

Quarterly rpt on consolidated results for the financial period ended 31/3/2013

JAVA BERHAD

Financial Year End 30/06/2013
 Quarter 3
 Quarterly report for the financial period ended 31/03/2013
 The figures have not been audited
 Attachments

[JAVA Quarterly Announcement 3Q FY2013.pdf](#)
 269 KB

Remarks :

The consolidated interim financial results for the quarter ended 31 March 2013 should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2012.

- Default Currency
- Other Currency

Currency: Malaysian Ringgit (MYR)

SUMMARY OF KEY FINANCIAL INFORMATION

	31/03/2013		31/03/2013	
	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	31/03/2013 S\$'000	31/03/2012 S\$'000	31/03/2013 S\$'000	31/03/2012 S\$'000
1 Revenue	9,138	16,658	30,058	46,615
2 Profit/(loss) before tax	-19,920	-13,003	-32,930	-13,311
3 Profit/(loss) for the period	-19,920	-13,003	-32,930	-13,311
4 Profit/(loss) attributable to ordinary equity holders of the parent	-19,735	-12,837	-32,591	-13,039
5 Basic earnings/(loss) per share (Subunit)	-11.38	-7.40	-18.80	-7.52
6 Proposed/Declared dividend per share (Subunit)	0.00	0.00	0.00	0.00
7 Net assets per share attributable to ordinary equity holders of the parent (S\$)	AS AT END OF CURRENT QUARTER	0.8000	AS AT PRECEDING FINANCIAL YEAR END	0.9900

Remarks :

The consolidated interim financial results for the quarter ended 31 March 2013 should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2012.

Definition of Subunit:

In a currency system, there is usually a main unit (base) and subunit that is a fraction amount of the main unit. Example for the subunit as follows:

Country	Base Unit	Subunit
Malaysia	Ringgit	Sen
United States	Dollar	Cent
United Kingdom	Pound	Pence

Announcement Info

Company Name JAVA BERHAD
 Stock Name JAVA
 Date Announced 31 May 2013
 Category Financial Results
 Reference No JJ-130517-88CE9



**Report for the
Third Quarter Ended
31 Mar 2013**

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JAVA BERHAD (2511-M)
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2013

	(UNAUDITED)	(AUDITED)
	As At 31-Mar-13 <u>RM '000</u>	As At 30-Jun-12 <u>RM '000</u>
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipments	97,116	99,806
Plantation development expenditures	14,623	15,116
Timber concession rights	13,198	13,198
TOTAL NON-CURRENT ASSETS	<u>124,937</u>	<u>128,120</u>
CURRENT ASSETS		
Inventories	46,683	54,827
Trade and other receivables	31,150	39,708
Tax recoverable	429	386
Deposits placed with licensed bank	292	292
Cash and bank balances	2,756	2,940
TOTAL CURRENT ASSETS	<u>81,310</u>	<u>98,153</u>
TOTAL ASSETS	<u>206,247</u>	<u>226,273</u>
EQUITIES AND LIABILITIES		
EQUITY ATTRIBUTABLE TO EQUITY HOLDER OF THE COMPANY		
Share capital	173,394	173,394
Share premium	1,571	1,571
Revaluation reserve	59,837	59,837
Share options reserve	249	249
Accumulated losses	(96,685)	(64,094)
SHAREHOLDERS' FUNDS	<u>138,366</u>	<u>170,957</u>
Non-controlling interest	1,384	1,723
TOTAL EQUITY	<u>139,750</u>	<u>172,680</u>
NON-CURRENT LIABILITIES		
Loans and borrowings	9,725	1,187
TOTAL NON-CURRENT LIABILITIES	<u>9,725</u>	<u>1,187</u>
CURRENT LIABILITIES		
Trade and other payables	28,689	18,132
Loans and borrowings	28,006	34,209
Tax payable	77	65
TOTAL CURRENT LIABILITIES	<u>56,772</u>	<u>52,406</u>
TOTAL LIABILITIES	<u>66,497</u>	<u>53,593</u>
TOTAL EQUITY AND LIABILITIES	<u>206,247</u>	<u>226,273</u>
Net assets per ordinary share (RM)	0.80	0.99

The above statement should be read in conjunction with the annual audited financial statements for the year ended 30 June 2012 and the accompanying explanatory notes attached to the interim financial statements.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER AND PERIOD ENDED 31 MARCH 2013

	INDIVIDUAL QUARTER 3RD QUARTER		CUMULATIVE QUARTER	
	Quarter Ended	Corresponding	To Date	Corresponding
	31-Mar-13 RM '000	31-Mar-12 RM '000	31-Mar-13 RM '000	31-Mar-12 RM '000
Revenue	9,138	16,658	30,058	46,615
Cost of sales	(23,538)	(14,993)	(50,247)	(37,791)
Gross profit	(14,400)	1,665	(20,189)	8,824
Other income	36	112	103	458
Distribution expenses	(263)	(716)	(875)	(2,055)
Administrative expenses	(2,784)	(13,565)	(8,540)	(19,349)
Other expenses	(1,907)	-	(1,921)	-
Results from operating activities	(19,318)	(12,504)	(31,422)	(12,122)
Finance cost	(602)	(499)	(1,508)	(1,189)
Loss before tax	(19,920)	(13,003)	(32,930)	(13,311)
Taxation	-	-	-	-
Loss for the period	(19,920)	(13,003)	(32,930)	(13,311)
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive (loss)/income for the period	(19,920)	(13,003)	(32,930)	(13,311)
Loss attributable to:				
- Equity holders of the Company	(19,735)	(12,837)	(32,591)	(13,039)
- Non-controlling interest	(185)	(166)	(339)	(272)
	(19,920)	(13,003)	(32,930)	(13,311)
Total comprehensive loss attributable to:				
- Equity holders of the Company	(19,735)	(12,837)	(32,591)	(13,039)
- Non-controlling interest	(185)	(166)	(339)	(272)
	(19,920)	(13,003)	(32,930)	(13,311)
Basic loss per ordinary share (sen)	(11.38)	(7.40)	(18.80)	(7.52)
Diluted loss per ordinary share (sen)	(11.38)	(7.40)	(18.80)	(7.52)

The above statement should be read in conjunction with the annual audited financial statements for the year ended 30 June 2012 and the accompanying explanatory notes attached to the interim financial statements.

JAVA BERHAD (2511-M)
(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER AND PERIOD ENDED 31 MARCH 2013**

9 months ended 31 March 2013

	Equity attributable to owners of the parent, total				Non-controlling interest	Total Equity
	(Non-distributable)		(Distributable)			
	Share Capital	Share Premium	Share Option	Revaluation Reserve	Accumulated Losses	Total
	RM '000	RM '000	RM'000	RM'000	RM '000	RM '000
At 1 July 2012	173,394	1,571	249	59,837	(64,094)	170,957
Total comprehensive income for the period	-	-	-	-	(32,591)	(32,591)
At 31 March 2013	173,394	1,571	249	59,837	(96,685)	138,366
At 1 July 2011	173,394	1,571	271	59,837	(17,605)	217,468
ESOS lapsed	-	-	(22)	-	22	-
Total comprehensive income for the period	-	-	-	-	(46,511)	(46,511)
At 30 June 2012	173,394	1,571	249	59,837	(64,094)	170,957
						1,723
						172,680

The above statement should be read in conjunction with the annual audited financial statements for the year ended 30 June 2012 and the accompanying explanatory notes attached to the interim financial statements.

JAVA BERHAD (2511-M)
(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE QUARTER AND PERIOD ENDED 31 MARCH 2013**

	9 months ended 31-Mar-13 RM '000	9 months ended 31-Mar-12 RM '000
Cash Flow from operating activities		
Loss before taxation	(32,930)	(13,311)
Adjustments for:		
Amortisation of plantation development expenditure	493	433
Depreciation of property, plants and equipments	4,224	4,432
Provision of doubtful debts	1,805	-
Interest income	(1)	(367)
Interest expenses	1,508	1,189
Operating (loss)/profit before working capital changes	(24,901)	(7,624)
Changes in working capital		
Inventories	8,144	(21,255)
Receivables	5,219	(6,808)
Payables	10,557	3,301
Cash used from operations	(981)	(32,386)
Interest paid	(1,508)	(1,189)
Interest received	1	367
Tax refunded/(paid)	(25)	118
Net cash used from operating activities	(2,513)	(33,090)
Cash flows from investing activities		
Purchase of property, plant and equipments	(114)	(6,765)
Net cash used in investing activities	(114)	(6,765)
Cash flow from financing activities		
Net payments of hire purchase creditors	(237)	(357)
Drawdown/(repayment) of term loans	9,734	(4,211)
Net cash generated/(used) in financing activities	9,497	(4,568)
Net increase/(decrease) in cash and cash equivalents	6,870	(44,423)
Cash and cash equivalents at beginning of the year	(30,520)	19,608
Cash and cash equivalents at end of the period	(23,650)	(24,815)
Cash and cash equivalents comprise the followings:		
Cash and bank balances	2,756	828
Deposits placed with licensed bank	292	7,430
Bankers' acceptances	(14,675)	(22,620)
Bank overdraft	(12,023)	(10,453)
	(23,650)	(24,815)

The above statement should be read in conjunction with the annual audited financial statements for the year ended 30 June 2012 and the accompanying explanatory notes attached to the interim financial statements.

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS – 31
MARCH 2013**

1. **Basis of preparation**

The interim financial report is prepared in accordance with the requirements outlined in the Financial Reporting Standards (“FRS”) 134 - Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad and should be read in conjunction with the Group’s Annual Audited Financial Report for the Year Ended 30 June 2012. These explanatory notes attached to the interim financial report provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 30 June 2012.

The financial statements are expressed in Ringgit Malaysia and all values are rounded to the nearest thousand (‘000) except when otherwise stated.

2. **Significant Accounting policies**

The significant accounting policies, methods of computation and basis of consolidation adopted are consistent with those of the annual financial statements for the year ended 30 June 2012.

In conjunction with the planned convergence of FRSs with International Financial Reporting Standards as issued by the International Accounting Standards Board on 1 January 2012, the MASB had on 19 November 2011 issue a new MASB approved accounting standards, MFRSs (“MFRSs Framework”) for application in the annual periods beginning on or after 1 January 2014.

The MFRSs Framework is mandatory for adoption by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities subject to the application of MFRS 141 *Agriculture* and/or IC Int 15 *Agreements for the Construction of Real Estate (“Transitioning Entities”)*. The Transitioning Entities also includes those entities that consolidate or equity account or proportionately consolidate another entity that has chosen to continue to apply the FRSs framework for annual periods beginning on or after 1 January 2014.

Accordingly, certain subsidiaries in the Group which are Transitioning Entities have chosen to defer the adoption of the MFRSs Framework to financial periods beginning on or after 1 January 2014. The Group and the Company will prepare its first MFRSs financial statements using the MFRSs Framework for the financial year ending 30 June 2015.

3. **Audit report of the preceding annual financial statements**

There was no qualification of the Group’s audited annual financial statements for the year ended 30 June 2012.

4. **Seasonality or cyclicity of operations**

The business operations of the Group were generally affected by the seasonal changes in weather and buying patterns.

5. **Items of unusual nature, size or incidence**

There were no items of unusual nature, size or incidence affecting assets, liabilities, equity, net income or cash flows of the Group during the current quarter under review and financial period to date.

6. **Changes in estimates**

There were no changes in estimates that have had material effects in the current quarter and financial period to date.

7. **Issuance and repayment of Debt and Equity Securities**

There were no issuance and repayment of Debt and Equity securities in the current quarter and financial period to date.

8. **Dividend paid**

There were no dividends paid in the current quarter.

9. **Segmental reporting**

The segmental reporting for the period ended 31 March 2013:

	Timber products	Plantation	Investment Holding	Eliminations	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000
Segment revenue					
External revenue	28,813	1,245	-	-	30,058
Intersegment revenue	1,832	-	3,240	(5,072)	-
Total revenue	30,645	1,245	3,240	(5,072)	30,058
Segment results					
Operating profit/(loss)	(29,723)	(1,136)	(561)	(2)	(31,422)
Finance cost	(928)	(557)	(23)	-	(1,508)
Taxation	-	-	-	-	-
Net profit/(loss) after taxation	(30,651)	(1,693)	(584)	(2)	(32,930)
Non-controlling interest	-	-	339	-	339
Net profit/(loss) attributable to owners of the Group for the period	(30,651)	(1,693)	(245)	(2)	(32,591)

10. **Property, plant and equipment**

The valuation of property, plant and equipment has been brought forward without any amendments from previous annual financial statements.

11. **Subsequent events**

There were no significant events subsequent to the end of the current financial period to date.

12. **Changes in the composition of the Group**

There were no changes in the composition of the Group for the current quarter and financial period to date.

13. **Contingent liabilities/assets**

There were no material changes in the contingent assets or liabilities since the last annual balance sheet date

14. **Significant related party transactions**

Transactions with related parties	Individual Quarter 3 months ended		Cummulative Quarter 9 months ended	
	31-Mar-13 RM'000	31-Mar-12 RM'000	31-Mar-13 RM'000	31-Mar-12 RM'000
<u>Rental expenses paid to a Company in which a substantial shareholder Dato' Choo Keng Weng has interest</u>				
- Desa Samudra Sdn. Bhd	123	130	354	387
<u>Purchase of raw materials from a Company in which director Sy Choon Yen has interest and substantial shareholder Dato' Choo Keng Weng has interest</u>				
- Ratus Awansari Sdn. Bhd.	251	697	456	1,603
- Anika Desiran Sdn. Bhd.	750	-	750	-
- SHC Technopalm Plantation Services Sdn. Bhd.	123	61	230	182

The directors are of the opinion that the above transaction has been entered into the normal course of business and the terms are no less favourable than those arranged with third parties.

15. **Review of Performance**

In the current quarter under review, the Group reported lower revenue of RM9.14 million as compared to RM16.66 million recorded in the previous year corresponding quarter. The decrease of RM7.52 million was mainly contributed by Timber Products segment due to lower log supply.

Group reported a loss before tax of RM19.9 million in the current quarter as compared to RM13 million loss before tax in the previous year corresponding quarter. Most of the losses were contributed by Timber Products segment which was mainly due to lower turnover, higher production cost and inventory valuation.

16. **Material Changes in results compared with immediate preceding quarter**

The Group registered higher loss before taxation of RM19.9 million in the current quarter as compared to the loss before taxation of RM6.29million in the immediate preceding quarter. The further losses was mainly due to the higher production cost, interest cost and inventory valuation from Timber Products segment in the current quarter.

17. **Prospects**

Moving forward, the performance of the Timber Products segment would greatly influence the future prospect of the Group while the performance of the Plantation segment is expected to improve via better yield. However the Plantation segment's contribution is still minimal.

Securing sales orders/new market at better pricing and better sourcing of quality material would always remain the key concern for Timber Products segment. Meanwhile several cost cutting measures are being implemented to improve the bottom line of the Group.

The Board is of the opinion that the Group's performance for the financial year ending 30 June 2013 would remain challenging.

18. **Profit forecast or profit guarantee**

The disclosure requirements for explanatory notes for the variance of actual profit after tax against profit guarantee/forecast are not applicable as the Group did not issue any profit guarantee/forecast to the public.

19. **Taxation**

The taxation charges of the Group for the period under review are as follows:-

	Individual Quarter 3 months ended		Cumulative Quarter 9 months ended	
	31-Mar-13 RM'000	31-Mar-12 RM'000	31-Mar-13 RM'000	31-Mar-12 RM'000
Malaysian tax expense				
Income tax				
- Current year	-	-	-	-
- Under/(Over) provision in prior years	-	-	-	-
	-	-	-	-
Deferred taxation				
- Current year	-	-	-	-
- Under/(Over) provision in prior years	-	-	-	-
	-	-	-	-
	-	-	-	-

No tax charge has been provided as the Group has no taxable income for the financial quarter under review.

20. **Corporate Proposals**

There were no corporate proposals announced which was not completed as at 31st May 2013, a date not earlier than seven (7) days from the date of this report.

21. **Group borrowings and debt securities**

The Group's borrowings as at the end of the reporting period are as follows: -

	31-Mar-13 RM'000	30-Jun-12 RM'000
Short term borrowings		
- Secured		
Bank overdraft	12,023	10,575
Hire purchase creditors	533	433
Bankers' acceptance	14,675	23,177
Term loan	775	24
	<u>28,006</u>	<u>34,209</u>
Long term borrowings		
- Secured		
Hire purchase creditors	725	1,170
Term loan	9,000	17
	<u>9,725</u>	<u>1,187</u>
	<u>37,731</u>	<u>35,396</u>

All borrowings are denominated in Ringgit Malaysia.

22. **Material Litigation**

There is no material litigation as at the date of this announcement.

23. **Dividends Proposed**

The Board of Directors do not recommend any interim dividends for the current quarter under review

24. **Earnings per share ("EPS")**

	Individual Quarter 3 months ended		Cumulative Quarter 9 months ended	
	31-Mar-13 RM'000	31-Mar-12 RM'000	31-Mar-13 RM'000	31-Mar-12 RM'000
Loss attributable to owners of the Company	(19,735)	(12,837)	(32,591)	(13,039)
Weighted average number of ordinary shares	173,394	173,394	173,394	173,394
Adjusted weighted average number of ordinary shares	173,394	173,394	173,394	173,394
Basic EPS (sen)	(11.38)	(7.40)	(18.80)	(7.52)
Diluted EPS (sen)	(11.38)	(7.40)	(18.80)	(7.52)

25. **Disclosure of Realised and Unrealised Profit / Loss:**

The following analysis of realised and unrealised retained earnings at the legal entity level is prepared in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Securities Listing Requirements, as issued by the Malaysian Institute of Accountants whilst the disclosure at the Group level is based on the prescribed format by the Bursa Malaysia Securities Berhad.

	Current 3rd Quarter For 9 Months Ended 31-Mar-13 RM'000	Preceding Financial Year Ended 30-Jun-12 RM'000
Total retained profits of the Group:		
- Realised	(19,920)	54,730
- Unrealised	-	-
Less: Consolidation adjustments	(76,765)	(118,824)
Total group accumulated losses	(96,685)	(64,094)

26. Notes to the Statement of Comprehensive Income

	9 months ended 31st Mar 2013 (RM'000)
Net loss for the period is arrived after charging:	
Amortisation of plantation development expenditure	493
Depreciation of property, plants and equipment	4,224
Provision of doubtful debts	1,805
Interest expense	1,508
And after crediting:	
Interest income	1

Other than the above as disclosed in the Statement of Comprehensive Income, there were no other income including investment income, provision for and write-off of receivables, provision for and write-off of inventories, gain or loss on disposal of quoted or unquoted investments or properties, impairment of assets, gain or loss on derivatives and exceptional items for the current and financial period to date.

By order of the Board,
 Lim Siew Ting
 Secretary
 Date: 31st May 2013
 Kuala Lumpur