
Healthcare products	210,383	127,953	647,068	501,860
Energy provider	8,814	3,806	19,413	15,091
Others	1,050	4,390	5,220	11,560
Total revenue including inter-segment sales	220,247	136,149	671,701	528,511
Elimination of inter-segment sales	(129,231)	(61,526)	(335,527)	(245,769)
Total	91,016	74,623	336,174	282,742

	Individual period		Cumulative period	
	Current year quarter 31.10.2010 RM'000	Preceding year corresponding quarter 31.10.2009 RM'000	Current year quarter 31.10.2010 RM'000	Preceding year corresponding quarter 31.10.2009 RM'000
<u>Segment Results</u>				
Healthcare products	7,002	5,644	41,887	14,123
Energy provider	4,681	1,854	8,242	6,082
Others	265	5,634	2,083	10,863
Elimination	(6,049)	(5,803)	(15,997)	(7,026)
Total	5,899	7,329	36,215	24,042

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 except as stated below:

On 15 December 2010, the Board of Directors announced the disposal of the entire shares in Suizze Health Limited (“Suizze Health”), representing 100% of the paid-up capital in Suizze Health (Company No. 947155) at a total consideration of HK\$10,000.00 (“Disposal”). The Disposal has resulted in Suizze Health ceasing to become a subsidiary of Adventa.

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 October 2010, the Company has outstanding contingent liabilities amounting to RM244 million being corporate guarantees given to financial institutions for banking facilities provided 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 2010 is as follows:

Approved and contracted for	RM’000 <u>9,764</u>
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**PART B – ADDITIONAL INFORMATION AS REQUIRED BY APPENDIX 9B OF
 BURSA MALAYSIA LISTING REQUIREMENTS**

14. PERFORMANCE REVIEW

	4th Quarter ended 31 October 2010 RM'000	4th Quarter ended 31 October 2009 RM'000	Changes RM'000	%
Revenue	91,016	74,623	16,393	22
Profit before tax	4,227	6,121	(1,894)	(31)

Revenue for the quarter at RM91 million is a 22% improvement over corresponding quarter last financial year. Operating profit dipped 31% from the high raw material cost and weak US dollar. The fast hike in rubber prices induced a large time-lag related delay in revenue increase even though cost are eventually passed into selling price. This drag down the quarter's earnings. A new factory was completed in this period, adding capacity to the tight high utilization rate in some products.

15. COMPARISON WITH PRECEDING QUARTER'S RESULTS

	4th Quarter 2010 RM'000	3rd Quarter 2010 RM'000	Changes RM'000	%
Revenue	91,016	87,384	3,632	4
Profit before tax	4,227	8,479	(4,252)	(50)

The quarter's revenue increased 4% and earnings fell 50% over preceding quarter. The increase in price of rubber latex plus weakening of US Dollar contributed to the lower earnings. Since more than 80% of the Group's sales are in US Dollar, currency fluctuations increased the time-lag effect in any price increase exercise that the Group implemented.

16. COMMENTARY ON CURRENT YEAR PROSPECTS

The financials closed this quarter on a tumultuous year of material costs increases and large fluctuations in both the US Dollar and EURO. These fast changing dynamics pose a challenge to match current cost against forward sales. The several cost cutting measures implemented this quarter help mitigate surging costs and should bring improvements to next year's earnings.



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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 31.10.2010 RM'000	Preceding year corresponding quarter 31.10.2009 RM'000	Current year quarter 31.10.2010 RM'000	Preceding year corresponding quarter 31.10.2009 RM'000
Income tax	126	297	296	424
Deferred tax	(7,686)	480	(5,619)	1,109
	(7,560)	777	(5,323)	1,533

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 10 years and other fiscal incentives from the government.

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.



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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 2010.

22. BORROWINGS AND DEBT SECURITIES

	As at 31.10.2010 RM'000	As at 31.10.2009 RM'000
Secured:		
Short Term Borrowings	35,093	57,317
Long Term Borrowings	96,008	58,493
Total Borrowings	<u>131,101</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

The Board proposed a first and final tax exempt dividend of 7 cents amounting to approximately RM10.6 million for the financial year ended 31 October 2010. The proposed final dividend is subject to shareholders' approval in the forthcoming Annual General Meeting.



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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 31.10.2010</u>	<u>Preceding year corresponding quarter 31.10.2009</u>	<u>Current year quarter 31.10.2010</u>	<u>Preceding year corresponding quarter 31.10.2009</u>
Profit attributable to ordinary equity holders of the parent (RM'000)	11,802	5,359	35,803	16,964
Weighted average number of ordinary shares in issue ('000)	152,786	140,940	152,786	140,940
Basic earnings per share (sen)	7.72	3.80	23.43	12.04



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(b) Diluted

	Individual period		Cumulative period	
	Current year quarter 31.10.2010	Preceding year corresponding quarter 31.10.2009	Current year quarter 31.10.2010	Preceding year corresponding quarter 31.10.2009
Profit attributable to ordinary equity holders of the parent (RM'000)	11,802	5,359	35,803	16,964
Weighted average number of ordinary shares in issue ('000)	152,786	140,940	152,786	140,940
Effects of dilution: Share options ('000)	(3,939)	207	(3,939)	207
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	148,847	141,147	148,847	141,147
Diluted earnings per share (sen)	7.93	3.80	24.05	12.02

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 21 December 2010.

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