



ADVENTA BERHAD
(Company No : 618533-M)
(Incorporated in Malaysia)
THIRD QUARTER REPORT ENDED 31 OCTOBER 2011
UNAUDITED NOTES TO FINANCIAL STATEMENTS

PART A - EXPLANATORY NOTES PURSUANT TO FRS 134

1. BASIS OF PREPARATION

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 2010. The 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 2010.

Change in accounting policies

The significant accounting policies adopted are consistent with those of the audited financial statements for the financial year ended 31 October 2010 except for the adoption of new or revised FRSs, Amendment to FRSs and IC Interpretations effective for financial year beginning 1 November 2010.

The adoption of the above new or revised FRSs, Amendment to FRSs and IC Interpretations do not have significant impact to the interim financial position and results of the Group except for the adoption of the following FRSs as set out below:

(a) FRS 7: Financial Instruments: Disclosures

FRS 7 introduces new disclosures to improve the information about financial instruments. It requires the disclosure of qualitative and quantitative information about exposure to risk arising from financial instruments, including specified minimum disclosures about credit risk, liquidity risk and market risk, including sensitivity analysis of the market risk. However, FRS 7 disclosures are not required in the interim financial statements, and hence, no further disclosures has been made in these interim financial statements.

(b) FRS 8: Operating Segments

FRS 8 requires identification and reporting of operating segments based on internal reports that are regularly reviewed by the entity's chief operating decision maker in order to allocate resources to the segment and to assess its performances. The Group presents its segment information based on its business segments as shown in Note 8.



ADVENTA BERHAD
(Company No : 618533-M)
(Incorporated in Malaysia)
THIRD QUARTER REPORT ENDED 31 OCTOBER 2011
UNAUDITED NOTES TO FINANCIAL STATEMENTS

(c) FRS 101: Presentation of Financial Statements (revised)

The revised FRS 101 separates owner and non-owner changes in equity. Therefore, the consolidated statement of changes in equity will now include only details of transactions with owners. All non-owner changes in equity are presented as a single line labeled as total comprehensive income. The Standard also introduces the statement of comprehensive income: presenting all items of income and expenses recognised in the income statement, together with all other items of recognised income and expenses, either in one single statement, or in two linked statements.

The Group had elected to present in two linked statements and applied this Standard retrospectively. There is no impact on the financial position and results of the Group.

(d) FRS 139: Financial Instruments: Recognition and Measurement

FRS 139 sets out the new requirements for the recognition and measurement of the Group's financial instruments. Financial instruments are recorded initially at fair value. Subsequent measurement of the financial instruments in the statement of financial position reflects the designation of the financial instruments. The effects arising from the adoption of this Standard has been accounted for by remeasurement on 1 November 2010 of the financial instruments brought forward from the previous financial year are adjusted to the opening retained profits as disclosed in the statement of changes in equity.

Prior to the adoption of FRS 139, financial derivatives of the Group were recognised on their settlement dates. Outstanding derivatives at the balance sheet date were not recognised. With the adoption of this Standard, the financial derivatives are stated at fair value which is equivalent to the marking of the financial derivatives to market, using prevailing market rates. Financial derivatives with positive market values (unrealised gains) are included under current assets and financial derivatives with negative market values (unrealised losses) are included under current liabilities in the statement of financial position. Any gains or losses arising from changes in fair value on financial derivatives during the financial period are taken directly to the statement of comprehensive income.



ADVENTA BERHAD

(Company No : 618533-M)

(Incorporated in Malaysia)

THIRD QUARTER REPORT ENDED 31 OCTOBER 2011

UNAUDITED NOTES TO FINANCIAL STATEMENTS

In accordance with the transitional provisions of FRS 139, the above changes in accounting policy have been accounted for prospectively and the comparatives are not restated. The effects arising from the adoption of FRS 139 has been accounted for by restating the following opening balance of the retained profits as at 1 November 2010:

	Previously stated RM'000	Effects of FRS 139 RM'000	As restated RM'000
<u>Current Liabilities</u>			
Derivatives	-	653	653
<u>Equity</u>			
Retained profits	112,423	(653)	111,770

(c) Amendments to FRS 117: Leases

Prior to the adoption of the Amendment to FRS 117, leasehold land was treated as operating lease. The considerations paid were classified and presented as prepaid lease payments in the statement of financial position. With the adoption of the Amendment to FRS 117, leasehold land which in substance as a finance lease will be reclassified to property, plant and equipment. This Amendment applied retrospectively and the comparative figure has been restated in the statements of financial position as below:

	As previously reported RM'000	Effects of Amendment to FRS 117 RM'000	As restated RM'000
<u>As at 31 October 2010</u>			
Property, plant and equipment	216,283	11,664	227,947
Prepaid land lease payments	11,664	(11,664)	-



ADVENTA BERHAD
(Company No : 618533-M)
(Incorporated in Malaysia)
THIRD QUARTER REPORT ENDED 31 OCTOBER 2011
UNAUDITED NOTES TO FINANCIAL STATEMENTS

2. AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

The preceding audited financial statements for the year ended 31 October 2010 were not subject to any qualification.

3. COMMENTS ABOUT SEASONAL, CYCLICAL AND EXCEPTIONAL FACTORS

There were no cyclical events 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 several items affecting assets, liabilities, equity, net income and cash flows during the financial period ended 31 October 2011.

A small fire incidence at one of the factories damaged a storage unit that is estimated to be a loss of RM2.12 million in fixed assets. Goods damaged amount to RM4.61 million. While insurance claims are processed, these are written off as a loss.

An investment bond of RM2.50 million which was part of a CLOP arrangement loan 5 years ago was declared a total loss in October 2011 upon maturity by the trustees and this is written off in this quarter.

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

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities during the current quarter.



ADVENTA BERHAD
 (Company No : 618533-M)
 (Incorporated in Malaysia)
THIRD QUARTER REPORT ENDED 31 OCTOBER 2011

UNAUDITED NOTES TO FINANCIAL STATEMENTS

7. DIVIDENDS PAID

There were no dividends paid during the current quarter.

8. SEGMENTAL INFORMATION

	Individual period		Cumulative period	
	Current year quarter 31.10.2011 RM'000	Preceding year corresponding quarter 31.10.2010 RM'000	Current year quarter 31.10.2011 RM'000	Preceding year corresponding quarter 31.10.2010 RM'000
<u>Segment Revenue</u>				
Healthcare products	225,346	210,384	783,534	647,069
Energy provider	3,137	8,814	12,340	19,413
Others	1,105	8,510	8,870	13,220
Total revenue including inter-segment sales	229,588	227,708	804,744	679,702
Elimination of inter-segment sales	(113,696)	(131,053)	(374,787)	(337,889)
Total	115,892	96,655	429,957	341,813

	Individual period		Cumulative period	
	Current year quarter 31.10.2011 RM'000	Preceding year corresponding quarter 31.10.2010 RM'000	Current year quarter 31.10.2011 RM'000	Preceding year corresponding quarter 31.10.2010 RM'000
<u>Segment Results</u>				
Healthcare products	10,883	7,002	24,642	28,573
Energy provider	317	4,681	3,459	8,242
Others	413	265	5,126	11,787
Elimination	(3,651)	(6,366)	(10,096)	(12,704)
Total	7,962	5,582	23,131	35,898



ADVENTA BERHAD
(Company No : 618533-M)
(Incorporated in Malaysia)
THIRD QUARTER REPORT ENDED 31 OCTOBER 2011
UNAUDITED NOTES TO FINANCIAL STATEMENTS

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. EVENTS AFTER THE REPORTING PERIOD

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 18 October 2011, the Board of Directors announced the disposal of the entire shares in Confidex Sdn Bhd (“Confidex”), representing 100% of the paid-up capital in Confidex (Company no. 431811-P) at a total consideration of RM111,127.67 (“Disposal”) on 17 October 2011. The Disposal has resulted in Confidex ceasing to become a subsidiary of the Company.

The effect of this disposal that have been included in the interim financial statement are as follows:

	Current year quarter 31.10.2011 RM'000
Revenue	NIL
Loss before taxation	(1)
The aggregate net assets of the subsidiary disposed	111
Net cash outflow of the Group	(8)



ADVENTA BERHAD
 (Company No : 618533-M)
 (Incorporated in Malaysia)
THIRD QUARTER REPORT ENDED 31 OCTOBER 2011
UNAUDITED NOTES TO FINANCIAL STATEMENTS

12. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There were no contingent liabilities or contingent assets for the Group for the current quarter under review.

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 2011 is as follows:

	RM'000
Approved and contracted for	4,163

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

14. PERFORMANCE REVIEW

	4th Quarter ended 31 October 2011	4th Quarter ended 31 October 2010	Changes	
	RM'000	RM'000	RM'000	%
Revenue	115,892	96,655	19,237	20
Profit before tax	(3,662)	3,878	(7,540)	(194)

The Group achieved a revenue growth of 20% over corresponding quarter from higher shipments and better prices. After writing of exceptional losses of RM9.23 million, the quarter ended with a first time quarterly loss of RM3.66 million. Profit before tax was RM5.57 million before the exceptional losses. This is an improvement of 43% over corresponding period. Taking the exceptional losses into account the quarter's income dipped 194%



ADVENTA BERHAD
 (Company No : 618533-M)
 (Incorporated in Malaysia)
THIRD QUARTER REPORT ENDED 31 OCTOBER 2011
UNAUDITED NOTES TO FINANCIAL STATEMENTS

15. COMPARISON WITH PRECEDING QUARTER'S RESULTS

	4th Quarter 2011 31 October 2011 RM'000	3rd Quarter 2011 31 July 2011 RM'000	Changes RM'000	%
Revenue	115,892	103,577	12,315	12
Profit before tax	(3,662)	3,006	(6,668)	(222)

The quarter's revenue increased 12% and earnings fell 222% over preceding quarter. The effect of non-operating expenses, fire incident and deposit written off reduced profit before tax by RM9.23 million. The profit before tax would have been RM5.57 million for this quarter compare to last quarter of RM3.01 million, an increased of 85%.

16. COMMENTARY ON CURRENT YEAR PROSPECTS

The erratic dynamism of commodities and currencies creates a difficult environment for management control in cost and sales prices. Revenue and material cost has to be protected by means of hedge and forward positions which does not necessarily proves correct all the time.

To find a sure formula to manage these factors well is a challenging task in view of the commodity and forex markets reacting very sensitively to news with less valuation based on fundamentals. To safeguard the Group, certain strategies are put in place to react correspondingly.

The global slowing economic environment, in particular the zero or negative growth Eurozone market is a concern. Hospitals and healthcare services may be required to spend less or with no increase in budgets. Several Eurozone countries are seeing stretched payables over several more months from these institutions. As a result the Group's trade funding will increase.

Our focus on emerging markets remains strong and results are positive from revenue growth and gains in market share. We expect to increase contribution from this sector to the Group continuously in the next few years



ADVENTA BERHAD
 (Company No : 618533-M)
 (Incorporated in Malaysia)
THIRD QUARTER REPORT ENDED 31 OCTOBER 2011
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 31.10.2011 RM'000	Preceding year corresponding quarter 31.10.2010 RM'000	Current year quarter 31.10.2011 RM'000	Preceding year corresponding quarter 31.10.2010 RM'000
Income tax	(3,316)	(120)	(3,390)	(290)
Deferred tax	(1,598)	7,371	1,593	5,304
	(4,914)	7,251	(1,797)	5,014

The effective tax rate of the Group is higher than that of the statutory tax rate due to certain non-deductible expenses.

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 BERHAD
(Company No : 618533-M)
(Incorporated in Malaysia)
THIRD QUARTER REPORT ENDED 31 OCTOBER 2011

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 31 October 2011.

22. BORROWINGS AND DEBT SECURITIES

	As at 31.10.2011 RM'000	As at 31.10.2010 RM'000
Secured:		
Short Term Borrowings	92,599	97,442
Long Term Borrowings	96,685	33,178
Total Borrowings	<u>189,284</u>	<u>130,620</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 31 October 2011.



ADVENTA BERHAD
 (Company No : 618533-M)
 (Incorporated in Malaysia)
THIRD QUARTER REPORT ENDED 31 OCTOBER 2011

UNAUDITED NOTES TO FINANCIAL STATEMENTS

25. FINANCIAL DERIVATIVE INSTRUMENTS

The Group uses derivative financial instruments, mainly forward foreign exchange contracts to hedge its exposure to fluctuations in foreign exchange arising from sales and purchase. The Group does not hold or issue derivative financial instruments for trading purposes.

The details of the outstanding foreign currency forward contracts agreements as at 31 October 2011 are as follows:

	Notional amount as at 31.10.2011 RM'000	Fair value as at 31.10.2011 RM'000
Foreign currency forward contracts:		
Less than 1 year	94,558	93,439

The above instruments are executed with credit worthy financial institutions in Malaysia. The Directors are of the view that the possibility of non-performance by these financial institutions are remove on the basis of their financial strength.

There are also no cash requirements risks as the Group only uses foreign currency forward contracts as its hedging instruments.

With the adoption of FRS 139, the fair value changes have been recognised in the profit or loss.

	Individual period		Cumulative period	
	Current year quarter 31.10.2011 RM'000	Preceding year corresponding quarter 31.10.2010 RM'000	Current year quarter 31.10.2011 RM'000	Preceding year corresponding quarter 31.10.2010 RM'000
Foreign currency forward contracts:				
Loss arising from fair value changes	(1,495)	-	(466)	-

The fair value changes are attributable to changes in foreign exchange spot and forward rate.

Foreign currency forward contracts are valued using a valuation technique with market observable inputs.



ADVENTA

ADVENTA BERHAD
(Company No : 618533-M)
(Incorporated in Malaysia)
THIRD QUARTER REPORT ENDED 31 OCTOBER 2011

UNAUDITED NOTES TO FINANCIAL STATEMENTS

26. 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 31.10.2011	Preceding year corresponding quarter 31.10.2010	Current year quarter 31.10.2011	Preceding year corresponding quarter 31.10.2010
Profit attributable to ordinary equity holders of the parent (RM'000)	(8,455)	11,151	4,201	35,152
Weighted average number of ordinary shares in issue ('000)	152,786	148,847	152,786	148,847
Basic earnings per share (sen)	(5.53)	7.49	2.75	23.62



ADVENTA BERHAD
(Company No : 618533-M)
(Incorporated in Malaysia)
THIRD QUARTER REPORT ENDED 31 OCTOBER 2011

UNAUDITED NOTES TO FINANCIAL STATEMENTS

(b) Diluted

	<u>Individual period</u>		<u>Cumulative period</u>	
	<u>Current year quarter 31.10.2011</u>	<u>Preceding year corresponding quarter 31.10.2010</u>	<u>Current year quarter 31.10.2011</u>	<u>Preceding year corresponding quarter 31.10.2010</u>
Profit attributable to ordinary equity holders of the parent (RM'000)	(8,455)	11,151	4,201	35,152
Weighted average number of ordinary shares in issue ('000)	152,786	148,847	152,786	148,847
Effects of dilution: Share options ('000)	-	-	-	-
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	152,786	148,847	152,786	148,847
Diluted earnings per share (sen)	(5.53)	7.49	2.75	23.62



ADVENTA BERHAD
(Company No : 618533-M)
(Incorporated in Malaysia)
THIRD QUARTER REPORT ENDED 31 OCTOBER 2011

UNAUDITED NOTES TO FINANCIAL STATEMENTS

27. REALISED AND UNREALISED PROFITS

The breakdown of the retained profits of the Group as at reporting date into realised and unrealised profits is presented as follows:

	As at 31.10.2011	As at 31.10.2010
	RM'000	RM'000
Group's total retained profits:		
Realised	121,978	129,275
Unrealised	6,144	4,989
	<hr/>	<hr/>
	128,122	134,264
Less: Consolidation adjustments	22,846	21,841
Retained profits as per financial statements	<hr/>	<hr/>
	105,276	112,423

28. 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 29 December 2011.

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