



**ADVENTA BERHAD**  
(Company No : 618533-M)  
(Incorporated in Malaysia)  
**THIRD QUARTER REPORT ENDED 31 JULY 2014**

**UNAUDITED NOTES TO FINANCIAL STATEMENTS**

***PART A - EXPLANATORY NOTES PURSUANT TO MFRS 134***

**1. BASIS OF PREPARATION**

The interim financial report is unaudited and has been prepared in accordance with Malaysia Financial Reporting Standard (“MFRS”) 134 : Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial report should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 October 2013. The explanatory notes attached to the interim financial statements provide an explanation of events and transaction that are significant to the understanding of the changes in the financial position and performance of the Group since the financial year ended 31 October 2013.

The audited financial statements of the Group for the year ended 31 October 2013 were prepared in accordance with Malaysian Financial Reporting Standards (“MFRS”). The significant accounting policies and method of computations adopted in preparation of this interim financial report are consistent with those adopted in the audited financial statements of the Company for the financial year ended 31 October 2013.

**2. AUDITORS’ REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS**

The preceding audited financial statements for the year ended 31 October 2013 were not subject to any qualification.

**3. COMMENTS ABOUT SEASONAL, CYCLICAL AND EXCEPTIONAL FACTORS**

There were neither 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 no other unusual items affecting assets, liabilities, equity, net income and cash flows during the financial period ended 31 July 2014.



**ADVENTA BERHAD**  
(Company No : 618533-M)  
(Incorporated in Malaysia)  
**THIRD QUARTER REPORT ENDED 31 JULY 2014**

**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**

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

**7. DIVIDENDS PAID**

There were no dividends paid during the current quarter.



**ADVENTA BERHAD**  
 (Company No : 618533-M)  
 (Incorporated in Malaysia)  
**THIRD QUARTER REPORT ENDED 31 JULY 2014**

**UNAUDITED NOTES TO FINANCIAL STATEMENTS**

**8. SEGMENTAL INFORMATION**

	Individual period		Cumulative period	
	Current year quarter 31.07.2014 RM'000	Preceding year corresponding quarter 31.07.2013 RM'000	Current year 31.07.2014 RM'000	Preceding corresponding year 31.07.2013 RM'000
<b><u>Segment Revenue</u></b>				
<b>Continuing operations:</b>				
Healthcare products	7,087	5,195	15,273	15,249
Sterilisation provider	3,004	2,076	7,824	6,886
Corporate	198	-	594	-
Elimination of inter-segment sales	(198)	-	(594)	(434)
	10,091	7,271	23,097	21,701
<b>Discontinued operations:</b>				
Healthcare products	-	-	-	63,202
Energy provider	-	-	-	1,584
Corporate	-	-	-	-
Total revenue including inter-segment sales	-	-	-	64,786
Elimination of inter-segment sales	-	-	-	(27,266)
	-	-	-	37,520
<b><u>Segment Results</u></b>				
<b>Continuing operations:</b>				
Healthcare products	287	1,114	942	2,039
Sterilisation provider	2,072	1,095	4,461	2,832
Corporate	(309)	21	(449)	196,083
Elimination	-	-	-	-
	2,050	2,230	4,954	200,954
<b>Discontinued operations:</b>				
Healthcare products	-	-	-	2,434
Energy provider	-	-	-	153
Corporate	-	-	-	(375)
Elimination	-	-	-	(33)
	-	-	-	2,179



**ADVENTA BERHAD**  
(Company No : 618533-M)  
(Incorporated in Malaysia)  
**THIRD QUARTER REPORT ENDED 31 JULY 2014**

**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. SIGNIFICANT AND SUBSEQUENT EVENTS**

There were no material subsequent events announced from previous quarter.

**11. CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

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

**12. CAPITAL COMMITMENTS**

The amount of commitments for the purchase of property, plant and equipment not provided for in the financial statements as at 31 July 2014 is as follows:

Approved and contracted for	<b>RM'000</b> <u>3,832</u>
-----------------------------	-------------------------------



**ADVENTA BERHAD**  
 (Company No : 618533-M)  
 (Incorporated in Malaysia)  
**THIRD QUARTER REPORT ENDED 31 JULY 2014**

**UNAUDITED NOTES TO FINANCIAL STATEMENTS**

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

**13. PERFORMANCE REVIEW**

	Individual period			Cumulative period		
	Current year quarter	Preceding year corresponding quarter	Variance %	Current year quarter	Preceding year corresponding quarter	Variance %
	31.07.2014 RM'000	31.07.2013 RM'000		31.07.2014 RM'000	31.07.2013 RM'000	
<b>Continuing operations</b>						
Revenue	10,091	7,271	39	23,097	21,701	6
PBT	1,950	2,072	(6)	4,647	5,170*	(10)

Group revenue in Q3 2014 increased by 39% to RM10.1mil from RM7.3mil in the same quarter last year. Revenue increase came from improving performance in the hospital supplies and sterilisation companies. Both subsidiaries showed robust growth.

The Group posted a profit before tax of RM1.9mil in Q3 2014, a 6% drop from RM2.1mil in the same period last year. This result includes heightened expenditure in the Home Dialysis business where trials are still going on.

Healthcare products:

Revenue generated improved by 36% to RM7.1mil in Q3 2014 compared with RM5.2mil in the same quarter last year, partly from some market deferred orders of last quarter. The company is growing in same-products revenue as well as new products added in the last half year.

As more products items are added, the company expects to see continuous growth in distributions as well as customised services solutions.

A decrease in profit before tax in reporting quarter reflects the higher investments in sales and marketing and clinical education programs development.

Sterilisation provider:

Revenue rose solidly by 45% to RM3.0mil in Q3 2014 compared with RM2.0mil in the preceding quarter last year, driven by improvement in efficiency and capacity after an upgrade that allows for greater flexibility in services offered. Revenue from same customer improved 20% and new accounts add revenue to the quarter. Profit performance improved by double from RM1.1m to RM2.1m in this quarter. The



**ADVENTA BERHAD**  
 (Company No : 618533-M)  
 (Incorporated in Malaysia)  
**THIRD QUARTER REPORT ENDED 31 JULY 2014**

**UNAUDITED NOTES TO FINANCIAL STATEMENTS**

subsidiary expects consistent top line growth and improvement in yield for the year as the drive for higher efficiency and operational performance continues.

\* Profit before tax excludes gain on disposal of investment in subsidiaries.

**14. COMPARISON WITH PRECEDING QUARTER'S RESULTS**

	<b>3<sup>rd</sup> Quarter ended 31 July 2014 RM'000</b>	<b>2<sup>nd</sup> Quarter ended 30 April 2014 RM'000</b>	<b>Variance %</b>
<b>Continuing operations</b>			
Revenue	10,091	5,901	71
PBT	1,950	829	135

Group Q3 2014 revenue and profit before tax increased by 71% and 135% over preceding quarter respectively.

These healthy results achieved for Q3 2014 are strongly driven by the improving hospital supply and logistics revenue and the sterilisation businesses profits, both showing robust growth.

**15. COMMENTARY ON CURRENT YEAR PROSPECTS**

As we continue to build products distribution and extend services to more customers in the hospital segment, the business is expected to grow, with larger volumes driving down operation and procurement costs. Revenue in the rest of the year will mirror the consistency in performance achieved. With the completion of the new warehouse and storage complex at Subang Dec 2014, logistics will be more cost effective. The two warehouses currently used will be consolidated into one, enabling integrated single centre controls.

At Electron Beam, added capacity allows better throughput and planning flexibility, resulting in higher volume and profits. There is capacity reserved for future revenue growth amid commercial tests and contracts discussions.

There is no new material development in Lucenxia with the trials still in progress. No revenue was recorded. The company has invested more into patient care education and training and extending further its reach into rural regions. This investment waters down the Group results but is an integral part of our commitment to deliver quality care to all our patients.



**ADVENTA BERHAD**  
 (Company No : 618533-M)  
 (Incorporated in Malaysia)  
**THIRD QUARTER REPORT ENDED 31 JULY 2014**

**UNAUDITED NOTES TO FINANCIAL STATEMENTS**

**16. PROFIT FORECAST**

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

**17. TAXATION**

	<b>Individual period</b>		<b>Cumulative period</b>	
	<b>Current year quarter 31.07.2014 RM'000</b>	<b>Preceding year corresponding quarter 31.07.2013 RM'000</b>	<b>Current year quarter 31.07.2014 RM'000</b>	<b>Preceding year corresponding quarter 31.07.2013 RM'000</b>
<b>Continuing operations:</b>				
Income tax	(122)	(90)	(380)	(93)
Deferred tax	(467)	(653)	(1,104)	(1,003)
	(589)	(743)	(1,484)	(1,096)
<b>Discontinued operations:</b>				
Income tax	-	-	-	-
Deferred tax	-	-	-	-
	-	-	-	-
	(589)	(743)	(1,484)	(1,096)

The effective tax rate of the Group is lower than statutory tax rate due to availability of capital allowances and investment tax allowances to set off with adjusted business income.



**ADVENTA BERHAD**  
 (Company No : 618533-M)  
 (Incorporated in Malaysia)  
**THIRD QUARTER REPORT ENDED 31 JULY 2014**

**UNAUDITED NOTES TO FINANCIAL STATEMENTS**

**18. DISCONTINUED OPERATIONS CLASSIFIED AS HELD FOR SALE**

**Statement of comprehensive income disclosures**

The results of discontinued operation and disposal group classified as held for sale for the year ended 31 July 2014 are as follows:

	<b>Individual period</b>		<b>Cumulative period</b>	
	<b>Current year quarter 31.07.2014 RM'000</b>	<b>Preceding year corresponding quarter 31.07.2013 RM'000</b>	<b>Current year quarter 31.07.2014 RM'000</b>	<b>Preceding year corresponding quarter 31.07.2013 RM'000</b>
Revenue (Note 8)	-	-	-	37,520
Expenses	-	-	-	(35,341)
Profit from operations (Note 8)	-	-	-	2,179
Finance costs	-	-	-	(875)
Profit before taxation	-	-	-	1,304
Income tax expenses (Note 17)	-	-	-	-
Profit after taxation	-	-	-	1,304

**Statement of cash flow disclosures**

The cash flows attributable to discontinued operations as follows:

	<b>31.07.2014 RM'000</b>	<b>31.07.2013 RM'000</b>
Operating activities	-	194,059
Investing activities	-	(13,050)
Financing activities	-	(200,163)
Net cash outflows	-	(19,154)

**19. SALE OF UNQUOTED INVESTMENTS AND PROPERTIES**

There was no sale of unquoted investments and properties during the financial period under review.





**ADVENTA BERHAD**  
 (Company No : 618533-M)  
 (Incorporated in Malaysia)  
**THIRD QUARTER REPORT ENDED 31 JULY 2014**

**UNAUDITED NOTES TO FINANCIAL STATEMENTS**

**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 2013.

**Status of Utilisation of Proceeds**

The total gross proceeds of RM61.11 million from Proposed Disposal (after the Proposed Distribution) shall be utilised in the following manner:

<b>Purpose</b>	<b>Estimated time frame for utilisation from completion of the Proposed Disposal</b>	<b>Reclassification</b>		<b>Amount</b>	<b>Balance</b>
		<b>Amount</b>	<b>Amount</b>	<b>utilised as</b>	<b>not</b>
		<b>RM'000</b>	<b>RM'000</b>	<b>at</b>	<b>at</b>
				<b>31.07.2014</b>	<b>31.07.2014</b>
				<b>RM'000</b>	<b>RM'000</b>
Payment for the purchase consideration of acquisition of Electron Beam Sdn. Bhd.	Within 1 month	9,000	-	9,000	-
Working capital for Sun Healthcare (M) Sdn. Bhd.	Within 12 months	12,000	-	12,000	-
Working capital for Electron Beam Sdn. Bhd.	Within 12 months	5,000	-	5,000	-
Working capital for Lucenxia (M) Sdn. Bhd.	Within 24 months	20,000	6,315#	20,000	6,315
Future business expansion opportunities	Within 24 months	12,614	(6,315)#	6,299	-
Estimated expenses in relation to the Proposals	Within 1 month	2,500	-	2,500	-
		<b>61,114</b>	<b>-</b>	<b>54,799</b>	<b>6,315</b>



**ADVENTA BERHAD**  
(Company No : 618533-M)  
(Incorporated in Malaysia)  
**THIRD QUARTER REPORT ENDED 31 JULY 2014**

**UNAUDITED NOTES TO FINANCIAL STATEMENTS**

# The funds allocated for future business expansion opportunities is re-allocated to Lucenxia (M) Sdn. Bhd. as working capital in view of the trials is still in progress and further investment needed in patient care education and training into rural region.

**22. BORROWINGS AND DEBT SECURITIES**

	<b>As at 31.07.2014 RM'000</b>	<b>As at 31.10.2013 RM'000</b>
<b>Secured:</b>		
Short Term Borrowings	3,276	5,429
Long Term Borrowings	4,049	5,865
Total Borrowings	<u>7,325</u>	<u>11,294</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 July 2014.



**ADVENTA BERHAD**  
 (Company No : 618533-M)  
 (Incorporated in Malaysia)  
**THIRD QUARTER REPORT ENDED 31 JULY 2014**

**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**

	<b>Individual period</b>		<b>Cumulative period</b>	
	<b>Current year quarter 31.07.2014</b>	<b>Preceding year corresponding quarter 31.07.2013</b>	<b>Current year quarter 31.07.2014</b>	<b>Preceding year corresponding quarter 31.07.2013</b>
Profit attributable to ordinary equity holders of the parent (RM'000)	1,361	1,329	3,163	200,682
Less : Profit from continuing operations, net of tax, attributable to owners of the parent (RM'000)	1,361	1,329	3,163	199,378
Profit net of tax from discontinued operations attributable to owners of the parent (RM'000)	-	-	-	1,304
Weighted average number of Ordinary shares in issue ('000)	152,786	152,786	152,786	152,786
Basic earnings per share (sen)	0.89	0.87	2.07	131.35
Basic earnings per share from continuing operations (sen)	0.89	0.87	2.07	130.49
Basic earnings per share from discontinued operations (sen)	-	-	-	0.85

**b) Diluted**

There were no diluted earnings per share.



**ADVENTA BERHAD**  
 (Company No : 618533-M)  
 (Incorporated in Malaysia)  
**THIRD QUARTER REPORT ENDED 31 JULY 2014**

**UNAUDITED NOTES TO FINANCIAL STATEMENTS**

**26. PROFIT BEFORE TAX**

Profit before tax is stated after charging/(crediting):

	<b>Individual period 31.07.2014 RM'000</b>	<b>Cumulative period 31.07.2014 RM'000</b>
<b>Continuing Operations</b>		
Interest income	(68)	(308)
Other income	-	(19)
Interest expenses	100	341
Fair value gain on derivative	-	(34)
Depreciation of property, plant and equipment	333	952
Net foreign exchange gain	(5)	(53)
Property, plant and equipment written off	-	163

**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:

	<b>As at 31.07.2014 RM'000</b>	<b>As at 31.07.2013 RM'000</b>
<b>Group's total retained profits:</b>		
Realised	16,287	3,483
Unrealised	3,980	5,107
	<hr/> 20,267	<hr/> 8,590
Less: Consolidation adjustments	2,540	916
Retained profits as per financial statements	<hr/> 17,727	<hr/> 7,674

**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 25 September 2014.

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