



ADVENTA

ADVENTA BERHAD

(Company No : 618533-M)

(Incorporated in Malaysia)

FOURTH QUARTER REPORT FOR THE FINANCIAL PERIOD ENDED 31 OCTOBER 2018

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENTS

	Note	Individual period		Cumulative period	
		3 Months Ended		12 Months Ended	
		Unaudited 31-Oct-2018 RM'000	Unaudited 31-Oct-2017 RM'000	Unaudited 31-Oct-2018 RM'000	Unaudited 31-Oct-2017 RM'000
Revenue	8	9,589	-	52,257	-
Operating expenses		(10,046)	-	(47,647)	-
Net foreign exchange gain/(loss)		52	-	(24)	-
Other operating income		65	-	122	-
Operating profit		(340)	-	4,708	-
Finance costs		(268)	-	(1,136)	-
Profit before taxation	8 & 13	(608)	-	3,572	-
Income tax expenses	15	39	-	(2,008)	-
Profit for the period		(569)	-	1,564	-
Profit attributable to:					
Owners of the parent		(569)	-	1,564	-
Profit for the period		(569)	-	1,564	-
Earnings per share (sen):					
Basic	22	(0.37)	-	1.02	-
Diluted	22	N/A	-	N/A	-
Number of ordinary shares ('000)	22	152,786	-	152,786	-

Notes:

1. The financial year end of the Group has been changed from 31 October to 31 December. As such, the next set of audited financial statements shall be for a period of fourteen (14) months from 1 November 2017 to 31 December 2018. There will be no comparative financial information available for the financial period ended 31 October 2018

2. These condensed consolidated income statements should be read in conjunction with the Audited Financial Statements for the financial year ended 31 October 2017 and the accompanying explanatory notes to the interim financial statements.



ADVENTA BERHAD

(Company No : 618533-M)

(Incorporated in Malaysia)

FOURTH QUARTER REPORT FOR THE FINANCIAL PERIOD ENDED 31 OCTOBER 2018

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Individual period	Cumulative period
	3 Months Ended 31-Oct-2018 Unaudited RM'000	12 Months Ended 31-Oct-2018 Unaudited RM'000
Profit for the period	(569)	1,564
Other comprehensive income:		
Foreign currency translation	-	-
Total comprehensive income for the period	(569)	1,564
Total comprehensive income attributable to:		
Owners of the parent	(569)	1,564
Non-controlling interests	-	-
Total comprehensive income for the period	(569)	1,564

Notes:

1. The financial year end of the Group has been changed from 31 October to 31 December. As such, the next set of audited financial statements shall be for a period of fourteen (14) months from 1 November 2017 to 31 December 2018. There will be no comparative financial information available for the financial period ended 31 October 2018
2. These condensed consolidated statement of comprehensive income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 October 2017 and the accompanying explanatory notes to the interim financial statements.



ADVENTA

ADVENTA BERHAD

(Company No : 618533-M)

(Incorporated in Malaysia)

FOURTH QUARTER REPORT FOR THE FINANCIAL PERIOD ENDED 31 OCTOBER 2018

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

		Unaudited As at 31-Oct-2018 RM'000	Audited As at 31-Oct-2017 RM'000
ASSETS			
Non-current assets			
Property, plant & equipment		48,097	49,046
Deferred development cost		26,805	27,088
Intangible assets		5,017	5,017
Deferred tax assets		-	579
		<u>79,919</u>	<u>81,730</u>
Current assets			
Inventories		19,473	14,722
Trade and other receivables	7	16,136	21,841
Prepaid operating expenses		278	142
Tax recoverable		-	86
Cash and bank balances		<u>13,786</u>	<u>10,215</u>
		<u>49,673</u>	<u>47,006</u>
TOTAL ASSETS		<u><u>129,592</u></u>	<u><u>128,736</u></u>

Notes:

The Condensed Consolidated Statements of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 October 2018 and the accompanying notes to the Interim Financial Statements



ADVENTA BERHAD

(Company No : 618533-M)

(Incorporated in Malaysia)

FOURTH QUARTER REPORT FOR THE FINANCIAL PERIOD ENDED 31 OCTOBER 2018

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Unaudited	Audited
	As at	As at
Note	31-Oct-2018	31-Oct-2017
	RM'000	RM'000
EQUITY AND LIABILITIES		
Current liabilities		
Trade payables and other payables	5,365	11,439
Loans from Shareholders	10,000	-
Income tax payables	150	110
Loans and borrowings	19 8,726	11,476
	<u>24,241</u>	<u>23,025</u>
Non-current liabilities		
Loans and borrowings	19 21,267	23,399
Deferred tax liabilities	1,768	1,064
	<u>23,035</u>	<u>24,463</u>
Total liabilities	<u>47,276</u>	<u>47,488</u>
Equity		
Share capital	57,810	58,305
Retained profits	24,506	22,942
Equity attributable to owners of the parent	<u>82,316</u>	<u>81,247</u>
Total equity	<u>82,316</u>	<u>81,247</u>
TOTAL EQUITY AND LIABILITIES	<u>129,592</u>	<u>128,736</u>
Net assets per share (RM)	<u>0.54</u>	<u>0.53</u>

Notes:

The Condensed Consolidated Statements of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 October 2018 and the accompanying notes to the Interim Financial Statements



ADVENTA

ADVENTA BERHAD

(Company No : 618533-M)

(Incorporated in Malaysia)

FOURTH QUARTER REPORT FOR THE FINANCIAL PERIOD ENDED 31 OCTOBER 2018

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	<u>Non-distributable</u>	<u>Distributable</u>		
	Share	Share	Retained	
	capital	premium	profits	
	RM'000	RM'000	RM'000	
			Total	
			RM'000	
<u>Quarter ended 31 October 2017</u>				
At 1 November 2016	-	-	-	-
Total comprehensive income	-	-	-	-
At 31 December 2017	-	-	-	-
<u>Quarter ended 31 October 2018</u>				
At 1 November 2017	58,305	-	22,942	81,247
Total comprehensive income	(495)	-	1,564	1,069
At 31 October 2018	57,810	-	24,506	82,316

Notes:

- 1. The financial year end of the Group has been changed from 31 October to 31 December. As such, the next set of audited financial statements shall be for a period of fourteen (14) months from 1 November 2017 to 31 December 2018. There will be no comparative financial information available for the financial period ended 31 October 2018*
- 2. These condensed consolidated statements of changes in equity should be read in conjunction with the Audited Financial Statements for the financial year ended 31 October 2017 and the accompanying explanatory notes to the interim financial statements.*



ADVENTA

ADVENTA BERHAD

(Company No : 618533-M)

(Incorporated in Malaysia)

FOURTH QUARTER REPORT FOR THE FINANCIAL PERIOD ENDED 31 OCTOBER 2018

UNAUDITED ADJUSTED CONSOLIDATED STATEMENTS OF CASH FLOW

	Current Period Ended 31-Oct-2018 Unaudited RM'000	Corresponding Period Ended 31-Oct-2017 Unaudited RM'000
Cash flows from operating activities		
Profit before tax	2,862	-
Adjustments for:		
Depreciation of property, plant and equipment	1,932	-
Interest income	(91)	-
Net unrealised foreign exchange loss	6	-
Property, plant and equipment written off	7	-
Operating profit before working capital changes	4,716	-
Increase in inventories	(2,401)	-
Decrease in trade and other receivables	2,824	-
Increase in prepaid operating expenses	(136)	-
Decrease in payables	5,151	-
Cash used in operations	10,154	-
Interest paid	(1,136)	-
Taxes paid	(636)	-
Taxes refunded	37	-
Net cash used in operating activities	8,419	-

Notes:

1. The financial year end of the Group has been changed from 31 October to 31 December. As such, the next set of audited financial statements shall be for a period of fourteen (14) months from 1 November 2017 to 31 December 2018. There will be no comparative financial information available for the financial period ended 31 October 2018

2. These adjusted consolidated statements of cash flow should be read in conjunction with the Audited Financial Statements for the financial year ended 31 October 2017 and the accompanying explanatory notes to the interim financial statements.



ADVENTA

ADVENTA BERHAD

(Company No : 618533-M)

(Incorporated in Malaysia)

FOURTH QUARTER REPORT FOR THE FINANCIAL PERIOD ENDED 31 OCTOBER 2018

UNAUDITED ADJUSTED CONSOLIDATED STATEMENTS OF CASH FLOW

	Current Year to Date Ended 31-Oct-2018 Unaudited RM'000	Corresponding Year to Date Ended 31-Oct-2017 Unaudited RM'000
Cash flows from investing activities		
Purchase of property, plant and equipment	(990)	-
Corporate exercise expenses	(495)	-
Investment in deferred development cost	283	-
Interest received	91	-
Proceed from disposal of property, plant and equipment	-	-
Net cash (used in)/from investing activities	(1,111)	-
Cash flows from financing activities		
Net decrease in borrowings	(4,873)	-
Interest paid	1,136	-
Net cash used in financing activities	(3,737)	-
Net decrease in cash and cash equivalents	3,571	-
Cash and cash equivalents at beginning of financial period	10,215	-
Cash and cash equivalents at end of financial period	13,786	-
Cash and cash equivalents at end of financial period comprise:		
- Cash and bank balances	13,786	-

Notes:

1. The financial year end of the Group has been changed from 31 October to 31 December. As such, the next set of audited financial statements shall be for a period of fourteen (14) months from 1 November 2017 to 31 December 2018. There will be no comparative financial information available for the financial period ended 31 October 2018
2. These adjusted consolidated statements of cash flow should be read in conjunction with the Audited Financial Statements for the financial year ended 31 October 2017 and the accompanying explanatory notes to the interim financial statements.



ADVENTA

ADVENTA BERHAD
(Company No : 618533-M)
(Incorporated in Malaysia)
FOURTH QUARTER REPORT ENDED 31 OCTOBER 2018

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 2017. 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 2017.

The audited financial statements of the Group for the year ended 31 October 2017 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 2017.

2. AUDITORS’ REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

The Independent Auditors have expressed an “except for” opinion on the Intangible Assets in the Audited Financial Statement of the company for the Financial Year Ended 31st October 2017 pursuant to paragraph 9.19(37) of the Main Market Listing Requirement of Bursa Malaysia Securities Berhad relating to the product development and goodwill of a subsidiary involved in home peritoneal dialysis products and services.

The Directors of the Company is of the opinion that the recoverable amount of the said intangible assets is higher than the carrying value as at 31 October 2017 and wish to highlight that the Company plan of exporting its home peritoneal dialysis to other neighboring countries and is in the process of finalizing the product registration.

Barring unforeseen circumstances, the Group expects a timeline of 24 months from 27th February 2018, being the date of the announcement of the “except for” opinion via Bursa Malaysia, to address the matter.



ADVENTA

ADVENTA BERHAD
(Company No : 618533-M)
(Incorporated in Malaysia)
FOURTH QUARTER REPORT ENDED 31 OCTOBER 2018

UNAUDITED NOTES TO FINANCIAL STATEMENTS

3. 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 year ended 31 October 2018.

4. CHANGES IN ESTIMATES

There were no changes in estimates that have had a material effect in the current quarter results.

5. DEBTS AND EQUITY SECURITIES

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

6. DIVIDENDS PAID

There were no dividends paid during the current quarter.



ADVENTA

ADVENTA BERHAD
(Company No : 618533-M)
(Incorporated in Malaysia)
FOURTH QUARTER REPORT ENDED 31 OCTOBER 2018

UNAUDITED NOTES TO FINANCIAL STATEMENTS

7. TRADE AND OTHER RECEIVABLES

	31-Oct-2018	31-Oct-2017
	RM'000	RM'000
Current		
Trade receivables		
Third parties	14,844	19,200
Other receivables		
Other receivables	1,068	2,432
Deposits	224	209
	<hr/> 1,293	<hr/> 2,641
	<hr/> 16,136	<hr/> 21,841
Total trade and other receivables	16,136	21,841
Less: Included within other receivables		
Add: Cash and bank balances	13,786	10,215
Total loans and receivables	<hr/> 29,922	<hr/> 32,057

(a) Trade receivables

The Group's normal trade credit term ranges from 30 to 120 days (2017: 30 to 120 days). Other credit terms are assessed and approved on a case-by-case basis. They are recognised at their original invoice amounts which represent their fair values on initial recognition.



ADVENTA

ADVENTA BERHAD
(Company No : 618533-M)
(Incorporated in Malaysia)
FOURTH QUARTER REPORT ENDED 31 OCTOBER 2018

UNAUDITED NOTES TO FINANCIAL STATEMENTS

7. TRADE AND OTHER RECEIVABLES
(cont'd.)

(a) Trade receivables (cont'd.)

Ageing analysis of trade receivables

	31-Oct-2018	31-Oct-2017
	RM'000	RM'000
Neither past due nor impaired	4,183	7,218
1 to 30 days past due not impaired	968	2,687
31 to 60 days past due not impaired	2,717	1,166
61 to 90 days past due not impaired	1,051	279
More than 91 days past due not impaired	5,528	7,453
	10,263	11,585
Impaired	397	397
	<u>14,844</u>	<u>19,200</u>

Receivables that are neither past due nor impaired

Trade receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group.

None of the Group's trade receivables that are neither past due nor impaired have been renegotiated during the financial year.

Receivables that are past due but not impaired

The Group has trade receivables amounting to RM 10.2 million (2017: RM 11.6 million) that are past due at the reporting date but not impaired. These receivables are unsecured in nature.

Based on past experience and no adverse information to date, the Directors of the Company are of the opinion that no provision for impairment is necessary in respect of these balances as there has not been a significant change in the credit quality and the balances are still considered fully recoverable.



ADVENTA BERHAD
 (Company No : 618533-M)
 (Incorporated in Malaysia)
FOURTH QUARTER REPORT ENDED 31 OCTOBER 2018

UNAUDITED NOTES TO FINANCIAL STATEMENTS

8. SEGMENTAL INFORMATION

The company's businesses are grouped into two divisions:

- Healthcare
- Sterilization Services

Healthcare: The business comprises the manufacture, trading and third party logistics for the supply of healthcare and related products and services to hospitals, healthcare centers, pharmacies and other distributors in Malaysia and overseas. The customers are from ambulatory, acute and chronic care centers. The Dialysis business which include home and center based dialysis, supplies and nursing care is part of this division.

Sterilization Services: Providing sterilization services, evaluation, validation and certification of sterility and consultancy on sterilization of every kind of medical and industrial products.

A comparison of Adventa's segmental revenue for the 3 months ended 31 October 2018 and 12 months ended with the corresponding period last financial result as follow:

	3 Months Ended		12 Months Ended	
	31-Oct-18	31-Oct-17	31-Oct-18	31-Oct-17
Revenue	RM'000	RM'000	RM'000	RM'000
Healthcare	5,955	8,424	36,680	30,599
Sterilisation	3,866	3,867	16,513	14,570
Elimination	(232)	(136)	(936)	(933)
Total	9,589	12,155	52,257	44,236

	3 Months Ended		12 Months Ended	
	31-Oct-18	31-Oct-17	31-Oct-18	31-Oct-17
Segment PBT Results	RM'000	RM'000	RM'000	RM'000
Healthcare	(1,859)	(171)	(2,877)	(4,239)
Sterilization	1,414	601	7,023	5,914
Corporate	(163)	146	(574)	228
Elimination	-	(229)	-	(375)
Total	(608)	347	3,572	1,528



ADVENTA BERHAD
(Company No : 618533-M)
(Incorporated in Malaysia)
FOURTH QUARTER REPORT ENDED 31 OCTOBER 2018

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

No commitments for the purchase of property, plant and equipment.



ADVENTA

ADVENTA BERHAD
 (Company No : 618533-M)
 (Incorporated in Malaysia)
FOURTH QUARTER REPORT ENDED 31 OCTOBER 2018

UNAUDITED NOTES TO FINANCIAL STATEMENTS

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

13. PERFORMANCE REVIEW

A comparison of Adventa’s income performance for the 3 months ended 31 October 2018 and 12 months end with the corresponding period last year is as follows:

	3 Months Ended		12 Months Ended	
	31-Oct-18	31-Oct-17	31-Oct-18	31-Oct-17
	RM'000	RM'000	RM'000	RM'000
Revenue	9,589	12,155	52,257	44,236
EBITDA	439	1,405	7,844	5,663
PBT	(608)	347	3,572	1,528

Performance of each segment are:

Revenue

	3 Months Ended		12 Months Ended	
	31-Oct-18	31-Oct-17	31-Oct-18	31-Oct-17
	RM'000	RM'000	RM'000	RM'000
Healthcare	5,955	8,424	36,680	30,599
Sterilisation	3,866	3,867	16,513	14,570

Profit Before Tax

	3 Months Ended		12 Months Ended	
	31-Oct-18	31-Oct-17	31-Oct-18	31-Oct-17
	RM'000	RM'000	RM'000	RM'000
Healthcare	(1,859)	(171)	(2,877)	(4,239)
Sterilisation	1,414	601	7,023	5,096



ADVENTA BERHAD
(Company No : 618533-M)
(Incorporated in Malaysia)
FOURTH QUARTER REPORT ENDED 31 OCTOBER 2018

UNAUDITED NOTES TO FINANCIAL STATEMENTS

Healthcare

Healthcare business revenue grew 19.8 % from last year and losses before tax was reduced by 32% from RM 4.2 million to RM 2.88 million . The reduction in loss is the result of higher sales, wider product range, growth in same account and aggressive marketing. The Dialysis segment is still EBITDA negative but with more regulatory approvals obtained and clinical studies planned, the business is expected to grow significantly in the coming year.

Sterilization:

Services revenue improved by 13% from same period last year, with growth contribution from new accounts. Yield per sterilized volume remain stable. While the profitability remains healthy this segment is lagging behind healthcare in revenue growth due to the dependence on the growth of the sterilized medical device market. The company's plan to expand into the southern region of the country has been put on hold indefinitely until certain expected market conditions are met.

COMPARISON WITH PRECEDING QUARTER'S RESULTS

	4Q 2018	3Q 2018	Variance
	RM'000	RM'000	%
Revenue	9,589	13,420	-29%
Profit Before Tax	(608)	1,372	-144%
EBITDA	439	2,460	-82%

Group's revenue decreased by 29% compared to last quarter. Profits before tax is a negative RM 0.6 million from higher expenditure in the dialysis segment. The scale of the business is still below breakeven point.



ADVENTA

ADVENTA BERHAD

(Company No : 618533-M)

(Incorporated in Malaysia)

FOURTH QUARTER REPORT ENDED 31 OCTOBER 2018

UNAUDITED NOTES TO FINANCIAL STATEMENTS

14. COMMENTARY ON CURRENT YEAR PROSPECTS

We saw a slowdown in the healthcare segment late in the quarter, with some uncertainty of order commitments from hospitals. This is not unusual for the last calendar quarter of the year. We hope this will be reversed in the first quarter of 2019, which typically will see higher sales from inventory replenishments. The sales were also affected by unforeseen shortages of certain products which have since been partially corrected.

The dialysis business segment was almost flat from the shortage of supplies, but this situation has changed with supplies available from new sources in 2019.

The company has also decided to move the fiscal year end to 31 Dec from 31 Oct in order to better align ~~better~~ with our customers annual budgets and with fiscal taxation. Therefore, the accounts for 2018 shall be 14 months ending 31 Dec 2018 instead of 12 months ending 31 Oct 2018.

On a 12 months comparison with last year, the results are better,

- Revenue is up 18%
- Profit before tax up by 133%
- EBITDA increased 38%

However there should be caution in reading this as the company is evaluating the possible impairment of investment in developing the Home Dialysis system and supplies due to the delays in commercialization schedule planned earlier. This impairment will be finalized in the full financial year report with more market information available.

15. PROFIT FORECAST

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



ADVENTA BERHAD
 (Company No : 618533-M)
 (Incorporated in Malaysia)
FOURTH QUARTER REPORT ENDED 31 OCTOBER 2018

UNAUDITED NOTES TO FINANCIAL STATEMENTS

16. TAXATION

The effective tax rate of the Group is lower than statutory tax rate due to availability of capital allowances and investment tax allowances.

	3 Months Ended		12 Months Ended	
	31-Oct-18	31-Oct-17	31-Oct-18	31-Oct-17
	RM'000	RM'000	RM'000	RM'000
Income tax	220	-	(724)	-
Deferred tax	(181)	-	(1,284)	-
Total	39	-	(2,008)	-

17. SALE OF UNQUOTED INVESTMENTS AND PROPERTIES

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

18. 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)

FOURTH QUARTER REPORT ENDED 31 OCTOBER 2018

UNAUDITED NOTES TO FINANCIAL STATEMENTS

19. CORPORATE PROPOSALS

There were no corporate proposals announced which remain uncompleted at the end of the financial period ended 31 October 2018 except the following:

- a. On 17th January 2018 the Board announced that the Company is proposing to undertake a renounceable rights of 91,671,462 new ordinary shares in Adventa (**‘Adventa Shares’**) (**“Rights Shares”**) together with 45,835,731 free detachable warrants (**“Rights Warrants”**), on the basis of three (3) Rights Shares for every five (5) existing Adventa Shares held and one (1) free Rights Warrant for every two (2) Rights Shares subscribed for, on an entitlement date to be determined later (**“Entitlement Date”**) (**“Proposed Rights Issue”**)

In conjunction with the Proposed Rights Issue, an application for exemption to Low Chin Guan (**“Mr Low”**) and persons acting in concert with him (**“PAC”**) under paragraph 4.08 of the rules on Take-overs, Mergers and Compulsory Acquisitions (**“Rules”**) form the obligation to undertake a mandatory offer for the remaining Adventa Shares not already owned by them arising from the application for excess Rights Shares under the Proposed Rights Issue as well as the subsequent exercise of the Rights Warrants into new Adventa Shares (**“Proposed Exemption”**) will also be undertaken.

- b. On 8th June 2018, Bursa Malaysia Securities Berhad, vide its letter dated 8 June 2018, approved the following:
 - i. Admission to the Official List and the listing and quotation of 45,835,731 new Warrants to be issued pursuant to the Proposed Rights Issue;
 - ii. Listing and quotation of 91,671,462 new ordinary shares to be issued pursuant to the Proposed Rights Issue; and
 - iii. Listing and quotation of up to 45,835,731 new ordinary shares to be issued pursuant to the exercise of the new Warrants on the Main Market of Bursa Securities.
- c. On 27th Aug 2018, the Board make an announcement that the Company is proposing a rights issues of Irredeemable Convertible Preference Shares (**“ICPS”**) with warrants instead of the earlier proposal of rights and warrants, to ensure the company would be able to raise its required funding and that such Proposed Rights Issue of ICPS with Warrants is not dependent on the Proposed Exemption, hence removing any obstacles to raise the funding on schedule.
 - i. In view that the current rights issue would involve the issuance of Rights ICPS instead of Rights Shares, the Existing Bursa Approval will no longer be applicable to the Proposed Rights Issue of ICPS with Warrants, and AmInvestment Bank on behalf of the Board, will be submitting a new listing application for Bursa Securities’ approval.
 - ii. Mr Low has informed the Board that barring unforeseen circumstances, the ongoing legal proceedings involving him is not expected to have any impact on his ability to provide the Proposed Undertaking. However, in the event he is not able to provide the Proposed



ADVENTA

ADVENTA BERHAD
(Company No : 618533-M)
(Incorporated in Malaysia)
FOURTH QUARTER REPORT ENDED 31 OCTOBER 2018

UNAUDITED NOTES TO FINANCIAL STATEMENTS

Undertaking, he will procure other investor(s) to provide similar undertaking(s) to subscribe for the Rights ICPS.

- d. On 28 November 2018 Bursa Malaysia has granted the extension of time for the issuance of rights ICPS to Adventa. Approval from Securities Commission is still pending. Adventa has responded to SC's queries on 6 December 2018. The company intends to issue the Rights ICPS and will obtain clearance from respective authorities.

20. BORROWINGS AND DEBT SECURITIES

	At Q4'18	At Q4'17	Variance
<u>Secured:</u>	RM'000	RM'000	%
Short Term Borrowings	8,726	11,476	-24%
Long Term Borrowings	21,267	23,399	-9%
Total Borrowings	29,993	34,875	-14%

21. CHANGES IN MATERIAL LITIGATION

Save as disclosed below, the Board confirms that Adventa Group is not engaged in any other material litigation, claims or arbitration, either as plaintiff or defendant, and the Board has no knowledge of any proceeding pending or threatened against Adventa Group or any facts likely to give rise to any proceeding which may have a material impact on the business or the financial position of Adventa Group.

Shah Alam Sessions Court Summons No: BA-B52NCVC-350-11/2017

Sun Healthcare (M) Sdn Bhd ("Sun Healthcare") commenced an action against its customers, Ong Young Lin (a sole proprietor whose doing its business in the name and style of "FMCG Focus Marketing") to recover amount owing arising from the goods sold and delivered to FMCG Focus Marketing, for a total sum of RM384,630.20, together with interest at the rate of 1.5% per month from 24 July 2017 until full settlement. Sun Healthcare has obtained a judgement in default against the defendant on 2 March 2018. Full provisions have been made for the abovementioned debt.

Sun Healthcare also proceeded to file bankruptcy proceedings against the defendant vide Pulau Pinang High Court Bankruptcy No. PA-29NCC-651-07/2018. The matter is currently fixed for further case management on 18 January 2019 pending service of the bankruptcy notice.

The maximum exposure of liabilities of Sun Healthcare in this case is estimated to be RM50,000 being the legal costs involved. The lawyers advising on this matter is of the view that Sun Healthcare has a high chance of succeeding in its claim.



ADVENTA

ADVENTA BERHAD
(Company No : 618533-M)
(Incorporated in Malaysia)
FOURTH QUARTER REPORT ENDED 31 OCTOBER 2018

UNAUDITED NOTES TO FINANCIAL STATEMENTS

22. DIVIDEND PAYABLE

No interim ordinary dividend has been declared for the financial period ended 31 October 2018.

23. EARNINGS PER SHARE

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

a. **Basic**

	3 Months Ended		12 Months Ended	
	31-Oct-18	31-Oct-17	31-Oct-18	31-Oct-17
	RM'000	RM'000	RM'000	RM'000
Profit attributable to ordinary equity holders of the parent (RM)	(569)	-	1,564	-
Weighted average number of ordinary shares in issue (Unit)	152,786	-	152,786	-
Basic earnings per share (sen)	(0.37)	-	1.02	-

b. **Diluted**

There were no diluted earnings per share.

24. PROFIT BEFORE TAX

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

	4Q 2018	
	3 Months Ended	12 Months Ended
	RM'000	RM'000
Interest income	(91)	(336)
Other income	(31)	(39)
Interest expenses	1,136	978
Net foreign exchange loss	24	(251)



ADVENTA

ADVENTA BERHAD
(Company No : 618533-M)
(Incorporated in Malaysia)
FOURTH QUARTER REPORT ENDED 31 OCTOBER 2018

UNAUDITED NOTES TO FINANCIAL STATEMENTS

25. 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-Oct-18	31-Oct-17	Variance
<u>Group's total retained profits:</u>	RM'000	RM'000	%
Realised	29,328	26,618	10%
Unrealised	(1,762)	(484)	264%
Total realised and unrealised	27,566	26,134	5%
Less: Consol adjustments	3,060	3,192	-4%
Retained profits	24,506	22,942	7%

26. AUTHORISED FOR ISSUE

The interim financial statements were authorized for issue by the Board of Directors in accordance with a resolution of the directors on 24th December 2018.

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