

ADVENTA BERHAD
(Incorporated in Malaysia)

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ADVENTA BERHAD
(Incorporated in Malaysia)

DIRECTORS' REPORT

The directors have pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 January 2008.

PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding and provision of management services to its subsidiaries. The principal activities of the subsidiaries are described in Note 15 to the financial statements.

There have been no significant changes in the nature of the principal activities during the financial year.

RESULTS

	Group RM	Company RM
Profit for the year	<u>20,421,313</u>	<u>7,241,462</u>
Attributable to:		
Equity holders of the Company	20,256,181	7,241,462
Minority interests	165,132	-
	<u>20,421,313</u>	<u>7,241,462</u>

There were no material transfers to or from reserves or provisions during the financial year other than as disclosed in the statements of changes in equity.

RESULTS (CONT'D.)

In the opinion of the directors, the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature.

DIVIDENDS

The amount of dividends paid by the Company since 31 January 2007 were as follows:

RM

In respect of the financial year ended 31 January 2007 as reported in the directors' report of that year:

First and final tax exempt dividend of 6% on 127,368,980 ordinary shares of RM0.50 each, declared on 27 June 2007 and paid on 26 July 2007	<u>3,821,069</u>
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At the forthcoming Annual General Meeting, a first and final tax exempt dividend in respect of the financial year ended 31 January 2008, of 8.8% on 138,855,240 ordinary shares of RM0.50 each, amounting to a dividend payable of RM6,109,631 (4.4 sen net per ordinary share) will be proposed for shareholders' approval. The financial statements for the financial year ended 31 January 2008 do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained profits in the financial year ending 31 January 2009.

DIRECTORS

The names of the directors of the Company in office since the date of the last report and at the date of this report are:

Low Chin Guan
Kwek Siew Leng
Toh Seng Thong
Edmond Cheah Swee Leng
Dato' Dr Norraesah binti Haji Mohamad

DIRECTORS' BENEFITS

Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangement to which the Company was a party, whereby the directors might acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate, other than those arising from the share options granted under the Employee Share Options Scheme.

DIRECTORS' BENEFITS (CONT'D.)

Since the end of the previous financial year, no director has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the directors or the fixed salary of a full-time employee of the Company as shown in Notes 7 and 8 to the financial statements) by reason of a contract made by the Company or a related corporation with any director or with a firm of which he is a member, or with a company in which he has a substantial financial interest, except as disclosed in Note 33 to the financial statements.

DIRECTORS' INTEREST

According to the register of directors' shareholdings, the interests of directors in office at the end of the financial year in shares and options over shares in the Company and its related corporations during the financial year were as follows:

	Number of Ordinary Shares of RM0.50 Each			
	01.02.2007	Acquired	Disposal	31.01.2008
The Company				
Direct Interest				
Low Chin Guan	57,255,852	147,100	-	57,402,952
Kwek Siew Leng	242,200	100,000	-	342,200
Indirect Interest				
Low Chin Guan #	12,400,960	-	-	12,400,960

By virtue of shareholdings by his family member

	Number of Ordinary Class B Shares of RM1 Each			
	01.02.2007	Acquired	Disposal	31.01.2008
Subsidiary - Purnabina Sdn. Bhd.				
Direct Interest ^				
Kwek Siew Leng	200,000	-	-	200,000

^ Shares held in trust on behalf of the Company

DIRECTORS' INTEREST (CONT'D.)

	Number of Options Over Ordinary Shares of RM0.50 Each			
	Grant Date	01.02.2007	Exercised	31.01.2008
The Company				
Direct Interest				
Low Chin Guan	29.11.2005	252,000	-	252,000
Kwek Siew Leng	29.11.2005	280,000	(100,000)	180,000
Toh Seng Thong	29.11.2005	70,000	-	70,000
Edmond Cheah Swee Leng	29.11.2005	70,000	-	70,000
Indirect Interest				
Low Chin Guan	29.11.2005	420,000	-	420,000

Low Chin Guan, by virtue of his interest in shares in the Company is also deemed interested in shares of all the Company's subsidiaries to the extent the Company has an interest.

The other director in office at the end of the financial year did not have any interest in shares in the Company or its related corporations during the financial year.

ISSUE OF SHARES

During the financial year, the Company increased its:

- (a) issued and paid-up ordinary share capital from RM63,000,000 to RM69,427,620 by way of:
- (i) the issuance of 9,000,000 ordinary shares of RM0.50 each through a private placement at an issue price of RM1.56 per ordinary share for cash, for additional working capital purposes;
 - (ii) the issuance of 3,855,240 ordinary shares of RM0.50 each for cash pursuant to the Company's Employee Share Options Scheme at an average exercise price of RM0.99 per ordinary share.

The new ordinary shares issued during the financial year ranked pari passu in all respects with the existing ordinary shares of the Company.

EMPLOYEE SHARE OPTIONS SCHEME

The Adventa Berhad Employee Share Options Scheme ("ESOS") is governed by the by-laws approved by the shareholders at an Extraordinary General Meeting held on 28 July 2005. The ESOS was implemented on 29 November 2005 and is to be in force for a period of 5 years from the date of implementation and subject to a renewal option for an additional 5 years, to be determined by the Board of Directors.

The salient features and other terms of the ESOS are disclosed in Note 22 to the financial statements.

The Company has been granted exemption by the Companies Commission of Malaysia from having to disclose the names of option holders, other than directors, who have been granted options to subscribe for less than 200,000 ordinary shares of RM0.50 each. The names of option holders granted options to subscribe for 200,000 or more ordinary shares of RM0.50 each are as follows:

Name	Grant Date	Number of Options Over Ordinary Shares of RM0.50 each			
		Price RM	01.02.2007	Exercised	31.01.2008
Lim Weng Heng	29.11.2005	0.99	210,000	(147,000)	63,000
Michel Amrein	29.11.2005	0.99	210,000	-	210,000
Wong Koon Mei @ Wong Kwan Mooi	29.11.2005	0.99	252,000	-	252,000

Details of options granted to directors are disclosed in the section on Directors' Interest in this report.

OTHER STATUTORY INFORMATION

- (a) Before the income statements and balance sheets of the Group and of the Company were made out, the directors took reasonable steps:
- (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that there were no known bad debts and that adequate provision had been made for doubtful debts; and
 - (ii) to ensure that any current assets which were unlikely to realise their values as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.

OTHER STATUTORY INFORMATION (CONT'D.)

- (b) At the date of this report, the directors are not aware of any circumstances which would render:
 - (i) it necessary to write off any bad debts or the amount of the provision for doubtful debts inadequate to any substantial extent; and
 - (ii) the values attributed to the current assets in the financial statements of the Group and of the Company misleading.
- (c) At the date of this report, the directors are not aware of any circumstances which have arisen which would render adherence to the existing methods of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.
- (d) At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.
- (e) As at the date of this report, there does not exist:
 - (i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
 - (ii) any contingent liability of the Group or of the Company which has arisen since the end of the financial year other than as disclosed in Note 32 to the financial statements.
- (f) In the opinion of the directors:
 - (i) no contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group or of the Company to meet their obligations when they fall due; and
 - (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.

618533-M

SIGNIFICANT AND SUBSEQUENT EVENTS

The significant events during the financial year and subsequent events are disclosed in Note 36 to the financial statements.

AUDITORS

The auditors, Ernst & Young, have expressed their willingness to continue in office.

Signed on behalf of the Board in accordance with a resolution of the directors dated 26 May 2008.

LOW CHIN GUAN

KWEK SIEW LENG

ADVENTA BERHAD
(Incorporated in Malaysia)

STATEMENT BY DIRECTORS
PURSUANT TO SECTION 169(15) OF THE COMPANIES ACT, 1965

We, LOW CHIN GUAN and KWEK SIEW LENG, being two of the directors of ADVENTA BERHAD, do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 11 to 89 are drawn up in accordance with the provisions of the Companies Act, 1965 and applicable Financial Reporting Standards in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 January 2008 and of the results and the cash flows of the Group and of the Company for the year then ended.

Signed on behalf of the Board in accordance with a resolution of the directors dated 26 May 2008.

LOW CHIN GUAN

KWEK SIEW LENG

STATUTORY DECLARATION
PURSUANT TO SECTION 169(16) OF THE COMPANIES ACT, 1965

I, KWEK SIEW LENG, being the director primarily responsible for the financial management of ADVENTA BERHAD, do solemnly and sincerely declare that the accompanying financial statements set out on pages 11 to 89 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by
the abovenamed KWEK SIEW LENG at
Kota Bharu in the state of Kelantan
Darul Naim on 26 May 2008

KWEK SIEW LENG

Before me,

Company No. 618533 M

**REPORT OF THE AUDITORS TO THE MEMBERS OF
ADVENTA BERHAD
(Incorporated in Malaysia)**

We have audited the financial statements set out on pages 11 to 89. These financial statements are the responsibility of the Company's directors.

It is our responsibility to form an independent opinion, based on our audit, on the financial statements and to report our opinion to you, as a body, in accordance with Section 174 of the Companies Act, 1965 and for no other purpose. We do not assume responsibility to any other person for the content of this report.

We have conducted our audit in accordance with applicable Approved Standards on Auditing in Malaysia. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the directors, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion:

- (a) the financial statements have been properly drawn up in accordance with the provisions of the Companies Act, 1965 and applicable Financial Reporting Standards in Malaysia so as to give a true and fair view of:
 - (i) the financial position of the Group and of the Company as at 31 January 2008 and of the results and the cash flows of the Group and of the Company for the year then ended; and
 - (ii) the matters required by Section 169 of the Companies Act, 1965 to be dealt with in the financial statements; and
- (b) the accounting and other records and the registers required by the Act to be kept by the Company and by its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

We have considered the financial statements and the auditors' reports thereon of the subsidiaries of which we have not acted as auditors, as indicated in Note 15 to the financial statements, being financial statements that have been included in the consolidated financial statements.

We are satisfied that the financial statements of the subsidiaries that have been consolidated with the financial statements of the Company are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements and we have received satisfactory information and explanations required by us for those purposes.

The auditors' reports on the financial statements of the subsidiaries were not subject to any qualification material to the consolidated financial statements and did not include any comment required to be made under Section 174(3) of the Act.

ERNST & YOUNG
AF: 0039
Chartered Accountants

OONG KEE LEONG
No. 1246/12/09 (J)
Partner

Kota Bharu, Kelantan, Malaysia
26 May 2008

ADVENTA BERHAD
(Incorporated in Malaysia)

INCOME STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2008

		Group		Company	
	Note	2008	2007	2008	2007
		RM	RM	RM	RM
			(restated)		
Revenue	3	225,057,658	173,522,081	11,094,000	7,185,000
Cost of sales	4	(181,690,619)	(133,707,650)	-	-
Gross profit		43,367,039	39,814,431	11,094,000	7,185,000
Other income		10,647,296	1,504,782	885,158	344,994
Administrative expenses		(7,788,517)	(7,487,298)	(2,500,009)	(2,165,548)
Selling and marketing expenses		(10,424,469)	(7,543,369)	-	-
Other expenses		(12,549,983)	(9,180,307)	(558,850)	(937,371)
Operating profit		23,251,366	17,108,239	8,920,299	4,427,075
Finance costs	5	(3,885,797)	(1,911,650)	(1,740,897)	(414,075)
Profit before tax	6	19,365,569	15,196,589	7,179,402	4,013,000
Income tax expense	9	1,055,744	1,095,412	62,060	(213,963)
Profit for the year		20,421,313	16,292,001	7,241,462	3,799,037
Attributable to:					
Equity holders of the Company		20,256,181	16,148,952	7,241,462	3,799,037
Minority interests		165,132	143,049	-	-
		20,421,313	16,292,001	7,241,462	3,799,037

Earnings per share attributable
to equity holders of the Company (sen)

- Basic	10	14.59	12.82
- Diluted	10	14.48	12.82

The accompanying notes form an integral part of the financial statements.

ADVENTA BERHAD
(Incorporated in Malaysia)

BALANCE SHEETS
AS AT 31 JANUARY 2008

		Group		Company	
	Note	2008	2007	2008	2007
		RM	RM	RM	RM
			(restated)		
ASSETS					
Non-current assets					
Property, plant and equipment	12	136,501,774	107,488,616	644,104	683,731
Prepaid land lease payments	13	9,640,387	9,827,479	-	-
Intangible assets	14	2,519,600	2,471,172	-	-
Investments in subsidiaries	15	-	-	44,514,173	37,642,345
Long term bank deposits	18	4,900,000	2,500,000	4,900,000	2,500,000
Deferred tax assets	27	3,060,926	1,217,500	278,320	180,690
		<u>156,622,687</u>	<u>123,504,767</u>	<u>50,336,597</u>	<u>41,006,766</u>
Current assets					
Inventories	16	46,876,570	36,298,321	-	-
Trade receivables	17	45,347,875	38,741,353	-	-
Other receivables	18	14,574,477	5,934,597	82,175,927	48,077,880
Cash and bank balances	19	37,777,880	32,428,211	27,017,723	23,148,662
		<u>144,576,802</u>	<u>113,402,482</u>	<u>109,193,650</u>	<u>71,226,542</u>
TOTAL ASSETS		<u>301,199,489</u>	<u>236,907,249</u>	<u>159,530,247</u>	<u>112,233,308</u>

ADVENTA BERHAD
(Incorporated in Malaysia)

BALANCE SHEETS (CONT'D.)
AS AT 31 JANUARY 2008

	Note	Group		Company	
		2008 RM	2007 RM (restated)	2008 RM	2007 RM
EQUITY AND LIABILITIES					
Equity attributable to equity holders of the Company					
Share capital	20	69,427,620	63,000,000	69,427,620	63,000,000
Share premium	20	29,050,618	17,730,881	29,050,618	17,730,881
Foreign currency translation reserve	21	(148,893)	125,897	-	-
Share option reserve	22	37,586	39,529	37,586	8,890
Retained profits	23	62,789,196	46,354,084	8,638,898	5,218,505
		<u>161,156,127</u>	<u>127,250,391</u>	<u>107,154,722</u>	<u>85,958,276</u>
Minority interests		<u>1,360,253</u>	<u>712,279</u>	<u>-</u>	<u>-</u>
Total equity		<u>162,516,380</u>	<u>127,962,670</u>	<u>107,154,722</u>	<u>85,958,276</u>
Non-current liabilities					
Borrowings	24	60,676,974	44,704,800	44,465,000	25,000,000
Deferred payments	26	-	140,738	-	-
Deferred tax liabilities	27	4,790,086	4,320,620	-	-
		<u>65,467,060</u>	<u>49,166,158</u>	<u>44,465,000</u>	<u>25,000,000</u>
Current liabilities					
Borrowings	24	34,793,170	29,603,250	3,435,000	-
Trade payables	28	24,551,870	18,713,981	-	-
Other payables	29	13,871,009	11,461,190	4,475,525	1,275,032
		<u>73,216,049</u>	<u>59,778,421</u>	<u>7,910,525</u>	<u>1,275,032</u>
Total liabilities		<u>138,683,109</u>	<u>108,944,579</u>	<u>52,375,525</u>	<u>26,275,032</u>
TOTAL EQUITY AND LIABILITIES		<u>301,199,489</u>	<u>236,907,249</u>	<u>159,530,247</u>	<u>112,233,308</u>

The accompanying notes form an integral part of the financial statements.

ADVENTA BERHAD
(Incorporated in Malaysia)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 JANUARY 2008

Group	Note	Attributable to Equity Holders of the Company					Total RM	Minority Interests RM	Total Equity RM
		Non-Distributable			Distributable				
		Share Capital RM (Note 20)	Share Premium RM (Note 20)	Foreign Currency Translation Reserve RM (Note 21)	Share Option Reserve RM (Note 22)	Retained Profits RM (Note 23)			
At 1 February 2006									
As previously stated		45,000,000	35,933,991	(4,991)	-	21,099,829	102,028,829	569,230	102,598,059
Effects of early adopting FRS 112	30	-	-	-	-	2,312,686	2,312,686	-	2,312,686
At 1 February 2006 (restated)		45,000,000	35,933,991	(4,991)	-	23,412,515	104,341,515	569,230	104,910,745
Effects of adopting FRS 3		-	-	-	-	9,942,617	9,942,617	-	9,942,617
		45,000,000	35,933,991	(4,991)	-	33,355,132	114,284,132	569,230	114,853,362
Foreign currency translation		-	-	130,888	-	-	130,888	-	130,888
Profit for the year		-	-	-	-	16,148,952	16,148,952	143,049	16,292,001
Total recognised income and expense for the year		-	-	130,888	-	16,148,952	16,279,840	143,049	16,422,889
Dividends	11	-	-	-	-	(3,150,000)	(3,150,000)	-	(3,150,000)
Bonus issue	20(c)	18,000,000	(18,000,000)	-	-	-	-	-	-
Transaction costs		-	(203,110)	-	-	-	(203,110)	-	(203,110)
Share options granted under ESOS		-	-	-	39,529	-	39,529	-	39,529
At 31 January 2007		63,000,000	17,730,881	125,897	39,529	46,354,084	127,250,391	712,279	127,962,670

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 JANUARY 2008 (CONT'D.)**

Group (Cont'd.)	Note	Attributable to Equity Holders of the Company							Total Equity RM
		Non-Distributable			Distributable				
		Share Capital RM (Note 20)	Share Premium RM (Note 20)	Foreign Currency Translation Reserve RM (Note 21)	Share Option Reserve RM (Note 22)	Retained Profits RM (Note 23)	Total RM	Minority Interests RM	
At 1 February 2007									
As previously stated		63,000,000	17,730,881	125,897	39,529	43,168,970	124,065,277	712,279	124,777,556
Prior year adjustment	30	-	-	-	-	3,185,114	3,185,114	-	3,185,114
At 1 February 2007 (restated)		63,000,000	17,730,881	125,897	39,529	46,354,084	127,250,391	712,279	127,962,670
Foreign currency translation		-	-	(274,790)	-	-	(274,790)	-	(274,790)
Profit for the year		-	-	-	-	20,256,181	20,256,181	165,132	20,421,313
Total recognised income and expense for the year		-	-	(274,790)	-	20,256,181	19,981,391	165,132	20,146,523
Dividends	11	-	-	-	-	(3,821,069)	(3,821,069)	(41,440)	(3,862,509)
Acquisition of subsidiaries	15	-	-	-	-	-	-	524,282	524,282
Issue of ordinary shares pursuant to:									
ESOS		1,927,620	1,889,067	-	-	-	3,816,687	-	3,816,687
Private placement	20(a)	4,500,000	9,540,000	-	-	-	14,040,000	-	14,040,000
Transaction costs		-	(109,330)	-	(16,250)	-	(125,580)	-	(125,580)
Share options granted under ESOS		-	-	-	14,307	-	14,307	-	14,307
At 31 January 2008		69,427,620	29,050,618	(148,893)	37,586	62,789,196	161,156,127	1,360,253	162,516,380

The accompanying notes form an integral part of the financial statements.

ADVENTA BERHAD
(Incorporated in Malaysia)

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 JANUARY 2008**

	←	Non-distributable			→	Distributable	Total Equity RM
		Share Capital RM (Note 20)	Share Premium RM (Note 20)	Share Option Reserve RM (Note 22)	Retained Profits RM (Note 23)		
Company	Note						
At 1 February 2006		45,000,000	35,933,991	-	4,569,468	85,503,459	
Profit for the year, representing total income and expense for the year		-	-	-	3,799,037	3,799,037	
Dividends	11	-	-	-	(3,150,000)	(3,150,000)	
Bonus issue	20(c)	18,000,000	(18,000,000)	-	-	-	
Transaction costs		-	(203,110)	-	-	(203,110)	
Share options granted under ESOS		-	-	8,890	-	8,890	
At 31 January 2007		63,000,000	17,730,881	8,890	5,218,505	85,958,276	
Profit for the year, representing total income and expense for the year		-	-	-	7,241,462	7,241,462	
Dividends	11	-	-	-	(3,821,069)	(3,821,069)	
Issue of ordinary shares pursuant to:							
ESOS		1,927,620	1,889,067	-	-	3,816,687	
Private placement	20(a)	4,500,000	9,540,000	-	-	14,040,000	
Transaction costs		-	(109,330)	(16,250)	-	(125,580)	
Share options granted under ESOS		-	-	44,946	-	44,946	
At 31 January 2008		69,427,620	29,050,618	37,586	8,638,898	107,154,722	

The accompanying notes form an integral part of the financial statements.

ADVENTA BERHAD
(Incorporated in Malaysia)

CASH FLOW STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2008

	Note	Group		Company	
		2008 RM	2007 RM	2008 RM	2007 RM
Cash Flows From Operating Activities					
Profit before tax		19,365,569	15,196,589	7,179,402	4,013,000
Adjustments for:					
Amortisation of prepaid land lease payments	6	187,092	188,009	-	-
Depreciation of property, plant and equipment	6	6,982,911	5,894,563	69,457	64,507
Dividend income	3	-	-	(9,774,000)	(6,000,000)
Finance costs	5	3,885,797	1,911,650	1,740,897	414,075
Gain on disposal of property, plant and equipment	6	(55,264)	-	-	-
Impairment of property, plant and equipment	6	-	164,288	-	-
Interest income	6	(1,080,860)	(416,615)	(885,158)	(344,994)
Negative goodwill recognised		(262,362)	-	-	-
Net unrealised foreign exchange gain	6	(4,800,789)	-	-	-
Net unrealised foreign exchange losses	6	5,653,854	3,279,939	-	-
Property, plant and equipment written off	6	2,250,891	17,637	-	-
Provision for doubtful debts	6	8,891	30,676	-	-
Reversal of provision for doubtful debts	6	(1,487)	-	-	-
Share options granted under ESOS	22	14,307	39,529	44,946	8,890
Operating profit/(loss) before working capital changes		32,148,550	26,306,265	(1,624,456)	(1,844,522)
Increase in inventories		(10,578,249)	(11,508,335)	-	-
Increase in trade and other receivables		(15,223,204)	(13,434,747)	(34,133,617)	(12,909,163)
Increase in trade and other payables		6,868,128	8,417,577	3,184,243	574,568
Cash generated from/(used in) operations		13,215,225	9,780,760	(32,573,830)	(14,179,117)
Interest received		1,884	14,909	-	-
Interest paid		(836,147)	(344,660)	-	-
Taxes (paid)/refunded		(30,342)	173,445	-	-
Net cash generated from/(used in) operating activities		12,350,620	9,624,454	(32,573,830)	(14,179,117)

ADVENTA BERHAD
(Incorporated in Malaysia)

CASH FLOW STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2008 (CONT'D.)

	Note	Group		Company	
		2008	2007	2008	2007
		RM	RM	RM	RM
Cash Flows From Investing Activities					
Acquisition of subsidiaries	15	(211,120)	-	(830,100)	-
Additional investment in subsidiaries		-	-	(6,041,728)	-
Dividends received		-	-	9,774,000	6,000,000
Interest received		1,078,976	401,706	885,158	344,994
Placement of deposit		(2,400,000)	(2,500,000)	(2,400,000)	(2,500,000)
Proceeds from disposal of property, plant and equipment		57,425	-	-	-
Purchase of property, plant and equipment		(36,277,308)	(33,994,207)	(29,830)	(515,953)
Net cash (used in)/generated from investing activities		<u>(37,752,027)</u>	<u>(36,092,501)</u>	<u>1,357,500</u>	<u>3,329,041</u>
Cash Flows From Financing Activities					
Dividends paid		(3,862,509)	(3,150,000)	(3,821,069)	(3,150,000)
Drawdown from other short term borrowings		78,357,200	65,447,300	-	-
Drawdown from term loans		22,907,842	41,928,968	22,900,000	25,000,000
Proceeds from issuance of ordinary shares		17,856,687	-	17,856,687	-
Interest paid		(3,049,650)	(1,566,990)	(1,740,897)	(414,075)
Repayment of hire purchase obligations and lease financing		(92,712)	(133,265)	-	-
Repayment of other short term borrowings		(77,339,300)	(60,208,900)	-	-
Repayment of term loans		(4,349,840)	(2,500,384)	-	-
Transaction costs pursuant to issuance of shares		(109,330)	(203,110)	(109,330)	(203,110)
Net cash generated from financing activities		<u>30,318,388</u>	<u>39,613,619</u>	<u>35,085,391</u>	<u>21,232,815</u>
Cash and cash equivalents:					
Net increase		4,916,981	13,145,572	3,869,061	10,382,739
Effects of foreign exchange rate changes		-	5,136	-	-
At beginning of year		32,220,127	19,069,419	23,148,662	12,765,923
At end of year	19	<u>37,137,108</u>	<u>32,220,127</u>	<u>27,017,723</u>	<u>23,148,662</u>

The accompanying notes form an integral part of the financial statements.

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ADVENTA BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS
31 JANUARY 2008

1. CORPORATE INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Board of Bursa Malaysia Securities Berhad. The registered office of the Company is located at No. 1, Jalan 8, Pengkalan Chepa 2 Industrial Zone, 16100 Kota Bharu, Kelantan Darul Naim.

The principal activities of the Company are investment holding and provision of management services to the subsidiaries. The principal activities of the subsidiaries are described in Note 15.

There have been no significant changes in the nature of the principal activities during the financial year.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 26 May 2008.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation

The financial statements comply with the provisions of the Companies Act, 1965 and applicable Financial Reporting Standards (“FRS”) in Malaysia. At the beginning of the current financial year, the Group and the Company had adopted new and revised FRSs which are mandatory for financial periods beginning on or after 1 January 2007 as described in Note 2.3.

The financial statements of the Group and of the Company have also been prepared on a historical cost basis except for buildings included within property, plant and equipment that have been measured at their fair values.

The financial statements are presented in Ringgit Malaysia (“RM”).

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.2 Summary of Significant Accounting Policies

(a) Subsidiaries and Basis of Consolidation

(i) Subsidiaries

Subsidiaries are entities over which the Group has the ability to control the financial and operating policies so as to obtain benefits from their activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group has such power over another entity.

In the Company's separate financial statements, investments in subsidiaries are stated at cost less impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

(ii) Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the balance sheet date. The financial statements of the subsidiaries are prepared for the same reporting date as the Company.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. In preparing the consolidated financial statements, intragroup balances, transactions and unrealised gains or losses are eliminated in full. Uniform accounting policies are adopted in the consolidated financial statements for like transactions and events in similar circumstances.

Acquisitions of subsidiaries are accounted for using the purchase method. The purchase method of accounting involves allocating the cost of the acquisition to the fair value of the assets acquired and liabilities and contingent liabilities assumed at the date of acquisition. The cost of an acquisition is measured as the aggregate of the fair values, at the date of exchange, of the assets given, liabilities incurred or assumed, and equity instruments issued, plus any costs directly attributable to the acquisition.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.2 Summary of Significant Accounting Policies (Cont'd.)

(a) Subsidiaries and Basis of Consolidation (Cont'd.)

(ii) Basis of Consolidation (Cont'd.)

Any excess of the cost of the acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities represents goodwill. Any excess of the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition is recognised immediately in profit or loss.

Minority interests represent the portion of profit or loss and net assets in subsidiaries not held by the Group. It is measured at the minorities' share of the fair value of the subsidiaries' identifiable assets and liabilities at the acquisition date and the minorities' share of changes in the subsidiaries' equity since then.

(b) Property, Plant and Equipment, and Depreciation

All items of property, plant and equipment are initially recorded at cost. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Subsequent to recognition, property, plant and equipment except for freehold land are stated at cost less accumulated depreciation and any accumulated impairment losses.

Buildings are stated at revalued amount, which is the fair value at the date of the revaluation less any accumulated impairment losses. Fair value is determined from market-based evidence by appraisal that is undertaken by professionally qualified valuers. Revaluations are performed with sufficient regularity to ensure that the fair value of a revalued asset does not differ materially from that which would be determined using fair values at the balance sheet date. Any revaluation surplus is credited to the revaluation reserve included within equity, except to the extent that it reverses a revaluation decrease for the same asset previously recognised in profit or loss, in which case the increase is recognised in profit or loss to the extent of the decrease previously recognised. A revaluation deficit is first offset against unutilised previously recognised revaluation surplus in respect of the same asset and the balance is thereafter recognised in profit or loss. Upon disposal or retirement of an asset, any revaluation reserve relating to the particular asset is transferred directly to retained earnings.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.2 Summary of Significant Accounting Policies (Cont'd.)

(b) Property, Plant and Equipment, and Depreciation (Cont'd.)

Freehold land has an unlimited useful life and therefore is not depreciated. Capital work in-progress is also not depreciated as this asset is not available for use. Depreciation of other property, plant and equipment is provided for on a straight-line basis to write off the cost of each asset to its residual value over the estimated useful life, at the following annual rates:

Buildings	2%
Plant and equipment	2% - 20%
Motor vehicles	10% - 20%
Laboratory and medical equipment	10% - 20%
Office equipment, renovation, furniture and fittings	10% - 20%

The residual values, useful life and depreciation method are reviewed at each financial year-end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any and the net carrying amount is recognised in profit or loss and the unutilised portion of the revaluation surplus on that item is taken directly to retained earnings.

(c) Intangible Assets

Goodwill

Goodwill acquired in a business combination is initially measured at cost being the excess of the cost of business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities. Following the initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is not amortised but instead, it is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.2 Summary of Significant Accounting Policies (Cont'd.)

(d) Impairment of Non-Financial Assets

The carrying amounts of the Group's assets, other than inventories and deferred tax assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated to determine the amount of impairment loss.

For goodwill, assets that have an indefinite useful life, the recoverable amount is estimated at each balance sheet date or more frequently when indicators of impairment are identified.

For the purpose of impairment testing of these assets, recoverable amount is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, recoverable amount is determined for the cash-generating unit ("CGU") to which the asset belongs to. Goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's CGUs, or groups of CGUs, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

An impairment loss is recognised in profit or loss in the period in which it arises, unless the asset is carried at a revalued amount, in which case the impairment loss is accounted for as a revaluation decrease to the extent that the impairment loss does not exceed the amount held in the asset revaluation reserve for the same asset.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.2 Summary of Significant Accounting Policies (Cont'd.)

(d) Impairment of Non-Financial Assets (Cont'd.)

Impairment loss on goodwill is not reversed in a subsequent period. An impairment loss for an asset other than goodwill is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of an asset other than goodwill is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss for an asset other than goodwill is recognised in profit or loss, unless the asset is carried at revalued amount, in which case, such reversal is treated as a revaluation increase.

(e) Inventories

Inventories are stated at lower of cost and net realisable value.

Cost is determined using the first in, first out method. The cost of raw materials comprises costs of purchase. The costs of finished goods and work-in-progress comprise costs of raw materials, direct labour, other direct costs and appropriate proportions of manufacturing overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

(f) Financial Instruments

Financial instruments are recognised in the balance sheet when the Group has become a party to the contractual provisions of the instrument.

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interest, dividends, gains and losses relating to a financial instrument classified as a liability, are reported as expense or income. Distributions to holders of financial instruments classified as equity are recognised directly to equity. Financial instruments are offset when the Group has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.2 Summary of Significant Accounting Policies (Cont'd.)

(f) Financial Instruments (Cont'd.)

(i) Cash and Cash Equivalents

For the purposes of the cash flow statements, cash and cash equivalents include cash on hand and at bank and deposits at call, net of outstanding bank overdrafts.

(ii) Receivables

Receivables are carried at anticipated realisable values. Bad debts are written off when identified. An estimate is made for doubtful debts based on a review of all outstanding amounts as at the balance sheet date.

(iii) Payables

Payables are stated at the fair value of the consideration to be paid in the future for goods and services received.

(iv) Interest Bearing Loans and Borrowings

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs. After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method.

(v) Equity Instruments

Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

The transaction costs of an equity transaction are accounted for as a deduction from equity, net of tax. Equity transaction costs comprise only those incremental external costs directly attributable to the equity transaction which would otherwise have been avoided.

(g) Leases

(i) Classification

A lease is recognised as a finance lease if it transfers substantially to the Group all the risks and rewards incidental to ownership. Leases of land and buildings are classified as operating or finance leases in the same way as leases of other assets. All leases that do not transfer substantially all the risks and rewards are classified as operating leases.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.2 Summary of Significant Accounting Policies (Cont'd.)

(g) Leases (Cont'd.)

(ii) Finance Leases - the Group as Lessee

Assets acquired by way of hire purchase or finance leases are stated at an amount equal to the lower of their fair values and the present value of the minimum lease payments at the inception of the leases, less accumulated depreciation and impairment losses. The corresponding liability is included in the balance sheet as borrowings. In calculating the present value of the minimum lease payments, the discount factor used is the interest rate implicit in the lease, when it is practicable to determine; otherwise, the Company's incremental borrowing rate is used. Any initial direct costs are also added to the carrying amount of such assets.

Lease payments are apportioned between the finance costs and the reduction of the outstanding liability. Finance costs, which represent the difference between the total leasing commitments and the fair value of the assets acquired, are recognised in the profit or loss over the term of the relevant lease so as to produce a constant periodic rate of charge on the remaining balance of the obligations for each accounting period.

The depreciation policy for leased assets is in accordance with that for depreciable property, plant and equipment as described in Note 2.2(b).

(iii) Operating Leases - the Group as Lessee

Operating lease payments are recognised as an expense on a straight-line basis over the term of the relevant lease. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

The up-front payment represents prepaid lease payments and are amortised on a straight-line basis over the lease term.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.2 Summary of Significant Accounting Policies (Cont'd.)

(h) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

(i) Sale of Goods

Revenue is recognised net of sales taxes and upon transfer of significant risks and rewards of ownership to the buyer. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

(ii) Dividend Income

Dividend income is recognised when the Group's right to receive payment is established.

(iii) Management Fees

Management fees are recognised when services are rendered.

(iv) Interest Income

Interest income is recognised on an accrual basis using the effective interest method.

(v) Rental Income

Rental income is recognised on an accrual basis.

(i) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)**2.2 Summary of Significant Accounting Policies (Cont'd.)****(j) Employee Benefits****(i) Short Term Benefits**

Wages, salaries, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

(ii) Defined Contribution Plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities or funds and will have no legal or constructive obligation to pay further contributions if any of the funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years. Such contributions are recognised as an expense in the profit or loss as incurred. As required by law, companies in Malaysia make such contributions to the Employees Provident Fund (“EPF”). Some of the Group’s foreign subsidiaries also make contributions to their respective countries’ statutory pension schemes.

(iii) Share Based Compensation

The Adventa Berhad Employee Share Options Scheme (“ESOS”), an equity-settled, share-based compensation plan, allows the Group’s employees to acquire ordinary shares of the Company. The total fair value of share options granted to employees is recognised as an employee cost with a corresponding increase in the share option reserve within equity over the vesting period and taking into account the probability that the options will vest. The fair value of share options is measured at grant date, taking into account, if any, the market vesting conditions upon which the options were granted but excluding the impact of any non-market vesting conditions. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable on vesting date.

At each balance sheet date, the Group revises its estimates of the number of options that are expected to become exercisable on vesting date. It recognises the impact of the revision of original estimates, if any, in the profit or loss, and a corresponding adjustment to equity over the remaining vesting period. The equity amount is recognised in the share option reserve until the option is exercised, upon which it will be transferred to share premium, or until the option expires, upon which it will be transferred directly to retained earnings.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.2 Summary of Significant Accounting Policies (Cont'd.)

(j) Employee Benefits (Cont'd.)

(iii) Share Based Compensation (Cont'd.)

The proceeds received net of any directly attributable transaction costs are credited to equity when the options are exercised.

(k) Foreign Currencies

(i) Functional and Presentation Currency

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is also the Company's functional currency.

(ii) Foreign Currency Transactions

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded in the functional currencies using the exchange rates prevailing at the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are translated at the rates prevailing on the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not translated.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are included in profit or loss for the period except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operation. Exchange differences arising on monetary items that form part of the Group's net investment in foreign operation, where that monetary item is denominated in either the functional currency of the reporting entity or the foreign operation, are initially taken directly to the foreign currency translation reserve within equity until the disposal of the foreign operations, at which time they are recognised in profit or loss.

Exchange differences arising on monetary items that form part of the Group's net investment in foreign operation, where that monetary item is denominated in a currency other than the functional currency of either the reporting entity or the foreign operation, are recognised in profit or loss for the period. Exchange differences arising on monetary items that form part of the Company's net investment in foreign operation, regardless of the currency of the monetary item, are recognised in profit or loss in the Company's financial statements or the individual financial statements of the foreign operation, as appropriate.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.2 Summary of Significant Accounting Policies (Cont'd.)

(k) Foreign Currencies (Cont'd.)

(ii) Foreign Currency Transactions (Cont'd.)

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised directly in equity. Exchange differences arising from such non-monetary items are also recognised directly in equity.

(iii) Foreign Operations

The results and financial position of foreign operations that have a functional currency different from the presentation currency (RM) of the consolidated financial statements are translated into RM as follows:

- Assets and liabilities for each balance sheet presented are translated at the closing rate prevailing at the balance sheet date;
- Income and expenses for each income statement are translated at average exchange rates for the year, which approximates the exchange rates at the dates of the transactions; and
- All resulting exchange differences are taken to the foreign currency translation reserve within equity.

Goodwill and fair value adjustments arising on the acquisition of foreign operations on or after 1 January 2006 are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated at the closing rate at the balance sheet date. Goodwill and fair value adjustments which arose on the acquisition of foreign subsidiaries before 1 January 2006 are deemed to be assets and liabilities of the parent company and are recorded in RM at the rates prevailing at the date of acquisition.

(l) Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as finance cost.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.2 Summary of Significant Accounting Policies (Cont'd.)

(m) Income Tax

Income tax on the profit or loss for the year comprises current and deferred tax. Current tax is the expected amount of income taxes payable in respect of the taxable profit for the year and is measured using the tax rates that have been enacted at the balance sheet date.

Deferred tax is provided for, using the liability method. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. Deferred tax is not recognised if the temporary difference arises from goodwill or negative goodwill or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax is measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is recognised as income or an expense and included in the profit or loss for the period, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also recognised directly in equity, or when it arises from a business combination that is an acquisition, in which case the deferred tax is included in the resulting goodwill or the amount of any excess of the acquirer's interest is the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the cost of the combination.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.3 Changes in Accounting Policies and Effects Arising from Adoption of New and Revised FRSs

On 1 February 2007, the Group and the Company adopted the following revised FRSs:

FRS 117	Leases
FRS 124	Related Party Disclosures

The MASB has also issued FRS 6 and Amendment to FRS 119²⁰⁰⁴ Employee Benefits - Actuarial Gains and Losses, Group and Disclosures which will be effective for annual periods beginning on or after 1 January 2007. Both FRS 6 and Amendment to FRS 119²⁰⁰⁴ are not applicable to the Group or the Company.

The adoption of the revised FRS 124 gives rise to additional disclosures but did not result in significant changes in accounting policies of the Group and of the Company. The principal changes in accounting policies and their effects resulting from the adoption of the revised FRS 117 are discussed below:

(a) Leasehold land held for own use

Prior to 1 February 2007, leasehold land held for own use was classified as property, plant and equipment and was stated at cost less accumulated depreciation and impairment losses. The adoption of the revised FRS 117 has resulted in a change in the accounting policy relating to the classification of leases of land and buildings. Leases of land and buildings are classified as operating or finance leases in the same way as leases of other assets and the land and buildings elements of a lease of land and buildings are considered separately for the purposes of lease classification. Leasehold land held for own use is now classified as operating lease and where necessary, the minimum lease payments or the up-front payments made are allocated between the land and the buildings elements in proportion to the relative fair values for leasehold interests in the land element and buildings element of the lease at the inception of the lease. The up-front payment relating to the land element represents prepaid lease payments and are amortised on a straight-line basis over the lease term.

The Group has applied the change in accounting policy in respect of leasehold land in accordance with the transitional provisions of FRS 117. At 1 February 2007, the unamortised amount of leasehold land is retained as the surrogate carrying amount of prepaid lease payments as allowed by the transitional provisions. The effects on the balance sheet as at 31 January 2008 are set out below:

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)**2.3 Changes in Accounting Policies and Effects Arising from Adoption of New and Revised FRSs (Cont'd.)****(a) Leasehold land held for own use (Cont'd.)**

	2008 RM
Decrease in property, plant and equipment	(9,640,387)
Increase in prepaid land lease payments	<u>9,640,387</u>

There were no effects on the consolidated income statement for the year ended 31 January 2008 and the Company's separate financial statements.

(b) Restatement of comparatives

The following comparative amounts have been restated as a result of adopting the revised FRS 117:

	Previously Stated RM	Increase/ (Decrease) RM	Restated RM
Group			
Property, plant and equipment	117,316,095	(9,827,479)	107,488,616
Prepaid land lease payments	-	9,827,479	<u>9,827,479</u>

In addition, the Group has also early adopted the revised FRS 112 Income Taxes for the financial year beginning 1 February 2007. The principal changes in accounting policies and their effects resulting from the adoption of the revised FRS 112 are disclosed in Note 30 to the financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.4 FRSs, Amendment to FRS and Interpretations Issued but Not Yet Effective

At the date of authorisation of these financial statements, the following new and revised FRSs, Amendment to FRS and Interpretations were in issue but not yet effective and have not been applied by the Group and the Company:

FRSs, Amendment to FRS and Interpretations	Effective for financial periods beginning on or after
FRS 107: Cash Flow Statements	1 July 2007
FRS 111: Construction Contracts	1 July 2007
FRS 118: Revenue	1 July 2007
FRS 120: Accounting for Government Grants and Disclosure of Government Assistance	1 July 2007
FRS 134: Interim Financing Reporting	1 July 2007
FRS 137: Provisions, Contingent Liabilities and Contingent Assets	1 July 2007
FRS 139: Financial Instruments: Recognition and Measurement	Deferred
Amendment to FRS 121: The Effects of Changes in Foreign Exchange Rates - Net Investment in a Foreign Operation	1 July 2007
IC Interpretation 1: Changes in Existing Decommissioning, Restoration and Similar Liabilities	1 July 2007
IC Interpretation 2: Members' Shares in Co-operative Entities and Similar Instruments	1 July 2007
IC Interpretation 5: Rights of Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds	1 July 2007
IC Interpretation 6: Liabilities arising from Participating in a Specific Market - Waste Electrical and Electronic Equipment	1 July 2007
IC Interpretation 7: Applying the Restatement Approach under FRS 129 ²⁰⁰⁴ Financial Reporting in Hyperinflationary Economies	1 July 2007
IC Interpretation 8: Scope of FRS 2 Share-based Payment	1 July 2007

The above FRSs, Amendment to FRS and Interpretations are expected to have no significant impact to the financial statements of the Group and of the Company upon their initial application except for the following:

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.4 FRSs, Amendment to FRS and Interpretations Issued but Not Yet Effective (Cont'd.)

(a) Amendment to FRS 121: The Effects of Changes in Foreign Exchange Rates – Net Investment in a Foreign Operation

This Amendment requires that where an entity has a monetary item that forms part of its net investment in a foreign operation, the exchange differences arising from such monetary items should always be recognised in equity in the consolidated financial statements and should not be dependent on the currency of the monetary item. Prior to this Amendment, exchange differences arising on a monetary item that forms part of the Group's net investment in a foreign operation are recognised in equity in the consolidated financial statements only when that monetary item is denominated either in the functional currency of the reporting entity or the foreign operation. The Group will apply this Amendment from financial periods beginning 1 February 2008. As it is not possible to reasonably estimate the exchange rates applicable to such monetary items for future periods, the directors are therefore unable to determine if the initial adoption of this Amendment will have a material impact on the consolidated financial statements for the financial year ending 31 January 2009.

The Group and the Company are exempted from disclosing the possible impact, if any, to the financial statements upon the initial application of FRS 139.

2.5 Changes in Estimates

There were no significant changes made by the management during the financial year.

2.6 Significant Accounting Estimates and Judgements

(a) Critical Judgements Made in Applying Accounting Policies

There were no significant judgements made in applying the Group's accounting policies which may have significant effect on the amounts recognised in the financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)**2.6 Significant Accounting Estimates and Judgements (Cont'd.)****(b) Key Sources of Estimation Uncertainty**

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(i) Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value-in-use of the cash-generating units ("CGU") to which goodwill is allocated. Estimating a value-in-use amount requires management to make an estimate of the expected future cash flows from the CGU and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of goodwill as at 31 January 2008 was RM2,519,600 (2007: RM2,471,172).

(ii) Depreciation of property, plant and equipment

The cost of plant and equipment for the manufacture of gloves and generation of energy is depreciated on a straight-line basis over the assets' useful lives. Management estimates the useful lives of these plant and equipment to be within 10 to 50 years. Changes in the expected level of usage and technological developments could impact the economic useful lives of these assets, therefore future depreciation charges could be revised.

(iii) Deferred tax assets

Deferred tax assets are recognised for all unabsorbed tax losses, unused reinvestment allowances and unutilised capital allowances to the extent that it is probable that taxable profit will be available against which the losses and capital allowances can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. The total carrying value of recognised tax losses, reinvestment allowances and capital allowances of the Group was RM37,000,000 (2007: RM20,500,000).

3. REVENUE

	Group		Company	
	2008	2007	2008	2007
	RM	RM	RM	RM
Sale of goods, net of discounts	225,057,658	173,522,081	-	-
Gross dividends				
from subsidiaries	-	-	9,774,000	6,000,000
Management fees from subsidiaries	-	-	1,320,000	1,185,000
	<u>225,057,658</u>	<u>173,522,081</u>	<u>11,094,000</u>	<u>7,185,000</u>

4. COST OF SALES

Cost of sales represents cost of inventories sold.

5. FINANCE COSTS

	Group		Company	
	2008	2007	2008	2007
	RM	RM	RM	RM
Interest expense on:				
Bank overdrafts	9,254	10,346	-	-
Export credit refinancing and bankers' acceptances	826,893	334,314	-	-
Term loans	3,038,023	1,554,040	1,740,897	414,075
Hire purchase and finance lease	11,627	12,950	-	-
	<u>3,885,797</u>	<u>1,911,650</u>	<u>1,740,897</u>	<u>414,075</u>

6. PROFIT BEFORE TAX

The following amounts have been included in arriving at profit before tax:

	Group		Company	
	2008	2007	2008	2007
	RM	RM	RM	RM
Amortisation of prepaid land lease payments (Note 13)	187,092	188,009	-	-
Auditors' remuneration	140,000	131,717	23,000	22,000
Bad debts written off	9,093	-	-	-
Depreciation of property, plant and equipment (Note 12)	6,982,911	5,894,563	69,457	64,507
Employee benefits expense (Note 7)	26,026,129	19,970,133	2,185,390	1,881,786
Hire of machinery and vehicle	24,065	84,700	-	-
Net foreign exchange losses:				
Realised	4,471	688,892	-	-
Unrealised	5,653,854	3,279,939	-	-
Impairment of property, plant and equipment (Note 12)	-	164,288	-	-
Non-executive directors' remuneration excluding benefits-in-kind (Note 8)	259,960	242,200	162,700	146,200
Preliminary expenses	357	-	-	-
Property, plant and equipment written off	2,250,891	17,637	-	-
Provision for doubtful debts	8,891	30,676	-	-
Rental expenses	759,421	693,783	250	-
Bad debts recovered	(167)	(186,578)	-	-
Gain on disposal of property, plant and equipment	(55,264)	-	-	-
Insurance compensation	(3,715,622)	(687,173)	-	-
Interest income	(1,080,860)	(416,615)	(885,158)	(344,994)
Negative goodwill recognised (Note 15)	(262,362)	-	-	-
Net foreign exchange gains:				
Realised	(650,153)	-	-	-
Unrealised	(4,800,789)	-	-	-
Rental received	(8,000)	-	-	-
Reversal of provision for doubtful debts	(1,487)	-	-	-

7. EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	2008	2007	2008	2007
	RM	RM	RM	RM
Salaries and wages	22,881,963	17,289,713	1,583,361	1,415,081
Contributions to defined contribution plan	1,140,240	886,681	257,599	216,531
Social security contributions	284,856	150,864	13,401	12,208
Share options granted under ESOS (Note 22)	14,307	39,529	44,946	8,890
Other benefits	1,704,763	1,603,346	286,083	229,076
	<u>26,026,129</u>	<u>19,970,133</u>	<u>2,185,390</u>	<u>1,881,786</u>

Included in employee benefits expense of the Group and of the Company are executive directors' remuneration amounting to RM1,296,635 (2007: RM1,066,040) and RM825,671 (2007: RM738,176) respectively as further disclosed in Note 8.

8. DIRECTORS' REMUNERATION

	Group		Company	
	2008	2007	2008	2007
	RM	RM	RM	RM
Executive directors' remuneration (Note 7):				
Fees	48,000	48,000	48,000	48,000
Share options granted under ESOS	3,038	4,550	2,660	2,660
Other emoluments	1,245,597	1,013,490	775,011	687,516
	<u>1,296,635</u>	<u>1,066,040</u>	<u>825,671</u>	<u>738,176</u>
Non-executive directors' remuneration (Note 6):				
Fees	258,000	241,500	162,000	145,500
Share options granted under ESOS	1,960	700	700	700
	<u>259,960</u>	<u>242,200</u>	<u>162,700</u>	<u>146,200</u>

8. DIRECTORS' REMUNERATION (CONT'D.)

	Group		Company	
	2008	2007	2008	2007
	RM	RM	RM	RM
Total directors' remuneration	1,556,595	1,308,240	988,371	884,376
Estimated money value of benefit-in-kind	<u>46,600</u>	<u>31,563</u>	<u>23,950</u>	<u>18,563</u>
Total directors' remuneration including benefit-in-kind	<u>1,603,195</u>	<u>1,339,803</u>	<u>1,012,321</u>	<u>902,939</u>

The details of remuneration of directors of the Company are analysed as follows:

Executive:

Salaries and other emoluments	1,109,497	926,249	698,600	634,400
Contributions to defined contribution plan	181,557	132,810	123,614	100,496
Social security contributions	2,543	2,431	797	620
Share options granted under ESOS	3,038	4,550	2,660	2,660
Estimated money value of benefit-in-kind	<u>42,700</u>	<u>31,563</u>	<u>23,950</u>	<u>18,563</u>
	<u>1,339,335</u>	<u>1,097,603</u>	<u>849,621</u>	<u>756,739</u>

Non-Executive:

Fees	258,000	241,500	162,000	145,500
Share options granted under ESOS	1,960	1,960	700	700
Estimated money value of benefit-in-kind	<u>3,900</u>	<u>7,800</u>	<u>23,950</u>	<u>18,563</u>
	<u>263,860</u>	<u>251,260</u>	<u>186,650</u>	<u>164,763</u>
Total	<u>1,603,195</u>	<u>1,348,863</u>	<u>1,036,271</u>	<u>921,502</u>

8. DIRECTORS' REMUNERATION (CONT'D.)

The number of directors of the Company whose total remuneration during the year fell within the following bands is analysed below:

	Number of Directors	
	2008	2007
Executive directors:		
RM200,001 - RM250,000	-	1
RM300,001 - RM350,000	1	-
RM550,001 - RM600,000	-	1
RM700,001 - RM750,000	1	-
	<hr/>	<hr/>
Non-Executive directors:		
Below RM50,000	-	3
RM50,001 - RM100,000	3	-
	<hr/>	<hr/>

9. INCOME TAX EXPENSE

	Group		Company	
	2008	2007	2008	2007
	RM	RM	RM	RM
		(restated)		
Current year tax:				
Malaysian income tax	78,096	183,646	35,570	-
Foreign tax	18,107	20,388	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	96,203	204,034	35,570	-
Under/(over) provision in prior years:				
Malaysian income tax	4,025	(78,283)	-	-
Foreign tax	211,546	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	311,774	125,751	35,570	-
Deferred tax (Note 27):				
Relating to origination and reversal of temporary differences	(1,271,601)	383,841	(21,989)	(9,828)
Relating to changes in tax rates	(172,205)	(516,193)	11,338	13,143
Under/(over) provision in prior years	76,288	(1,088,811)	(86,979)	210,648
	<hr/>	<hr/>	<hr/>	<hr/>
	(1,367,518)	(1,221,163)	(97,630)	213,963
Total tax expenses	<hr/>	<hr/>	<hr/>	<hr/>
	(1,055,744)	(1,095,412)	(62,060)	213,963

9. INCOME TAX EXPENSE (CONT'D.)

Domestic current income tax is calculated at the statutory tax rate of 26% (2007: 27%) of the estimated assessable profit for the year. The domestic statutory tax rate will be reduced to 25% in subsequent years of assessment. The computation of deferred tax as at 31 January 2008 has reflected these changes. Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

The statutory tax rates for Malaysian companies with paid up capital of RM2.5 million and below at the beginning of the basis period for the year of assessment are as follows:

	2008	2007
Chargeable income		
First RM500,000	20%	20%
Amount exceeding RM500,000	26%	27%

The effective tax rate for the Group is lower than the statutory income tax rate due to availability of reinvestment allowance from capital expenditure incurred by certain subsidiaries and profit exempted under pioneer status for a period of 5 years and International Procurement Centre (“IPC”) status by the Malaysian Industrial Development Authority (“MIDA”) for a period of 10 years granted to certain subsidiaries, subject to all the criterias set being met.

In prior year, the Group de-recognised deferred tax assets on unused reinvestment allowances. During the year, the Group changed its accounting policy following the early adoption of the revised FRS 112 and accordingly, deferred tax assets on unused reinvestment allowances are recognised. This accounting policy has been applied retrospectively and comparatives have been restated as shown in Note 30 to the financial statements.

9. INCOME TAX EXPENSE (CONT'D.)

A reconciliation of income tax expense applicable to profit before tax at the statutory income tax rate to income tax expense at the effective income tax rate of the Group and of the Company is as follows:

	2008	2007
	RM	RM
		(restated)
Group		
Profit before tax	19,365,569	15,196,589
Income tax at Malaysian statutory tax rate of 26% (2007: 27%)	5,035,048	4,103,079
Effect of different tax rates in other countries	15,739	(103,354)
Effect of income tax rate of Malaysian companies with paid-up capital below RM2.5 million	(88,324)	(31,928)
Effect of changes in tax rates on opening balance of deferred tax	(172,205)	(482,718)
Effect of deferred tax recognised at different tax rates	(5,233)	(33,475)
Effect of income exempted under pioneer status	(2,963,208)	(2,872,428)
Effect of income exempted under IPC status	(1,101,243)	(1,547,529)
Effect of expenses not deductible for tax purposes	4,155,019	1,275,077
Utilisation of previously unutilised capital allowances and unabsorbed tax losses	(2,439,872)	(29,700)
Utilisation of current year's reinvestment allowances	(127,595)	(142,645)
Deferred tax assets recognised on reinvestment allowances	(3,453,133)	-
Deferred tax assets not recognised in respect of current year's tax losses and unutilised capital allowances	(202,596)	(62,697)
Under/(over) provision of deferred tax in prior years	76,288	(1,088,811)
Under/(over) provision of income tax in prior years	215,571	(78,283)
Income tax expense for the year	(1,055,744)	(1,095,412)
Company		
Profit before tax	7,179,402	4,013,000
Income tax at Malaysian statutory tax rate of 26% (2007: 27%)	1,866,645	1,083,510
Effect of changes in tax rates on opening balance of deferred tax	10,492	13,143
Effect of income not subject to tax	(1,950,000)	(1,620,000)
Effect of expenses not deductible for tax purposes	97,782	526,662
(Over)/under provision of deferred tax in prior years	(86,979)	210,648
Income tax expense for the year	(62,060)	213,963

9. INCOME TAX EXPENSE (CONT'D.)

Tax savings during the financial year arising from:

	Group		Company	
	2008	2007	2008	2007
	RM	RM	RM	RM
Utilisation of current year tax losses	535,843	74,589	535,843	74,589
Utilisation of previously unrecognised tax losses	92,948	-	-	-
	<u>92,948</u>	<u>-</u>	<u>-</u>	<u>-</u>

10. EARNINGS PER SHARE**(a) Basic**

Basic earnings per share amounts are calculated by dividing profit for the year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares in issue during the financial year held by the Company.

	Group	
	2008	2007
		(restated)
Net profit for the year (RM)	<u>20,256,181</u>	<u>16,148,952</u>
Weighted average number of ordinary shares in issue	<u>138,855,240</u>	<u>126,000,000</u>
Basic earnings per share (sen)	<u>14.59</u>	<u>12.82</u>

The comparative basic earnings per share has been restated to take into account the effect of the prior year adjustment (Note 30) on profit for that year.

10. EARNINGS PER SHARE (CONT'D.)**(b) Diluted**

For the purpose of calculating diluted earnings per share, the profit for the year attributable to ordinary equity holders of the Company and the weighted average number of ordinary shares in issue during the financial year have been adjusted for the dilutive effects of all potential ordinary shares arising from share options granted to employees.

In respect of the diluted earnings per share calculation for the share options granted to employees, a calculation is performed to determine the number of shares that could have been issued at market price (determined as the average annual share price of the Company's share) based on the monetary value of the subscription rights attached to outstanding share options. This calculation serves to determine the "bonus" element to the ordinary shares outstanding for the purpose of computing the dilution. No adjustment is made to the net profit for the financial year for the share options calculation.

	Group	
	2008	2007 (restated)
Net profit for the year (RM)	20,256,181	16,148,952
Weighted average number of ordinary shares in issue	138,855,240	126,000,000
Effect of dilution from share options	997,527	-
Adjusted weighted average number of ordinary shares in issue and issuable	139,852,767	126,000,000
Diluted earnings per share (sen)	14.48	12.82

11. DIVIDENDS

	Dividends in respect of Year			Dividends Recognised in Year	
	2008 RM	2007 RM	2006 RM	2008 RM	2007 RM
Group					
Recognised during the year:					
Final dividend for 2006: 7% tax exempt on 450,000,000 ordinary shares of RM0.10 each (0.7 sen per ordinary share)	-	-	3,150,000	-	3,150,000
Final dividend for 2007: 6% tax exempt on 127,368,980 ordinary shares of RM0.50 each (3 sen per ordinary share)	-	3,821,069	-	3,821,069	-
Interim dividend for 2008: 20% less 26% tax on 10,000,000 ordinary shares of RM1.00 each	41,440	-	-	41,440	-
Proposed for approval at AGM (not recognised as at 31 January):					
Final dividend for 2008: 8.8% tax exempt on 138,855,240 ordinary shares of RM0.50 each (4.4 sen per ordinary share)	6,109,631	-	-	-	-
	<u>6,151,071</u>	<u>3,821,069</u>	<u>3,150,000</u>	<u>3,862,509</u>	<u>3,150,000</u>

11. DIVIDENDS (CONT'D.)

Company	Dividends in respect of Year			Dividends Recognised in Year	
	2008 RM	2007 RM	2006 RM	2008 RM	2007 RM
Recognised during the year:					
Final dividend for 2006: 7% tax exempt on 450,000,000 ordinary shares of RM0.10 each (0.7 sen per ordinary share)	-	-	3,150,000	-	3,150,000
Final dividend for 2007: 6% tax exempt on 127,368,980 ordinary shares of RM0.50 each (3 sen per ordinary share)	-	3,821,069	-	3,821,069	-
Proposed for approval at AGM (not recognised as at 31 January):					
Final dividend for 2008: 8.8% tax exempt on 138,855,240 ordinary shares of RM0.50 each (4.4 sen per ordinary share)	<u>6,109,631</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>6,109,631</u>	<u>3,821,069</u>	<u>3,150,000</u>	<u>3,821,069</u>	<u>3,150,000</u>

At the forthcoming Annual General Meeting, a first and final tax exempt dividend in respect of the financial year ended 31 January 2008, of 8.8% on 138,855,240 ordinary shares of RM0.50 each, amounting to a dividend payable of RM6,109,631 (4.4 sen net per ordinary share) will be proposed for shareholders' approval. The financial statements for the financial year ended 31 January 2008 do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 January 2009.

12. PROPERTY, PLANT AND EQUIPMENT

Group	Freehold land RM	Buildings RM	Plant and equipment RM	Motor vehicles RM	Renovation, equipment, furniture, and fittings RM	Capital work-in- progress RM	Total RM
At 31 January 2008							
Cost/Valuation							
At 1 February 2007	318,644	37,288,392	83,387,124	2,533,766	3,260,453	13,841,746	140,630,125
Acquisition of a subsidiary (Note 15)	1,718,608	8,176	-	20,084	189,990	-	1,936,858
Additions	782,184	9,263,179	11,473,596	148,209	615,181	12,959,298	35,241,647
Reclassification	-	1,894,310	8,115,366	(21,000)	52,353	(10,041,029)	-
Disposals/write off	-	(2,074,691)	(1,620,724)	(31,300)	(767,031)	-	(4,493,746)
Exchange differences	25,442	276,821	265,277	2,119	14,420	451,582	1,035,661
At 31 January 2008	<u>2,844,878</u>	<u>46,656,187</u>	<u>101,620,639</u>	<u>2,651,878</u>	<u>3,365,366</u>	<u>17,211,597</u>	<u>174,350,545</u>
Representing:							
At cost	2,844,878	37,673,246	101,620,639	2,651,878	3,365,366	17,211,597	165,367,604
At valuation	-	8,982,941	-	-	-	-	8,982,941
At 31 January 2008	<u>2,844,878</u>	<u>46,656,187</u>	<u>101,620,639</u>	<u>2,651,878</u>	<u>3,365,366</u>	<u>17,211,597</u>	<u>174,350,545</u>

12. PROPERTY, PLANT AND EQUIPMENT (CONT'D.)

Group	Freehold land RM	Buildings RM	Plant and equipment RM	Motor vehicles RM	Renovation, equipment, furniture, and fittings RM	Capital work-in- progress RM	Total RM
Accumulated Depreciation							
At 1 February 2007	-	2,357,331	27,654,742	1,294,167	1,835,269	-	33,141,509
Depreciation charge for the year (Note 6)	-	840,833	5,676,832	128,749	336,497	-	6,982,911
Reclassification	-	-	(81,341)	-	81,341	-	-
Disposals/write off	-	(83,899)	(1,375,052)	(31,299)	(752,605)	-	(2,242,855)
Exchange differences	-	11,048	(50,069)	373	5,854	-	(32,794)
At 31 January 2008	-	3,125,313	31,825,112	1,391,990	1,506,356	-	37,848,771
Net Carrying Amount							
At cost	2,844,878	35,266,569	69,795,527	1,259,888	1,859,010	17,211,597	128,237,469
At valuation	-	8,264,305	-	-	-	-	8,264,305
At 31 January 2008	2,844,878	43,530,874	69,795,527	1,259,888	1,859,010	17,211,597	136,501,774

12. PROPERTY, PLANT AND EQUIPMENT (CONT'D.)

Group	Freehold land RM	Buildings RM	Plant and equipment RM	Motor vehicles RM	Renovation, equipment, furniture, and fittings RM	Capital work-in- progress RM	Total RM
At 31 January 2007							
Cost/Valuation							
At 1 February 2006	340,917	21,028,356	70,281,169	2,011,740	2,977,007	15,335,575	111,974,764
Additions	-	6,492,140	10,125,443	522,026	446,175	14,411,366	31,997,150
Reclassifications	-	10,144,351	9,000,644	-	16,518	(15,905,195)	3,256,318
Write off	-	-	(4,326,105)	-	(168,897)	-	(4,495,002)
Exchange differences	(22,273)	(376,455)	(1,694,027)	-	(10,350)	-	(2,103,105)
At 31 January 2007	<u>318,644</u>	<u>37,288,392</u>	<u>83,387,124</u>	<u>2,533,766</u>	<u>3,260,453</u>	<u>13,841,746</u>	<u>140,630,125</u>
Representing:							
At cost	318,644	28,305,451	83,387,124	2,533,766	3,260,453	13,841,746	131,647,184
At valuation	-	8,982,941	-	-	-	-	8,982,941
At 31 January 2007	<u>318,644</u>	<u>37,288,392</u>	<u>83,387,124</u>	<u>2,533,766</u>	<u>3,260,453</u>	<u>13,841,746</u>	<u>140,630,125</u>

12. PROPERTY, PLANT AND EQUIPMENT (CONT'D.)

Group	Freehold land RM	Buildings RM	Plant and equipment RM	Motor vehicles RM	Renovation, equipment, furniture, and fittings RM	Capital work-in- progress RM	Total RM
Accumulated Depreciation							
At 1 February 2006	-	1,542,526	27,155,555	1,154,113	1,693,495	-	31,545,689
Depreciation charge for the year (Note 6)	-	756,581	4,698,080	140,211	299,691	-	5,894,563
Impairment loss recognised							
in profit or loss (Note 6)	-	-	164,288	-	-	-	164,288
Write off	-	-	(4,326,104)	-	(151,261)	-	(4,477,365)
Exchange differences	-	(6,572)	(37,077)	(157)	(10,796)	-	(54,602)
Adjustments (Note 13/Note 14)	-	64,796	-	-	4,140	-	68,936
At 31 January 2007	<u>-</u>	<u>2,357,331</u>	<u>27,654,742</u>	<u>1,294,167</u>	<u>1,835,269</u>	<u>-</u>	<u>33,141,509</u>
Net Carrying Amount							
At cost	318,644	26,487,097	55,732,382	1,239,599	1,425,184	13,841,746	99,044,652
At valuation	-	8,443,964	-	-	-	-	8,443,964
At 31 January 2007	<u>318,644</u>	<u>34,931,061</u>	<u>55,732,382</u>	<u>1,239,599</u>	<u>1,425,184</u>	<u>13,841,746</u>	<u>107,488,616</u>

12. PROPERTY, PLANT AND EQUIPMENT (CONT'D.)

Company	Equipment, furniture, and fittings RM	Motor vehicles RM	Total RM
At 31 January 2008			
Cost			
At 1 February 2007	235,765	542,200	777,965
Additions	29,830	-	29,830
At 31 January 2008	<u>265,595</u>	<u>542,200</u>	<u>807,795</u>
Accumulated Depreciation			
At 1 February 2007	56,721	37,513	94,234
Depreciation charge for the year (Note 6)	38,166	31,291	69,457
At 31 January 2008	<u>94,887</u>	<u>68,804</u>	<u>163,691</u>
Net Carrying Amount			
At 31 January 2008	<u>170,708</u>	<u>473,396</u>	<u>644,104</u>
At 31 January 2007			
Cost			
At 1 February 2006	199,812	62,200	262,012
Additions	35,953	480,000	515,953
At 31 January 2007	<u>235,765</u>	<u>542,200</u>	<u>777,965</u>
Accumulated Depreciation			
At 1 February 2006	23,505	6,222	29,727
Depreciation charge for the year (Note 6)	33,216	31,291	64,507
At 31 January 2007	<u>56,721</u>	<u>37,513</u>	<u>94,234</u>
Net Carrying Amount			
At 31 January 2007	<u>179,044</u>	<u>504,687</u>	<u>683,731</u>

12. PROPERTY, PLANT AND EQUIPMENT (CONT'D.)

- (a) Certain leasehold buildings of the Group were last revalued on 18 August 2003. Fair value is determined by reference to open market values on an existing use basis.

At 31 January 2007, had the revalued buildings of the Group been carried under the historical cost model, the carrying amount would have been RM5,016,697 (2007: RM5,125,756).

- (b) During the financial year, the Group and the Company acquired property, plant and equipment by cash payments at aggregate costs of RM36,277,308 (2007: RM33,994,207) and RM29,830 (2007: RM515,953) respectively. The carrying amounts of property, plant and equipment held under hire purchase and finance lease arrangements are as follows:

	Group	
	2008	2007
	RM	RM
Motor vehicles	77,412	350,889
Office equipment	26,177	-
	<u>103,589</u>	<u>350,889</u>

Details of the terms and conditions of the hire purchase and finance lease arrangements are disclosed in Note 25 to the financial statements.

- (c) The net carrying amounts of property, plant and equipment pledged as securities for borrowings (Note 24) are as follows:

	Group	
	2008	2007
	RM	RM
Buildings	26,502,035	19,493,579
Plant and equipment	12,596,012	14,180,056
	<u>39,098,047</u>	<u>33,673,635</u>

13. PREPAID LAND LEASE PAYMENTS

	Group	
	2008	2007
	RM	RM
At beginning of year	9,827,479	9,144,932
Additions	-	935,352
Adjustment (Note 12)	-	(64,796)
Amortisation for the year (Note 6)	(187,092)	(188,009)
At end of year	<u>9,640,387</u>	<u>9,827,479</u>
Analysed as:		
Long term leasehold land	9,640,387	9,827,479
Short term leasehold land	-	-
	<u>9,640,387</u>	<u>9,827,479</u>

Leasehold land with an aggregate carrying value of RM4,303,914 (2007: RM2,866,574) are pledged as securities for borrowings (Note 24).

14. INTANGIBLE ASSETS

Group	Goodwill RM	Negative Goodwill RM	Others RM	Total RM
Cost				
At 1 February 2006	2,964,652	(12,086,283)	61,908	(9,059,723)
Effects of adopting FRS 3	(480,598)	12,149,100	-	11,668,502
Reclassification	-	45,390	(61,908)	(16,518)
Effect of changes of tax rate on pre-acquisition revaluation reserves (Note 27)	(12,882)	(108,207)	-	(121,089)
At 31 January 2007 and 1 February 2007	2,471,172	-	-	2,471,172
Acquisition of subsidiaries (Note 15)	54,870	-	-	54,870
Effect of changes of tax rate on pre-acquisition revaluation reserves (Note 27)	(6,442)	-	-	(6,442)
At 31 January 2008	2,519,600	-	-	2,519,600
Accumulated Amortisation				
At 1 February 2006	480,598	(2,215,818)	13,475	(1,721,745)
Effects of adopting FRS 3	(480,598)	2,206,483	-	1,725,885
Adjustment (Note 12)	-	9,335	(13,475)	(4,140)
At 31 January 2007 and 31 January 2008	-	-	-	-
Net Carrying Amount				
At 31 January 2007	2,471,172	-	-	2,471,172
At 31 January 2008	2,519,600	-	-	2,519,600

15. INVESTMENTS IN SUBSIDIARIES

	Company	
	2008	2007
	RM	RM
Unquoted shares at cost	<u>44,514,173</u>	<u>37,642,345</u>

Details of Subsidiaries

Name of Subsidiaries	Country of Incorporation	Principal Activities	Proportion of Ownership Interest	
			2008	2007
Terang Nusa Sdn. Bhd.*	Malaysia	Manufacture and distribution of sterile surgical and medical examination gloves	100%	100%
American Healthcare (Malaysia) Sdn. Bhd.	Malaysia	Manufacture and distribution of sterile surgical gloves	100%	100%
Nusaco Sdn. Bhd.	Malaysia	Generation and supply of energy and electricity using biomass technology	100%	100%
Profit Point Manufacturing Sdn. Bhd.*	Malaysia	Manufacture and distribution of medical examination gloves	100%	100%
Ulma International GmbH *	Germany	Distribution of medical gloves and other hospital related products	100%	100%
Purnabina Sdn. Bhd.*	Malaysia	Manufacture and distribution of medical examination and dental gloves	97%	93%
Adventa Health Sdn. Bhd.	Malaysia	Distribution of medical gloves and other hospital related products	100%	100%

15. INVESTMENTS IN SUBSIDIARIES (CONT'D.)**Details of Subsidiaries (Cont'd.)**

Name of Subsidiaries	Country of Incorporation	Principal Activities	Proportion of Ownership Interest	
			2008	2007
Suizze Health Limited *	Hong Kong	Distribution of medical gloves and other hospital related products	100%	100%
Cozena Limited *	Hong Kong	Investment holding	100%	100%
Kevenoll S.A. *#	Uruguay	Manufacture and distribution of medical gloves	100%	100%
Infumax (Private) Limited *#	Sri Lanka	Dormant	100%	-
Confidex Sdn. Bhd. *	Malaysia	Dormant	100%	-
Utama Associates Sdn. Bhd.*	Malaysia	Trading in medical and surgical equipment and appliances	60%	-
Sun Healthcare (M) Sdn. Bhd.*##	Malaysia	Trading in medical and surgical equipment and appliances	60%	-

* Audited by firms other than Ernst & Young

Subsidiary of Cozena Limited

Subsidiary of Utama Associates Sdn. Bhd.

Acquisitions of Subsidiaries

During the current financial year, the Group acquired 100% equity interest in Infumax (Private) Limited and Confidex Sdn. Bhd. for a total cash consideration of RM130,100. In addition, the Group also acquired 60% equity interest in Utama Associates Sdn. Bhd. and its subsidiary, Sun Healthcare (M) Sdn. Bhd. for a total consideration of RM700,000 by cash.

15. INVESTMENTS IN SUBSIDIARIES (CONT'D.)**Acquisitions of Subsidiaries (Cont'd.)**

The acquisitions had the following effect on the Group's financial results for the year:

	2008 RM
Revenue	1,340,481
Profit from operations	99,867
Profit for the year	<u>75,996</u>

If the acquisition had occurred on 1 February 2007, the effect on the Group's revenue and profit for the year would have been RM3,734,554 and RM227,625 respectively.

The assets and liabilities arising from the acquisitions are as follows:

	Fair Value Recognised on Acquisition RM	Acquiree's Carrying Amount RM
Property, plant and equipment	1,936,858	1,928,682
Inventories	1,185,171	1,185,171
Trade receivables	979,510	979,510
Other receivables	428,645	428,645
Cash and bank balances	618,980	618,980
Borrowings	(1,254,058)	(1,246,216)
Trade payables	(1,552,857)	(1,552,857)
Other payables	(780,375)	(780,375)
Group's share of net assets	<u>1,561,874</u>	<u>1,561,540</u>
Fair value of net assets	1,561,874	
Less: Minority interests	524,282	
Group's share of net assets	<u>1,037,592</u>	
Goodwill on acquisitions (Note 14)	54,870	
Negative goodwill (Note 6)	(262,362)	
	<u>(207,492)</u>	
Total cost of acquisitions	<u>830,100</u>	

15. INVESTMENTS IN SUBSIDIARIES (CONT'D.)**Acquisitions of Subsidiaries (Cont'd.)**

The cash outflow on acquisition is as follows:

	2008
	RM
Total purchase consideration satisfied by cash, representing net cash outflow of the Company	830,100
Cash and cash equivalents of subsidiaries acquired	<u>(618,980)</u>
Net cash outflow of the Group	<u>211,120</u>

16. INVENTORIES

	Group	
	2008	2007
	RM	RM
Cost		
Raw materials	10,032,978	7,309,315
Packaging materials	4,921,508	3,684,091
Work-in-progress	22,124,884	15,244,339
Finished goods	9,797,200	10,060,576
	<u>46,876,570</u>	<u>36,298,321</u>

17. TRADE RECEIVABLES

	Group	
	2008	2007
	RM	RM
Third parties	38,109,856	31,056,710
Related parties	10,252,243	10,691,463
	<u>48,362,099</u>	<u>41,748,173</u>
Less: Provision for doubtful debts:		
Third parties	<u>(3,014,224)</u>	<u>(3,006,820)</u>
	<u>45,347,875</u>	<u>38,741,353</u>

17. TRADE RECEIVABLES (CONT'D.)**(a) Credit risk**

The Group's primary exposure to credit risk arises through its trade receivables. The Group's trading terms with its customers are mainly on credit. The credit period is generally for a period of one month, extending up to three months for major customers. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. Trade receivables are non-interest bearing.

(b) Amount due from related parties

Amount due from related parties relates to companies in which a director of the Company has interest. The amount is non-interest bearing and receivable on demand. This amount is unsecured and is to be settled in cash.

18. OTHER RECEIVABLES

	Group		Company	
	2008	2007	2008	2007
	RM	RM	RM	RM
Current				
Advances to subsidiaries	-	-	81,533,437	48,055,442
Amounts due from a related party	82,264	-	-	-
Deposits and prepayments	5,524,456	3,015,840	86,820	22,438
Tax recoverable	1,557,148	1,479,573	555,670	-
Other receivables	7,410,609	1,439,184	-	-
	<u>14,574,477</u>	<u>5,934,597</u>	<u>82,175,927</u>	<u>48,077,880</u>
Long term				
Bank deposits with licensed banks	<u>4,900,000</u>	<u>2,500,000</u>	<u>4,900,000</u>	<u>2,500,000</u>

The advances to subsidiaries are unsecured, interest-free and receivable on demand.

Amounts due from a related party, a company in which a director of the Company has interests, is non-interest bearing and receivable on demand. This amount is unsecured and is to be settled in cash.

18. OTHER RECEIVABLES (CONT'D.)

Long term bank deposits of the Group is subject to interest rate of 9.26% (2007: 5.72%) per annum and pledged as securities for borrowings (Note 24).

The Group has no significant concentration of credit risk that may arise from exposures to a single debtor or to groups of debtors.

19. CASH AND CASH EQUIVALENTS

	Group		Company	
	2008	2007	2008	2007
	RM	RM	RM	RM
Cash on hand and at banks	33,981,802	3,322,671	27,017,723	30,543
Deposits with licensed banks	3,796,078	29,105,540	-	23,118,119
Total cash and bank balances	37,777,880	32,428,211	27,017,723	23,148,662
Less: Bank overdrafts (Note 24)	(640,772)	(208,084)	-	-
Cash and cash equivalents	37,137,108	32,220,127	27,017,723	23,148,662

Deposits with licensed banks of the Group amounting to RM1,369,412 (2007: RM493,875) are pledged as securities for borrowings (Note 24).

The weighted average effective interest rates of deposits at balance sheet date ranges from 2.28% to 4.25% (2007: 2.70% to 4.25%) per annum.

20. SHARE CAPITAL AND SHARE PREMIUM

	Number of Ordinary Shares		Amount	
	2008	2007	2008	2007
			RM	RM
Authorised share capital				
<u>Number of ordinary shares of RM0.10 each</u>				
At 1 February	200,000,000	1,000,000,000	100,000,000	100,000,000
Consolidation on 30 June 2006	-	(800,000,000)	-	-
<u>Number of ordinary shares of RM0.50 each</u>				
At 31 January	200,000,000	200,000,000	100,000,000	100,000,000

20. SHARE CAPITAL AND SHARE PREMIUM (CONT'D.)

	←	←	←	→
	Share Capital (issued and fully paid)	Share Capital (issued and fully paid) RM	Share Premium RM	Total RM
<u>Number of ordinary shares of RM0.10 each</u>				
At 1 February 2006	450,000,000	45,000,000	35,933,991	80,933,991
<u>Number of ordinary shares of RM0.50 each</u>				
Consolidation on 30 June 2006	90,000,000	-	-	-
Bonus issue	36,000,000	18,000,000	(18,000,000)	-
Transaction costs	-	-	(203,110)	(203,110)
At 31 January 2007	126,000,000	63,000,000	17,730,881	80,730,881
Ordinary shares issued during the year:				
Pursuant to ESOS (Note 22)	3,855,240	1,927,620	1,889,067	3,816,687
Pursuant to private placement	9,000,000	4,500,000	9,540,000	14,040,000
Transaction costs	-	-	(109,330)	(109,330)
At 31 January 2008	138,855,240	69,427,620	29,050,618	98,478,238

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

(a) Ordinary shares issued for cash

During the financial year, the Company issued 9,000,000 new ordinary shares of RM0.50 each through a private placement at an issue price of RM1.56 per ordinary share for cash, for additional working capital purposes. Share premium of RM9,540,000 arose from the issuance of ordinary shares. The new ordinary share rank pari passu in all respects with the existing ordinary shares of the Company.

20. SHARE CAPITAL AND SHARE PREMIUM (CONT'D.)**(b) Consolidation of ordinary shares**

In the previous financial year, the Company consolidated the entire issued and paid-up share capital from existing ordinary shares with par value of RM0.10 each into ordinary shares with par value of RM0.50 each on 30 June 2006.

(c) Bonus issue

In the previous financial year, the Company issued 36,000,000 bonus ordinary shares of RM0.50 each ("Bonus Shares") on basis of two (2) Bonus Shares for every five (5) existing consolidated ordinary shares of RM0.50 each. The new ordinary shares rank pari passu in all respects with the existing ordinary shares of the Company.

The private placement issuance, consolidation, bonus issue exercise costs of RM109,330 (2007: RM203,110) have been included in the share premium account.

21. FOREIGN CURRENCY TRANSLATION RESERVE

	RM
Group	
At 1 February 2006	(4,991)
Foreign currency translation	<u>130,888</u>
At 31 January 2007 and 1 February 2007	125,897
Foreign currency translation	<u>(274,790)</u>
At 31 January 2008	<u>(148,893)</u>

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency. It is also used to record the exchange differences arising from monetary items which form part of the Group's net investment in foreign operations, where the monetary item is denominated in either the functional currency of the reporting entity or the foreign operation.

22. SHARE OPTION RESERVE

	Group RM	Company RM
At 1 February 2006	-	-
Share options granted under ESOS	39,529	8,890
At 31 January 2007 and 1 February 2007	39,529	8,890
Share options granted under ESOS	14,307	44,946
Transaction costs	(16,250)	(16,250)
	(1,943)	28,696
At 31 January 2008	37,586	37,586

The share option reserve represents the equity-settled share options granted to employees. This reserve is made up of the cumulative value of services received from employees recorded on grant of share options.

Employee Share Options Scheme (“ESOS”)

The Adventa Berhad Employee Share Options Scheme (“ESOS”) is governed by the by-laws approved by the shareholders at an Extraordinary General Meeting held on 28 July 2005. The ESOS was implemented on 29 November 2005 and is to be in force for a period of 5 years from the date of implementation and subject to renewal option for an additional 5 years, to be determined by the Board of Directors.

The salient details of the ESOS are as follows:

- (i) The ESOS Committee appointed by the Board of Directors to administer the ESOS, may from time to time grant options to eligible employees and directors of the Group to subscribe for new ordinary shares of RM0.50 each in the Company. Eligible persons under the ESOS included executive and non-executive directors and employees of the Group.
- (ii) Subject to the discretion of the ESOS Committee, any eligible employee whose employment has been confirmed and any director holding office shall be eligible to participate in the ESOS.
- (iii) In the event of cessation of employment, bankruptcy or upon happening of any other event which results in the grantee being deprived of the beneficial ownership of the option prior to the full exercise of the options, such options shall cease without any claim against the Company. Notwithstanding this, the grantee may exercise his unexercised options within the options period subject to such conditions that may be imposed by the ESOS Committee in its discretion where the grantee ceases employment with the Group by reason of:
 - retirement at or after attaining retirement age;
 - ill-health, injury, physical or mental disability;
 - transfer at the discretion of the Company; and/or
 - any other circumstance acceptable to the ESOS Committee, subject to the approval and/or ratification by the Board of Directors.

22. SHARE OPTION RESERVE (CONT'D.)

- (iv) In the event of a change in the capital structure of the Company, the directors may make or provide for adjustments to be made in the option price and/or in the number of shares covered by outstanding options as the directors in its discretion may in good faith determine to be equitably required in order to prevent dilution or enlargement of the rights of the grantee or provide for adjustments in the number of shares to give the grantee the same proportion of the issued share capital of the Company to which the grantee was previously entitled.
- (v) The number of options that may be offered under the ESOS shall be at the discretion of the ESOS Committee after taking into consideration the seniority, performance and length of service, subject to a minimum of 1,000 options and the offer being made in multiples of 1,000 options.
- (vi) The total number of shares to be issued under the ESOS shall not exceed in aggregate 15% of the issued and paid-up share capital of the Company at any point of time during the tenure of the ESOS and out of which not more than 50% of the shares shall be allocated, in aggregate, to directors and senior management. In addition, not more than 10% of the shares available under the ESOS shall be allocated to any individual eligible person who, either singly or collectively through persons connected with the eligible person, holds 20% or more in the issued and paid-up capital of the Company.
- (vii) The option price for each share shall be the weighted average of the market price for the five market days immediately preceding the date on which the option is granted less, if the ESOS Committee shall so determine at their discretion from time to time, a discount of not more than 10%, or any such rate as may be allowed by the authorities. Notwithstanding this, the option price for each share shall in no event be less than the par value of a share of RM0.50.
- (viii) The options shall become exercisable to the extent of 40% of the options granted on the first financial year from the date of grant and 30% of the options granted on the second and third financial year from the date of grant provided that the employee has been in continuous service with the Group throughout the period. The employees' entitlements to the options are vested as soon as they become exercisable.
- (ix) The new ordinary shares issued upon exercise of the options granted under the ESOS will rank pari passu in all respects with the existing ordinary shares of the Company, except that the new ordinary shares will not be entitled to any dividends, rights, allotments or other distributions, the entitlement date of which is prior to the date of allotment of the said shares.

22. SHARE OPTION RESERVE (CONT'D.)**Employee Share Option Scheme ("ESOS") (Cont'd)**

The following table illustrates the number and movements in share options during the year:

	Number of Share Options								
	Outstanding at 01.02.2007	← Granted	Movement During the Year			→ Expired	Outstanding at 31.01.2008	Exercisable at 31.01.2008	
			Exercised	Forfeited					
2008									
2005 Options	7,905,800	-	(3,855,240)	(334,800)	-	3,715,760	3,715,760		
Exercise price (RM)	0.99					0.99	0.99		
	Outstanding at 01.02.2006	Consolidation at 30.06.2006	← Granted	Movement During the Year			→ Expired	Outstanding at 31.01.2007	Exercisable at 31.01.2007
				Exercised	Forfeited				
2007									
2005 Options	32,045,000	8,972,600	-	-	(1,066,800)	-	7,905,800	5,534,060	
Exercise price (RM)	0.275	0.99					0.99	0.99	

The exercise period for 2005 Options is from 29 November 2005 to 27 September 2010.

As disclosed in Note 20 to the financial statements, options exercised during the financial year resulted in the issuance of 3,855,240 (2007: Nil) ordinary shares at an average price of RM0.99 (2007: RM Nil) each. The related weighted average share price at the date of exercise was RM1.35 (2007: RM Nil).

23. RETAINED PROFITS

As at 31 January 2008, the Company has tax exempt profits available for distribution of approximately RM12,330,000 (2007: RM8,650,000), subject to the agreement of the Inland Revenue Board.

Prior to the year of assessment 2008, Malaysian companies adopted the full imputation system. In accordance with the Finance Act 2007 which was gazetted on 28 December 2007, companies shall not be entitled to deduct tax on dividend paid, credited or distributed to its shareholders, and such dividends will be exempted from tax in the hands of the shareholders ("single tier system"). However, there is a transitional period of six years, expiring on 31 December 2013, to allow companies to pay franked dividends to their shareholders under limited circumstances. Companies also have irrevocable option to disregard the 108 balance and opt to pay dividends under the single tier system. The change in the tax legislation also provides for the 108 balance to be locked-in as at 31 January 2008 in accordance with Section 39 of the Finance Act 2007.

The Company did not elect for the irrevocable option to disregard the 108 balance. Accordingly, during the transitional period, the Company may utilise the credit in the 108 balance as at 31 January 2008 to distribute cash dividend payments to ordinary shareholdings as defined under the Finance Act 2007. As at 31 January 2008, the Company has sufficient credit in the 108 balance to pay franked dividends out of its entire retained earnings.

24. BORROWINGS

	Group		Company	
	2008	2007	2008	2007
	RM	RM	RM	RM
Short term borrowings				
Secured:				
Bank overdrafts	640,772	208,084	-	-
Bankers acceptances	3,051,000	1,336,000	-	-
Export credit refinancing	22,849,300	23,546,400	-	-
Term loans	8,193,670	4,427,567	3,435,000	-
Hire purchase and finance lease liabilities (Note 25)	58,428	85,199	-	-
	<u>34,793,170</u>	<u>29,603,250</u>	<u>3,435,000</u>	<u>-</u>
Long term borrowings				
Secured:				
Term loans	60,628,607	44,691,401	44,465,000	25,000,000
Hire purchase and finance lease liabilities (Note 25)	48,367	13,399	-	-
	<u>60,676,974</u>	<u>44,704,800</u>	<u>44,465,000</u>	<u>25,000,000</u>

24. BORROWINGS (CONT'D)

	Group		Company	
	2008	2007	2008	2007
	RM	RM	RM	RM
Total Borrowings				
Bank overdrafts (Note 19)	640,772	208,084	-	-
Bankers acceptances	3,051,000	1,336,000	-	-
Export credit refinancing	22,849,300	23,546,400	-	-
Term loans	68,822,277	49,118,968	47,900,000	25,000,000
Hire purchase and finance lease liabilities (Note 25)	106,795	98,598	-	-
	<u>95,470,144</u>	<u>74,308,050</u>	<u>47,900,000</u>	<u>25,000,000</u>

The interest rates at the balance sheet date for borrowings, excluding hire purchase payables, were as follows:

	Group		Company	
	2008	2007	2008	2007
	%	%	%	%
Overdrafts	7.75 - 8.50	7.25 - 7.75	-	-
Term loans	3.00 - 6.00	3.00 - 5.38	4.82 - 5.35	5.22 - 5.35
Other trade facilities	4.50	4.50	-	-

The banking facilities and term loans of the Group and of the Company are secured by certain assets of the Group as disclosed in Note 12(c).

The banking facilities and term loans are secured by the following:

- (i) first legal charge over prepaid land lease payment, buildings and plant and equipment as disclosed in Notes 12(c) and 13;
- (ii) cash margin of 10% against utilisation of the facility;
- (iii) corporate guarantees by the holding company;
- (iv) specific debenture incorporating a fixed charge over the machineries financed by the banks;
- (v) guarantees by a subsidiary's director and a third party jointly and severally; and
- (vi) fixed deposits in the name of a subsidiary's director.

25. HIRE PURCHASE AND FINANCE LEASE LIABILITES

	Group	
	2008	2007
	RM	RM
Future minimum payments:		
Not later than 1 year	69,218	94,711
Later than 1 year and not later than 2 years	43,172	15,671
Later than 2 years and not later than 5 years	15,782	-
Total minimum future payments	<u>128,172</u>	<u>110,382</u>
Less: Future finance charges	<u>(21,377)</u>	<u>(11,784)</u>
Present value of hire purchase liabilities (Note 24)	<u>106,795</u>	<u>98,598</u>
 Analysis of present value of hire purchase payables:		
Not later than 1 year	58,428	85,199
Later than 1 year and not later than 2 years	35,555	13,399
Later than 2 years and not later than 5 years	12,812	-
	<u>106,795</u>	<u>98,598</u>
Less: Amount due within 12 months (Note 24)	<u>(58,428)</u>	<u>(85,199)</u>
Amount due after 12 months (Note 24)	<u>48,367</u>	<u>13,399</u>

The Group has hire purchase and finance lease contracts for certain items of property, plant and equipment (Note 12(b)). There are no restrictions placed upon the Group by entering into these hire purchase and no arrangements have been entered into for contingent rental payments.

The hire purchase and finance lease liabilities bore interest at the balance sheet date at rates of between 3.30% to 4.91% (2007: 3.00% to 3.40%) per annum.

26. DEFERRED PAYMENTS

	Group	
	2008	2007
	RM	RM
Deferred payments for acquisition of land		
Not later than 1 year	140,738	281,477
Later than 1 year and not later than 2 years	-	140,738
Later than 2 years and not later than 5 years	-	-
	<u>140,738</u>	<u>422,215</u>
Analysed as:		
Amount due within 12 months (Note 29)	140,738	281,477
Amount due after 12 months	-	140,738
	<u>140,738</u>	<u>422,215</u>

Deferred payments relate to the instalment payments for the acquisition of leasehold land from Perbadanan Kemajuan Iktisad Negeri Kelantan.

27. DEFERRED TAXATION

	Group		Company	
	2008	2007	2008	2007
	RM	RM	RM	RM
At beginning of year,				
as previously stated	6,288,234	6,758,058	(180,690)	(394,653)
Prior year adjustment (Note 30)	<u>(3,185,114)</u>	<u>(2,312,686)</u>	-	-
At beginning of year, as restated	3,103,120	4,445,372	(180,690)	(394,653)
Recognised in				
income statement (Note 9)	(1,367,518)	(1,221,163)	(97,630)	213,963
Effect of changes of tax rate on pre-acquisition revaluation reserves (Note 14)	<u>(6,442)</u>	<u>(121,089)</u>	-	-
At end of year	<u>1,729,160</u>	<u>3,103,120</u>	<u>(278,320)</u>	<u>(180,690)</u>
Presented after appropriate offsetting as follows:				
Deferred tax assets	(3,060,926)	(1,217,500)	(316,759)	(220,627)
Deferred tax liabilities	<u>4,790,086</u>	<u>4,320,620</u>	<u>38,439</u>	<u>39,937</u>
	<u>1,729,160</u>	<u>3,103,120</u>	<u>(278,320)</u>	<u>(180,690)</u>

27. DEFERRED TAXATION (CONT'D.)

The components and movements of deferred tax liabilities and assets during the financial year prior to offsetting are as follows:

Deferred Tax Liabilities of the Group:

	Property, plant and equipment RM	Others RM	Total RM
At 1 February 2007, as restated	8,665,592	-	8,665,592
Recognised in income statement	2,228,370	94,290	2,322,660
Effect of changes of tax rate on pre-acquisition revaluation reserves (Note 14)	(6,442)	-	(6,442)
At 31 January 2008	<u>10,887,520</u>	<u>94,290</u>	<u>10,981,810</u>
At 1 February 2006, as restated	9,056,899	-	9,056,899
Recognised in income statement	(270,218)	-	(270,218)
Effect of changes of tax rate on pre-acquisition revaluation reserves (Note 14)	(121,089)	-	(121,089)
At 31 January 2007	<u>8,665,592</u>	<u>-</u>	<u>8,665,592</u>

Deferred Tax Assets of the Group:

	Unutilised reinvestment allowances RM	Unabsorbed tax losses and unutilised capital allowances RM	Others RM	Total RM
At 1 February 2007, as previously stated	-	(2,147,615)	(229,743)	(2,377,358)
Prior year adjustment (Note 30)	(3,185,114)	-	-	(3,185,114)
At 1 February 2007, as restated	(3,185,114)	(2,147,615)	(229,743)	(5,562,472)
Recognised in income statement	(3,014,836)	(905,085)	229,743	(3,690,178)
At 31 January 2008	<u>(6,199,950)</u>	<u>(3,052,700)</u>	<u>-</u>	<u>(9,252,650)</u>
At 1 February 2006, as previously stated	-	(2,177,694)	(121,147)	(2,298,841)
Prior year adjustment (Note 30)	(2,312,686)	-	-	(2,312,686)
At 1 February 2006, as restated	(2,312,686)	(2,177,694)	(121,147)	(4,611,527)
Recognised in income statement	(872,428)	30,079	(108,596)	(950,945)
At 31 January 2007	<u>(3,185,114)</u>	<u>(2,147,615)</u>	<u>(229,743)</u>	<u>(5,562,472)</u>

27. DEFERRED TAXATION (CONT'D.)**Deferred Tax Liabilities of the Company:**

	Property, plant and equipment RM	Total RM
At 1 February 2007	39,937	39,937
Recognised in income statement	(1,498)	(1,498)
At 31 January 2008	<u>38,439</u>	<u>38,439</u>
At 1 February 2006	-	-
Recognised in income statement	39,937	39,937
At 31 January 2007	<u>39,937</u>	<u>39,937</u>

Deferred Tax Assets of the Company:

	Unabsorbed tax losses and unutilised capital allowances RM	Others RM	Total RM
At 1 February 2007	(215,607)	(5,020)	(220,627)
Recognised in income statement	(87,807)	(8,325)	(96,132)
At 31 January 2008	<u>(303,414)</u>	<u>(13,345)</u>	<u>(316,759)</u>
At 1 February 2006	(394,653)	-	(394,653)
Recognised in income statement	179,046	(5,020)	174,026
At 31 January 2007	<u>(215,607)</u>	<u>(5,020)</u>	<u>(220,627)</u>

28. TRADE PAYABLES

Trade payables are non-interest bearing and the normal trade credit terms granted to the Group range from 30 days to 90 days.

29. OTHER PAYABLES

	Group		Company	
	2008	2007	2008	2007
	RM	RM	RM	RM
Advances from subsidiaries	-	-	2,846,654	-
Amount due to a related party	-	71,853	-	-
Accruals	3,809,686	3,873,340	914,747	829,650
Deferred payments (Note 26)	140,738	281,477	-	-
Other payables	9,920,585	7,234,520	714,124	445,382
	<u>13,871,009</u>	<u>11,461,190</u>	<u>4,475,525</u>	<u>1,275,032</u>

Advances from subsidiaries are non-interest bearing and repayable on demand. The amounts are unsecured and are to be settled in cash.

Amount due to a related party, a company in which a director of the Company has interests, is non-interest bearing and repayable on demand. This amount is unsecured and is to be settled in cash.

Included in other payables of the Group is the amount due to a contractor for the construction of building amounting to RM6,896,537 (2007: RM4,942,966).

30. CHANGE IN ACCOUNTING POLICY AND PRIOR YEAR ADJUSTMENT

During the year, the Group has early adopted the revised FRS 112 Income Tax and changed its accounting policy to recognise the deferred tax assets arising from unused reinvestment allowances.

The change in accounting policy has been applied retrospectively and comparatives have been restated. The effect of change in accounting policy is as follows:

	Group	
	2008	2007
	RM	RM
Effect on retained profits:		
At beginning of year, as previously stated	43,168,970	21,099,829
Effect of change in accounting policy	3,185,114	2,312,686
At end of year, as restated	<u>46,354,084</u>	<u>23,412,515</u>

30. CHANGE IN ACCOUNTING POLICY AND PRIOR YEAR ADJUSTMENT (CONT'D.)**Effect on net profit for the year:**

Net profit before change in accounting policy	20,421,313	15,419,573
Effect of change in accounting policy	-	872,428
Profit for the year	<u>20,421,313</u>	<u>16,292,001</u>

Comparative amount for deferred tax and tax expense of the Group as at 31 January 2007 have been restated as follows:

	Previously Stated RM	Adjustments RM	Restated RM
Income statement			
Income tax expense	<u>222,984</u>	<u>872,428</u>	<u>1,095,412</u>
Balance sheet			
Deferred tax assets	1,082,239	135,261	1,217,500
Deferred tax liabilities	<u>(7,370,473)</u>	<u>3,049,853</u>	<u>(4,320,620)</u>

31. CAPITAL COMMITMENTS

	Group	
	2008	2007
	RM	RM
Capital expenditure		
Approved and contracted for:		
Property, plant and equipment	5,678,090	16,359,308
Prepaid land lease payments	<u>2,340,000</u>	<u>-</u>

32. CONTINGENT LIABILITIES

Group

Certain employees of a subsidiary company, Purnabina Sdn. Bhd. have filed claims against the subsidiary for alleged benefits under the contract of service dated 1 June 1991. In the opinion of the directors of the Company, the success of such claims is remote on the grounds among others that the alleged benefits had been superseded by the incentives scheme implemented few years after the execution of the said contract of service and as such the said contract of service was deemed to be terminated by the parties.

In addition, the Vendors of the shares of the subsidiary namely Loh & Chin Holdings Pte. Ltd., Chin Swe Sen, Loh Siew Hock and Chong Cwee Gim have given a bank guarantee of RM1.5 million renewable yearly in favour of the subsidiary and the Purchaser of shares of the subsidiary, Adventa Berhad to settle the claims of the employees. If the bank indemnity is insufficient to settle the claims, the Vendors shall settle the difference to the subsidiary and the Purchaser.

33. RELATED PARTY DISCLOSURES

- (a) In addition to the transactions detailed elsewhere in the financial statements, the Group and the Company had the following transactions with related parties during the financial year:

	2008	2007
	RM	RM
Group		
Related parties:*		
Sale of products	53,798	141,033
Sub-contractor charges paid/payable	2,839,194	2,507,701
Rental	110,400	110,400
	<hr/>	<hr/>
Company		
Gross dividends from subsidiaries	9,774,000	6,000,000
Management fees from subsidiaries	1,320,000	1,185,000
	<hr/>	<hr/>

* Related parties are companies in which a director has interests.

33. RELATED PARTY DISCLOSURES (CONT'D.)

The directors are of the opinion that all the transactions above have been entered into in the normal course of business and have been established on terms and conditions that are not materially different from those obtainable in transactions with unrelated parties.

- (i) The sale of products and rendering of services to subsidiaries and related companies were made according to the published prices and conditions offered to the major customers of the Group and of the Company, except that a longer credit period of up to four months is normally granted.
- (ii) The purchase of products from subsidiaries and related companies were made according to the published prices and conditions offered by these related parties to their major customers, except that a longer credit period of up to four months is normally granted.

Information regarding outstanding balances arising from related party transactions as at 31 January 2008 are disclosed in Note 17, Note 18 and Note 29.

(b) Compensation of key management personnel

The remuneration of directors and other members of key management during the year was as follows:

	Group		Company	
	2008	2007	2008	2007
	RM	RM	RM	RM
Short-term employee benefits	1,484,737	919,803	861,396	780,520
Defined contribution plan	190,487	118,603	123,614	100,496
Share options granted under ESOS	4,410	4,410	3,360	3,360
	<u>1,679,634</u>	<u>1,042,816</u>	<u>988,370</u>	<u>884,376</u>

33. RELATED PARTY DISCLOSURES (CONT'D.)

Included in the total key management personnel are:

	Group		Company	
	2008	2007	2008	2007
	RM	RM	RM	RM
Directors' remuneration (Note 8)	1,556,595	1,308,240	988,371	884,376

Executive directors of the Group and the Company and other members of key management have been granted the following number of options under ESOS:

	Group and Company	
	2008	2007
	RM	RM
At 1 February	882,000	-
Granted	-	882,000
Exercised	(247,000)	-
At 31 January	<u>635,000</u>	<u>882,000</u>

34. FINANCIAL INSTRUMENTS

(a) Financial Risk Management Objectives and Policies

The Group's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's businesses whilst managing its interest rate risks (both fair value and cash flow), foreign currency risk, liquidity risk and credit risk. The Board reviews and agrees policies for managing each of these risks and they are summarised below. It is, and has been throughout the year under review, the Group's policy that no trading in derivative financial instruments shall be undertaken.

(b) Interest Rate Risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. As the Group has no significant interest-bearing financial assets, the Group's income and operating cash flows are substantially independent of changes in market interest rates. The Group's interest-bearing financial assets are mainly short term in nature and have been mostly placed in fixed deposits.

(c) Foreign Currency Risk

The Group is exposed to transactional currency risk primarily through sales and purchases that are denominated in a currency other than the functional currency of the operations to which they relate. The currencies giving rise to this risk are primarily United States Dollars (USD), Euro, Great Britain Pound Sterling (GBP), Singapore Dollars (SGD) and Japanese Yen (JPY). Foreign exchange exposures in transactional currencies other than functional currencies of the operating entities are kept to an acceptable level. Material foreign currency transaction exposures are hedged, mainly with derivative financial instruments such as forward foreign exchange contracts.

The Group maintains a natural hedge, whenever possible, by borrowing in the currency of the country in which the investments are located or by borrowing in currencies that match the future revenue stream to be generated from its investments.

34. FINANCIAL INSTRUMENTS (CONT'D.)**(c) Foreign Currency Risk (Cont'd.)**

The net unhedged financial assets and financial liabilities of the Group companies that are not denominated in their functional currencies are as follows:

Functional Currency of Group Companies	Net Financial Assets/(Liabilities) Held in Non-Functional Currencies					Total RM
	Euro RM	Great Britain Pound Sterling RM	Japanese Yen RM	Singapore Dollars RM	United States Dollars RM	
At 31 January 2008						
Ringgit Malaysia	11,362,392	(308,795)	(271,585)	309,257	2,664,376	13,755,645
Euro	-	-	-	-	8,277	8,277
Uruguayan Peso	-	-	-	-	(147,475)	(147,475)
	<u>11,362,392</u>	<u>(308,795)</u>	<u>(271,585)</u>	<u>309,257</u>	<u>2,525,178</u>	<u>13,616,447</u>
At 31 January 2007						
Ringgit Malaysia	860,819	-	-	281,891	23,505,738	24,648,448
Euro	-	-	-	-	259,019	259,019
Uruguayan Peso	-	-	-	-	1,223,460	1,223,460
	<u>860,819</u>	<u>-</u>	<u>-</u>	<u>281,891</u>	<u>24,988,217</u>	<u>26,130,927</u>

As at balance sheet date, the Group had entered into forward foreign exchange contracts with the following notional amounts and maturities:

Currency	Maturities		Total Notional Amount RM	
	Within 1 Year RM	1-2 Years RM		
At 31 January 2008				
Forwards used to hedge trade receivables	USD	41,375,508	-	41,375,508
Forwards used to hedge trade payables	USD	(3,397,352)	-	(3,397,352)
		<u>37,978,156</u>	<u>-</u>	<u>37,978,156</u>
At 31 January 2007				
Forwards used to hedge trade receivables	USD	24,557,031	-	24,557,031

34. FINANCIAL INSTRUMENTS (CONT'D.)**(d) Liquidity Risk**

The Group manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that refinancing, repayment and funding needs are met. As part of its overall liquidity management, the Group maintains sufficient levels of cash to meet its working capital requirements. In addition, the Group strives to maintain available banking facilities at a reasonable level to its overall debt position. As far as possible, the Group raises committed funding from both capital markets and financial institutions and balances its portfolio with some short term funding so as to achieve overall cost effectiveness.

(e) Credit Risk

The Group's credit risk is primarily attributable to trade receivables. The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant. For transactions that are not denominated in the functional currency of the relevant operating unit, the Group does not offer credit terms without the specific approval of the Head of Credit Control. Since the Group trades only with recognised and creditworthy third parties, there is no requirement for collateral.

The credit risk of the Group's other financial assets, which comprise cash and cash equivalents, marketable securities and non-current investments, arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these financial assets.

The Group does not have any significant exposure to any individual customer or counterparty nor does it have any major concentration of credit risk related to any financial asset.

34. FINANCIAL INSTRUMENTS (CONT'D.)**(f) Fair Values**

The carrying amounts of financial assets and liabilities of the Group and of the Company at the balance sheet date approximated their fair values except for the following:

		Group		Company	
	Note	Carrying Amount RM	Fair Value RM	Carrying Amount RM	Fair Value RM
At 31 January 2008					
Long term bank deposits	18	4,900,000	4,141,125	4,900,000	4,141,125
Borrowings	24	68,822,277	66,748,008	47,900,000	46,143,284
Hire purchase and finance lease liabilities	25	106,795	130,889	-	-
Deferred payments	26	140,738	127,944	-	-
		45,970,810	45,148,966	47,900,000	46,143,284
At 31 January 2007					
Long term bank deposits	18	2,500,000	1,931,071	2,500,000	1,931,071
Borrowings	24	49,118,968	47,822,121	25,000,000	24,006,070
Hire purchase and finance lease liabilities	25	98,598	107,571	-	-
Deferred payments	26	422,215	372,201	-	-
		52,140,781	50,233,963	25,000,000	24,006,070

The methods and assumptions used by management to determine fair values of financial instruments other than those whose carrying amounts reasonably approximate their fair values are as follows:

Other receivables (non-current), borrowings and other payable (non-current)

Fair value has been determined using discounted estimated cash flows. The discount rates used are the current market incremental lending rates for similar types of lending, borrowing and leasing arrangements.

35. SEGMENT INFORMATION

(a) Reporting Format

The primary segment reporting format is determined to be business segments as the Group's risks and rates of return are affected predominantly by differences in the products and services produced. Secondary information is reported geographically. The operating businesses are organised and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

(b) Business Segments

The Group comprises the following three major business segments:

- (i) Manufacture, distribution and trading of healthcare products.
- (ii) Generate and supply of energy and electricity using biomass technology.
- (iii) Provision of management services to subsidiaries.

(c) Geographical Segments

The Group's geographical segments are based on the location of the Group's assets. Sales to external customers disclosed in geographical segments are based on the geographical location of its customers. The Group's three business segments operate in four geographical areas:

- (i) Malaysia - the operations in this area are principally manufacture, distribution and trading of healthcare products. Other operations include generation and supply of energy and electricity, and provision of management services.
- (ii) Germany - the operations in this area are principally distribution of healthcare products.
- (iii) Hong Kong - investment holding and distribution of healthcare products.
- (iv) Uruguay - manufacture and distribution of healthcare products.

(d) Allocation Basis and Transfer Pricing

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets, liabilities and expenses.

Transfer prices between business segments are set on an arm's length basis in a manner similar to transactions with third parties. Segment revenue, expenses and results include transfers between business segments. These transfers are eliminated on consolidation.

35. SEGMENT INFORMATION (CONT'D.)**Business Segments**

The following table provides an analysis of the Group's revenue, results, assets, liabilities and other information by business segment:

	Healthcare products RM	Energy provider RM	Others RM	Eliminations RM	Total RM
At 31 January 2008					
REVENUE					
Sale to external customers	228,741,999	-	-	(3,684,341)	225,057,658
Inter-segment sales	177,273,161	12,125,650	11,094,000	(200,492,811)	-
Total revenue	<u>406,015,160</u>	<u>12,125,650</u>	<u>11,094,000</u>	<u>(204,177,152)</u>	<u>225,057,658</u>
RESULTS					
Segment results	21,916,920	4,590,047	8,915,224	(6,841,087)	28,581,104
Unallocated expenses					(5,329,738)
Finance costs					(3,885,797)
Profit before taxation					<u>19,365,569</u>
Income tax					1,055,744
Net profit for the year					<u>20,421,313</u>

35. SEGMENT INFORMATION (CONT'D.)**Business Segments (Cont'd.)**

	Healthcare products RM	Energy provider RM	Others RM	Eliminations RM	Total RM
At 31 January 2008 (Cont'd.)					
ASSETS					
Segment assets	313,751,608	22,618,490	187,484,816	(222,655,425)	301,199,489
Unallocated assets					-
Total assets					<u>301,199,489</u>
LIABILITIES					
Segment liabilities	220,270,468	12,111,885	80,347,734	(174,046,978)	138,683,109
Unallocated liabilities					-
Total liabilities					<u>138,683,109</u>
OTHER SEGMENT INFORMATION					
Capital expenditure	40,037,486	1,772,546	29,830	(6,598,215)	35,241,647
Depreciation	7,246,609	613,608	69,457	(946,763)	6,982,911
Property, plant and equipment written off	2,250,891	-	-	-	2,250,891

35. SEGMENT INFORMATION (CONT'D.)**Business Segments (Cont'd.)**

	Healthcare products RM	Energy provider RM	Others RM	Eliminations RM	Total RM
At 31 January 2007					
REVENUE					
Sale to external customers	173,522,081	-	-	-	173,522,081
Inter-segment sales	153,664,698	11,052,750	7,185,000	(171,902,448)	-
Total revenue	<u>327,186,779</u>	<u>11,052,750</u>	<u>7,185,000</u>	<u>(171,902,448)</u>	<u>173,522,081</u>
RESULTS					
Segment results	15,804,064	4,959,784	4,421,779	(6,306,149)	18,879,478
Unallocated expenses					(1,771,239)
Finance costs					(1,911,650)
Profit before taxation					<u>15,196,589</u>
Income tax					1,095,412
Net profit for the year					<u>16,292,001</u>

35. SEGMENT INFORMATION (CONT'D.)**Business Segments (Cont'd.)**

	Healthcare products RM	Energy provider RM	Others RM	Eliminations RM	Total RM
At 31 January 2007 (Cont'd.)					
ASSETS					
Segment assets	242,223,438	16,363,496	97,985,356	(157,359,484)	199,212,806
Unallocated assets					37,694,443
Total assets					<u>236,907,249</u>
LIABILITIES					
Segment liabilities	168,762,732	10,268,435	24,734,087	(119,820,675)	83,944,579
Unallocated liabilities					25,000,000
Total liabilities					<u>108,944,579</u>
OTHER SEGMENT INFORMATION					
Capital expenditure	29,792,961	1,692,376	515,953	(4,140)	31,997,150
Depreciation	5,339,125	490,931	64,507	-	5,894,563
Impairment losses recognised in profit or loss	164,288	-	-	-	164,288
Property, plant and equipment written off	17,637	-	-	-	17,637
Other significant non-cash expenses:					
Provision for doubtful debts	30,676	-	-	-	30,676

35. SEGMENT INFORMATION (CONT'D.)**Geographical Segments**

The following table provides the Group's revenue, segment assets and capital expenditure, analysed by geographical segments:

	Total Revenue from External Customers		Segment Assets		Capital Expenditure	
	2008	2007	2008	2007	2008	2007
	RM	RM	RM	RM	RM	RM
Malaysia	212,523,704	164,994,548	265,639,008	166,466,696	30,604,337	21,659,264
Germany	8,651,858	8,079,960	3,597,780	2,837,259	8,378	-
Hong Kong	-	-	53,181	4,975	-	-
Sri Lanka	-	-	179,059	-	-	-
Uruguay	3,882,096	447,573	31,730,461	29,903,876	4,628,932	10,337,886
	225,057,658	173,522,081	301,199,489	199,212,806	35,241,647	31,997,150

36. SIGNIFICANT AND SUBSEQUENT EVENTS

- (a) On 9 April 2007, the Company announced that it will be proposing for the approval of its shareholders, to purchase its own shares up to 4.76% of its issued and paid-up share capital through the Bursa Malaysia Securities Berhad ("Bursa Securities"), subject to the provisions of the Companies Act, 1965, Part IIIA of the Companies Regulations 1966 and pursuant to Chapter 12 of the Listing Requirements of Bursa Securities and any other relevant authorities; and the availability of retained profits and/or share premium for the purpose of purchasing its own shares. The proposal has been approved by the shareholders at the 4th AGM dated 5 June 2007.
- (b) On 21 April 2007, the Company subscribed for an additional 6,000,000 Class B ordinary shares in Purnabina Sdn. Bhd., a subsidiary, pursuant to a rights issue. As a result, the Group's effective equity interest in the subsidiary increased from 93% to 97%.
- (c) On 10 September 2007, the Company announced that it has incorporated a new subsidiary in Sri Lanka, namely Infumax (Private) Limited with a paid up capital of Sri Lankan Rs. 1 million.
- (d) On 27 September 2007, the Company announced that it has acquired the entire interest of Confidex Sdn. Bhd., a dormant company, for a total cash consideration of RM100,000.
- (e) On 23 October 2007, the Company via its adviser announced that it has proposed to undertake a private placement of new ordinary shares of RM0.50 each in Adventa Berhad representing up to 10% of the issued and paid up share capital of the Company at an issue price to be determined by the Board at a later date.
- (f) On 21 November 2007, Kenanga Investment Bank Berhad ("KIBB") on behalf of the Board of Directors of Adventa Berhad announced that the Securities Commission ("SC") and the Foreign Investment Committee (via the SC) had vide its letter dated 20 November 2007 approved the Proposed Private Placement.
- (g) On 26 November 2007, KIBB on behalf of the Board of Directors of Adventa Berhad announced that Bursa Securities had, vide its letter dated 23 November 2007, approved in principal the listing of up to 13,366,110 new ordinary shares of RM0.50 each representing up to 10% of the issued and paid up share capital of Adventa Berhad to be issued pursuant to the Proposed Private Placement.

36. SIGNIFICANT AND SUBSEQUENT EVENTS (CONT'D.)

- (h) On 14 December 2007, KIBB on behalf of the Board of Directors of Adventa Berhad announced that the Board has fixed the issue price for the first tranche placement of 9,000,000 new ordinary shares of RM0.50 each in Adventa Berhad ("Placement Shares") to be issued pursuant to the Private Placement at an issue price of RM1.56 per Placement Shares ("Issue Price"). The Issue Price represents a premium of approximately 9.9% to the five market days volume weighted average market price of Adventa Berhad shares from 7 December 2007 to 13 December 2007 of RM1.42.

The balance of 30% of the Placement Shares to Bumiputera investors or increase of Bumiputera equity by 3.46% of the new enlarged issued and paid up share capital (representing 5,530,423 new Adventa Berhad shares) with 2 years from the date of implementation of the proposed Private Placement is not completed.

- (i) On 30 November 2007, the Company had entered into a share sales agreement ("SSA") to acquire 372,000 ordinary shares of RM1.00 each in Utama Associates Sdn. Bhd. ("Utama") representing 60% equity interest for a total cash consideration of RM700,000.

Completion of the SSA shall take place upon the registration of the transfer of the entire Sale Shares in favour of Adventa Berhad or its nominees and the completion of the Utama's acquisition of all the shares in Sun Healthcare (M) Sdn. Bhd. ("Sun") and making Sun wholly owned subsidiary of Utama.

The purchase has since been completed.

- (j) On 20 March 2008, the Company's wholly owned subsidiary, Adventa Health Sdn. Bhd. subscribed to 51% equity interest in Adventa Health Australia Pty. Ltd., a dormant company having its place of incorporation in Australia, at a total cash consideration of AUD510.

37. COMPARATIVE FIGURES

The presentation and classification of items in the current year financial statements have been consistent with the previous financial year except that certain comparative amounts have been reclassified to conform with current year's presentation.