

Quarterly rpt on consolidated results for the financial period ended 30/9/2013

JAVA BERHAD

Financial Year End 30/06/2014
 Quarter 1
 Quarterly report for the financial period ended 30/09/2013
 The figures have not been audited
 Attachments

[Java-Qtr Results 30-09-13.pdf](#)
 278 KB

Remarks :

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

- Default Currency
- Other Currency

Currency: Malaysian Ringgit (MYR)

SUMMARY OF KEY FINANCIAL INFORMATION

30/09/2013

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	30/09/2013 SS'000	30/09/2012 SS'000	30/09/2013 SS'000	30/09/2012 SS'000
1 Revenue	6,235	10,455	6,235	10,455
2 Profit/(loss) before tax	-5,013	-6,724	-5,013	-6,724
3 Profit/(loss) for the period	-4,980	-6,724	-4,980	-6,724
4 Profit/(loss) attributable to ordinary equity holders of the parent	-4,832	-6,681	-4,832	-6,681
5 Basic earnings/(loss) per share (Subunit)	-2.79	-3.85	-2.79	-3.85
6 Proposed/Declared dividend per share (Subunit)	0.00	0.00	0.00	0.00
	AS AT END OF CURRENT QUARTER		AS AT PRECEDING FINANCIAL YEAR END	
7 Net assets per share attributable to ordinary equity holders of the parent (SS)		0.6700		0.6900

Remarks :

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

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 29 Nov 2013
 Category Financial Results
 Reference No JJ-131114-7132D



Report for the
First Quarter Ended
30 Sept 2013

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPT 2013

	(UNAUDITED)	(AUDITED)
	As At 30-Sep-13 <u>RM '000</u>	As At 30-Jun-13 <u>RM '000</u>
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipments	93,403	94,713
Plantation development expenditures	14,295	14,458
Timber concession rights	13,198	13,198
TOTAL NON-CURRENT ASSETS	<u>120,896</u>	<u>122,369</u>
CURRENT ASSETS		
Inventories	44,461	45,386
Trade and other receivables	19,699	19,452
Tax recoverable	467	424
Deposits placed with licensed bank	292	292
Cash and bank balances	772	910
TOTAL CURRENT ASSETS	<u>65,691</u>	<u>66,464</u>
TOTAL ASSETS	<u>186,587</u>	<u>188,833</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	41,669	41,669
Share options reserve	132	132
Accumulated losses	(101,091)	(96,259)
SHAREHOLDERS' FUNDS	<u>115,675</u>	<u>120,507</u>
Non-controlling interest	1,483	1,631
TOTAL EQUITY	<u>117,158</u>	<u>122,138</u>
NON-CURRENT LIABILITIES		
Loans and borrowings	8,808	9,491
TOTAL NON-CURRENT LIABILITIES	<u>8,808</u>	<u>9,491</u>
CURRENT LIABILITIES		
Trade and other payables	21,932	23,724
Loans and borrowings	38,626	33,417
Tax payable	63	63
TOTAL CURRENT LIABILITIES	<u>60,621</u>	<u>57,204</u>
TOTAL LIABILITIES	<u>69,429</u>	<u>66,695</u>
TOTAL EQUITY AND LIABILITIES	<u>186,587</u>	<u>188,833</u>
Net assets per ordinary share (RM)	0.67	0.69

The above statement should be read in conjunction with the annual audited financial statements for the year ended 30 June 2013 and the accompanying explanatory notes attached to the interim financial statements.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER AND PERIOD ENDED 30 SEPT 2013

	INDIVIDUAL QUARTER 1ST QUARTER		CUMULATIVE QUARTER 1ST QUARTER	
	Current Year Quarter Ended	Preceding Year Corresponding	Current Year To Date	Preceding Year Corresponding
	30-Sep-13 <u>RM '000</u>	30-Sep-12 <u>RM '000</u>	30-Sep-13 <u>RM '000</u>	30-Sep-12 <u>RM '000</u>
Revenue	6,235	10,455	6,235	10,455
Cost of sales	(8,683)	(13,600)	(8,683)	(13,600)
Gross loss	(2,448)	(3,145)	(2,448)	(3,145)
Other income	55	41	55	41
Distribution expenses	(88)	(331)	(88)	(331)
Administrative expenses	(1,738)	(2,908)	(1,738)	(2,908)
Other expenses		(6)		(6)
Results from operating activities	(4,219)	(6,349)	(4,219)	(6,349)
Finance cost	(794)	(375)	(794)	(375)
Loss before tax	(5,013)	(6,724)	(5,013)	(6,724)
Taxation	33	-	33	-
Loss for the period	(4,980)	(6,724)	(4,980)	(6,724)
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive (loss)/income for the period	(4,980)	(6,724)	(4,980)	(6,724)
Loss attributable to:				
- Equity holders of the Company	(4,832)	(6,681)	(4,832)	(6,681)
- Non-controlling interest	(148)	(43)	(148)	(43)
	(4,980)	(6,724)	(4,980)	(6,724)
Total comprehensive loss attributable to:				
- Equity holders of the Company	(4,832)	(6,681)	(4,832)	(6,681)
- Non-controlling interest	(148)	(43)	(148)	(43)
	(4,980)	(6,724)	(4,980)	(6,724)
Basic loss per ordinary share (sen)	(2.79)	(3.85)	(2.79)	(3.85)
Diluted loss per ordinary share (sen)	(2.79)	(3.85)	(2.79)	(3.85)

The above statement should be read in conjunction with the annual audited financial statements for the year ended 30 June 2013 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 30 SEPT 2013

3 months ended 30 Sept 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	RM '000
At 1 July 2013	173,394	1,571	132	41,669	(96,259)	120,507	122,138
Total comprehensive income for the period	-	-	-	-	(4,832)	(4,832)	(4,980)
At 30 Sept 2013	173,394	1,571	132	41,669	(101,091)	115,675	117,158
At 1 July 2012	173,394	1,571	249	42,235	(46,860)	170,589	172,680
As Previously Stated	-	-	-	-	-	-	-
Prior year adjustment	-	-	-	-	-	-	-
ESOS lapsed	173,394	1,571	249	42,235	(46,860)	170,589	172,680
	-	-	(117)	-	117	-	-
Total comprehensive income for the period	-	-	-	-	(50,068)	(50,068)	(50,542)
Realisation of revaluation reserve	-	-	-	(566)	552	(14)	14
At 30 June 2013	173,394	1,571	132	41,669	(96,259)	120,507	122,138

The above statement should be read in conjunction with the annual audited financial statements for the year ended 30 June 2013 and the accompanying explanatory notes attached to the interim financial statements.

JAVA BERHAD (2511-M)
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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE QUARTER AND PERIOD ENDED 30 SEPT 2013

	3 months ended 30-Sep-13 <u>RM '000</u>	3 months ended 30-Sep-12 <u>RM '000</u>
Cash Flow from operating activities		
Loss before taxation	(5,013)	(6,724)
Adjustments for:		
Amortisation of plantation development expenditure	165	228
Depreciation of property, plants and equipments	1,449	1,459
Interest income		(1)
Interest expenses	794	375
Gain on disposal of property, plant and equipment	21	-
Operating loss before working capital changes	<u>(2,584)</u>	<u>(4,663)</u>
Changes in working capital		
Inventories	925	(3,070)
Receivables	2,133	5,565
Payables	<u>(4,174)</u>	<u>(513)</u>
Cash used from operations	<u>(3,700)</u>	<u>(2,681)</u>
Interest paid	(794)	(375)
Interest received	-	1
Tax paid	<u>(11)</u>	<u>(20)</u>
Net cash used from operating activities	<u><u>(4,505)</u></u>	<u><u>(3,075)</u></u>
Cash flows from investing activities		
Purchase of property, plant and equipments	(160)	(25)
Investment in plantation development expenditure	-	(64)
Net cash used in investing activities	<u><u>(160)</u></u>	<u><u>(89)</u></u>
Cash flow from financing activities		
Net payments of hire purchase creditors	(380)	(134)
(Repayment)/drawdown of term loans	(200)	9,998
Net cash (used)/generated in financing activities	<u><u>(580)</u></u>	<u><u>9,864</u></u>
Net Decrease in cash and cash equivalents	<u>(5,245)</u>	<u>6,700</u>
Cash and cash equivalents at beginning of the year	<u>(30,904)</u>	<u>(30,520)</u>
Cash and cash equivalents at end of the period	<u><u>(36,149)</u></u>	<u><u>(23,820)</u></u>
Cash and cash equivalents comprise the followings:		
Cash and bank balances	772	2,802
Deposits placed with licensed bank	292	292
Bankers' acceptances	(25,592)	(15,623)
Bank overdraft	<u>(11,621)</u>	<u>(11,291)</u>
	<u><u>(36,149)</u></u>	<u><u>(23,820)</u></u>

The above statement should be read in conjunction with the annual audited financial statements for the year ended 30 June 2013 and the accompanying explanatory notes attached to the interim financial statements.

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS – 30 SEPT
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 2013. 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 2013.

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 2013.

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 2014.

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 2013.

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 30 Sept 2013:

	Timber products	Plantation	Investment Holding	Eliminations	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000
Segment revenue					
External revenue	5,792	443	-	-	6,235
Intersegment revenue	623	-	1,080	(1,703)	-
Total revenue	6,415	443	1,080	(1,703)	6,235
Segment results					
Operating profit/(loss)	(3,508)	(462)	(249)	-	(4,219)
Finance cost	(510)	(279)	(5)	-	(794)
Taxation	33	-	-	-	33
Net profit/(loss) after taxation	(3,985)	(741)	(254)	-	(4,980)
Non-controlling interest	-	-	148	-	148
Net profit/(loss) attributable to owners of the Group for the period	(3,985)	(741)	(106)	-	(4,832)

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		Cumulative Quarter 12 months ended	
	30-Sep-13 RM'000	30-Sep-12 RM'000	30-Sep-13 RM'000	30-Sep-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	125	128	125	128
<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.	216	205	216	205
- Anika Desiran Sdn. Bhd.	1,795	-	1,795	-
- SHC Technopalm Plantation Services Sdn. Bhd.	93	55	93	55

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 RM6.24 million as compared to RM10.46 million recorded in the previous year corresponding quarter. The decrease of RM4.22 million was mainly contributed by Timber Products segment due to lower log supply.

Group reported a loss before tax of RM5.01 million in the current quarter as compared to RM6.72 million loss before tax in the previous year corresponding quarter. The lower losses was due to improved operational and cost efficiencies in our timber operations.

16. Material Changes in results compared with immediate preceding quarter

The Group registered lower loss before taxation of RM5.01 million in the current quarter as compared to the loss before taxation of RM17.6 million in the immediate preceding quarter. For the immediate preceding quarter, most of the losses was contributed by timber segment which was mainly due to low turnover, higher production cost and inventory valuation.

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.

The Group remains focused on securing sales orders/new market at better pricing and continual improvements in the timber production processes and cost rationalisation.

The Board is of the opinion that the Group's performance for the next financial year ending 30 June 2014 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		Cumulative Quarter	
	3 months ended		12 months ended	
	30-Sep-13	30-Sep-12	30-Sep-13	30-Sep-12
	RM'000	RM'000	RM'000	RM'000
Malaysian tax expense				
Income tax				
- Current year	-	-	-	-
- Over provision in prior years	33	-	33	-
	<u>33</u>	<u>-</u>	<u>33</u>	<u>-</u>
Deferred taxation				
- Current year	-	-	-	-
- Over provision in prior years	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>33</u>	<u>-</u>	<u>33</u>	<u>-</u>

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 29th Nov 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: -

	30-Sep-13	30-Jun-12
	RM'000	RM'000
Short term borrowings		
- Secured		
Bank overdraft	11,620	12,153
Hire purchase creditors	400	416
Bankers' acceptance	25,592	19,953
Term loan	1,014	895
	<u>38,626</u>	<u>33,417</u>
Long term borrowings		
- Secured		
Hire purchase creditors	558	741
Term loan	8,250	8,750
	<u>8,808</u>	<u>9,491</u>
	<u>47,434</u>	<u>42,908</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		Cummulative Quarter 12 months ended	
	30-Sep-13 RM'000	30-Sep-12 RM'000	30-Sep-13 RM'000	30-Sep-12 RM'000
Loss attributable to owners of the Company	(4,832)	(6,681)	(4,832)	(6,681)
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)	(2.79)	(3.85)	(2.79)	(3.85)
Diluted EPS (sen)	(2.79)	(3.85)	(2.79)	(3.85)

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 Quarter For 3 Months Ended 30-Sep-13 RM'000	Preceding Financial Year Ended 30-Jun-12 RM'000
Total retained profits of the Group:		
- Realised	(4,980)	(50,542)
- Unrealised	-	-
Less: Consolidation adjustments	(96,111)	(45,717)
Total group accumulated losses	(101,091)	(96,259)

26. Notes to the Statement of Comprehensive Income

	3 months ended 30 th Sept 2013 (RM'000)
Net loss for the period is arrived after charging:	
Amortisation of plantation development expenditure	165
Depreciation of property, plants and equipment	1,449
Interest expense	794
And after crediting:	
Gain on Disposal of property, plants and equipment	21

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: 29th Nov 2013
 Kuala Lumpur