

Financial Results
Reference No **JJ-111110-B5D8C**

Company Name : **JAVA BERHAD**
 Stock Name : **JAVA**
 Date Announced : **24/11/2011**
 Financial Year End : **30/06/2012**
 Quarter : **1**
 Quarterly report for the financial period ended : **30/09/2011**
 The figures : **have not been audited**

Converted attachment :

Please attach the full Quarterly Report here:
[#JAVA Quarterly Announcement 1Q FY2012.pdf](#)
[#JAVA Quarterly Announcement 1Q FY2012 \(Notes\).pdf](#)

Remark:
 The consolidated interim financial results for the quarter ended 30 September 2011 should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2011.

- DEFAULT CURRENCY
- OTHER CURRENCY

Currency : Malaysian Ringgit (MYR)

SUMMARY OF KEY FINANCIAL INFORMATION
30/09/2011

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	30/09/2011 \$\$'000	30/09/2010 \$\$'000	30/09/2011 \$\$'000	30/09/2010 \$\$'000
1 Revenue	12,910	14,942	12,910	14,942
2 Profit/(loss) before tax	-528	-3,944	-528	-3,944
3 Profit/(loss) for the period	-528	-3,880	-528	-3,880
4 Profit/(loss) attributable to ordinary equity holders of the parent	-485	-3,829	-485	-3,829
5 Basic earnings/(loss) per share (Subunit)	-0.28	-2.21	-0.28	-2.21
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 (\$\$)	AS AT END OF CURRENT QUARTER	AS AT PRECEDING FINANCIAL YEAR END	AS AT END OF CURRENT QUARTER	AS AT PRECEDING FINANCIAL YEAR END
		1.2500		1.2500

Remarks :
 The consolidated interim financial results for the quarter ended 30 September 2011 should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2011.

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



Report for the
First Quarter Ended
30 September 2011

Contents

Condensed Consolidated Statement of Financial Position	1
Condensed Consolidated Statement of Comprehensive Income	2
Condensed Consolidated Statement of Changes in Equity	3
Condensed Consolidated Statement of Cashflow	4
Explanatory Notes to the Interim Financial Report	5-11

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2011

	(UNAUDITED)	(AUDITED)
	As At 30-Sep-11 RM '000	As At 30-Jun-11 RM '000
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipments	100,352	96,650
Plantation development expenditures	15,632	15,774
Timber concession rights	20,678	20,678
TOTAL NON-CURRENT ASSETS	136,662	133,102
CURRENT ASSETS		
Inventories	67,369	58,226
Trade and other receivables	34,203	27,708
Tax recoverable	721	802
Deposits placed with licensed bank	11,550	18,524
Cash and bank balances	840	7,507
TOTAL CURRENT ASSETS	114,683	112,767
TOTAL ASSETS	251,345	245,869
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	271	271
Accumulated losses	(18,090)	(17,605)
SHAREHOLDERS' FUNDS	216,983	217,468
Non-controlling interest	2,046	2,089
TOTAL EQUITY	219,029	219,557
NON-CURRENT LIABILITIES		
Loans and borrowings	664	809
Deferred taxation	-	-
TOTAL NON-CURRENT LIABILITIES	664	809
CURRENT LIABILITIES		
Trade and other payables	11,667	12,790
Loans and borrowings	19,985	12,647
Tax payable	-	66
TOTAL CURRENT LIABILITIES	31,652	25,503
TOTAL LIABILITIES	32,316	26,312
TOTAL EQUITY AND LIABILITIES	251,345	245,869
Net assets per ordinary share (RM)	1.25	1.25

The above statement should be read in conjunction with the annual audited financial statements for the year ended 30 June 2011 and the accompanying explanatory notes attached to the interim financial statements.

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

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER AND PERIOD ENDED 30 SEPTEMBER 2011**

	INDIVIDUAL QUARTER 1ST QUARTER		CUMULATIVE QUARTER	
	Current Year	Preceding Year	Current Year	Preceding Year
	Quarter Ended 30-Sep-11 RM '000	Corresponding Quarter 30-Sep-10 RM '000	To Date 30-Sep-11 RM '000	Corresponding Period 30-Sep-10 RM '000
Revenue	12,910	14,942	12,910	14,942
Cost of sales	(10,086)	(14,227)	(10,086)	(14,227)
Gross profit	2,824	715	2,824	715
Other income	333	179	333	179
Distribution expenses	(472)	(797)	(472)	(797)
Administrative expenses	(2,851)	(3,737)	(2,851)	(3,737)
Results from operating activities	(166)	(3,640)	(166)	(3,640)
Finance cost	(362)	(304)	(362)	(304)
(Loss)/profit before tax	(528)	(3,944)	(528)	(3,944)
Taxation	-	64	-	64
(Loss)/profit for the period	(528)	(3,880)	(528)	(3,880)
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive (loss)/income for the period	(528)	(3,880)	(528)	(3,880)
(Loss)/profit attributable to:				
- Equity holders of the Company	(485)	(3,829)	(485)	(3,829)
- Non-controlling interest	(43)	(51)	(43)	(51)
	(528)	(3,880)	(528)	(3,880)
Total comprehensive (loss)/income attributable to:				
- Equity holders of the Company	(485)	(3,829)	(485)	(3,829)
- Non-controlling interest	(43)	(51)	(43)	(51)
	(528)	(3,880)	(528)	(3,880)
Basic earnings per ordinary share (sen)	(0.28)	(2.21)	(0.28)	(2.21)
Diluted earnings per ordinary share (sen)	N/A	N/A	N/A	N/A

The above statement should be read in conjunction with the annual audited financial statements for the year ended 30 June 2011 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 SEPTEMBER 2011**

3 months ended 30 September 2011

	Equity attributable to owners of the parent, total					Total	Non-controlling interest	Total Equity
	(Non-distributable)			(Distributable)				
	Share Capital	Share Premium	Share Option	Revaluation Reserve	Accumulated Losses			
	RM '000	RM '000	RM'000	RM'000	RM '000	RM '000	RM '000	RM '000
At 1 July 2011	173,394	1,571	271	59,837	(17,605)	217,468	2,089	219,557
ESOS lapsed	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	(485)	(485)	(43)	(528)
At 30 September 2011	173,394	1,571	271	59,837	(18,090)	216,983	2,046	219,029
At 1 July 2010	173,394	1,571	379	59,837	(6,026)	229,155	2,303	231,458
ESOS lapsed	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	(3,829)	(3,829)	(51)	(3,880)
Realisation of revaluation reserve	-	-	-	-	-	-	-	-
At 30 September 2010	173,394	1,571	379	59,837	(9,855)	225,326	2,252	227,578

The above statement should be read in conjunction with the annual audited financial statements for the year ended 30 June 2011 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 30 SEPTEMBER 2011**

	3 months ended 30-Sep-11 RM '000	3 months ended 30-Sep-10 RM '000
Cash Flow from operating activities		
(Loss)/profit before taxation	(528)	(3,944)
Adjustments for:		
Amortisation of timber concession	-	46
Amortisation of prepaid lease payment	-	76
Amortisation of plantation development expenditure	142	82
Impairment loss on trade receivables	-	-
Depreciation of property, plants and equipments	1,458	1,400
Loss/(gain) on disposal of property, plant and equipments	-	3
Interest income	(202)	(121)
Interest expenses	363	304
Operating (loss)/profit before working capital changes	1,233	(2,154)
Changes in working capital		
Inventories	(9,143)	5,671
Receivables	(6,495)	5,230
Payables	(1,124)	(4,969)
Cash generated from operations	(15,529)	3,778
Interest paid	(363)	(304)
Interest received	202	121
Tax refunded/(paid)	15	224
Net cash generated from operating activities	(15,675)	3,819
Cash flows from investing activities		
Purchase of property, plant and equipments	(5,160)	(58)
Acquisition of timber concession rights	-	-
Investment in plantation development expenditure	-	(291)
Net cash used in investing activities	(5,160)	(349)
Cash flow from financing activities		
Deposit held as security	-	15
Payments of hire purchase creditors	(165)	(181)
Repayment of term loans	(1,404)	(1,404)
Net cash used in financing activities	(1,569)	(1,570)
Net (decrease)/increase in cash and cash equivalents	(22,404)	1,900
Cash and cash equivalents at beginning of the year	19,608	25,288
Cash and cash equivalents at end of the period	(2,796)	27,188
Cash and cash equivalents comprise the followings:		
Cash and bank balances	840	10,277
Deposits placed with licensed bank	11,550	21,277
Bankers' acceptances	(13,030)	(1,862)
Bank overdraft	(2,156)	-
	(2,796)	29,692
Less: Deposits held as security	-	(2,504)
	(2,796)	27,188

The above statement should be read in conjunction with the annual audited financial statements for the year ended 30 June 2011 and the accompanying explanatory notes attached to the interim financial statements.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
- 30 SEPTEMBER 2011

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 2011. 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 2011.

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 adopted for the interim financial statements are consistent with those adopted for the annual financial statements for the year ended 30 June 2011 except for the adoption of the following new/revised standards, amendments and interpretations that are effective for financial period from 1 July 2011:

- Amendments to FRS 1, First-time Adoption of Financial Reporting Standards
 - Limited Exemption from Comparative FRS 7 Disclosure for First-time Adopters
 - Additional Exemptions for First-time Adopters
- Amendments to FRS 2, Group Cash-settled Share Based Payment Transactions
- Amendments to FRS 7, Financial Instruments: Disclosures – Improving Disclosures about Financial Instruments
- IC Interpretation 4, Determining whether an Arrangement contains a Lease
- IC Interpretation 18, Transfers of Assets from Customers
- Improvements to FRSs (2010)
- IC Interpretation 19, Extinguishing Financial Liabilities with Equity Instruments
- Amendments to IC Interpretation 14, Prepayments of a Minimum Funding Requirement

Adoption of the above standards and interpretations did not have any effect on the financial performance or position of the Group and the Company.

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 2011.

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 (current financial to date "YTD").

8. **Dividend paid**

There were no dividends paid in the current quarter.

9. **Segmental reporting**

The segmental reporting for the period ended 30 September 2011:

	Timber products	Plantation	Investment Holding	Eliminations	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000
Segment revenue					
External revenue	12,460	450	-	-	12,910
Intersegment revenue	851	-	1,080	(1,931)	-
Total revenue	<u>13,311</u>	<u>450</u>	<u>1,080</u>	<u>(1,931)</u>	<u>12,910</u>
Segment results					
Operating profit/(loss)	4	(214)	44	-	(166)
Finance cost	(353)	-	(9)	-	(362)
Taxation	-	-	-	-	-
Net profit/(loss) after taxation	<u>(349)</u>	<u>(214)</u>	<u>35</u>	<u>-</u>	<u>(528)</u>
Non-controlling interest	-	-	43	-	43
Net profit/(loss) attributable to owners of the Group for the period	<u>(349)</u>	<u>(214)</u>	<u>78</u>	<u>-</u>	<u>(485)</u>

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 that have not been reflected in the financial statements.

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 3 months ended	
	30-Sep-11 RM'000	30-Sep-10 RM'000	30-Sep-11 RM'000	30-Sep-10 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	127	116	127	116
<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.	908	-	908	-

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**

The revenue for the reported quarter of RM12.91 million is lower than RM14.94 million as recorded for the corresponding quarter of last year. This current quarter has reported a loss before taxation of RM0.53 million as compared to a loss before taxation of RM3.94 million recorded for the corresponding quarter of last year.

The better performance for the current quarter is mainly due to the more effective cost control measures having been implemented by the Group.

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

The Group's revenue for the reported quarter of RM12.91 million is lower than the RM13.77 million recorded for the immediate preceding quarter.

The Group registered a loss before taxation of RM0.53 million in the current quarter as compared to the loss before taxation of RM2.47 million of the immediate preceding quarter. The improvement in the financial performance is mainly due to the stability of round logs supply during current year quarter.

17. **Current year prospects**

For the current year, the Group's principal challenge remains the task of securing the round logs as required for its manufacturing operations due to the shortage of round logs supply in the State of Sabah. The outlook for the timber industry remain positive in view of the overall improvement in the selling prices of wood based products and the increased demand from Japan and other timber export markets. The Group will continue to source for plantation logs as an alternative and strive to improve productivity and yield in the manufacturing process, through investment in new machineries and equipment.

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		3 months ended	
	30-Sep-11	30-Sep-10	30-Sep-11	30-Sep-10
	RM'000	RM'000	RM'000	RM'000
Malaysian tax expense				
Income tax				
- Current year	-	-	-	-
- Under/(Over) provision in prior years	-	64	-	64
	-	64	-	64
Deferred taxation				
- Current year	-	-	-	-
- Under/(Over) provision in prior years	-	-	-	-
	-	-	-	-
	-	64	-	64

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

20. **Profits/losses on sale of unquoted investments and/or properties**

There were no sales of unquoted investments and/or properties of the Group during the current quarter under review and financial period to date.

21. **Quoted Shares**

There were neither purchases nor disposals of quoted securities by the Group for the quarter reported.

22. **Corporate Proposals**

There were no corporate proposals announced which was not completed as at 15 November 2011, a date not earlier than seven (7) days from the date of this report.

23. **Group borrowings and debt securities**

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

All borrowings are denominated in Ringgit.

	30-Sep-11	30-Jun-11
	RM'000	RM'000
Short term borrowings		
- Secured		
Bank overdraft	2,155	1,504
Hire purchase creditors	512	574
Bankers' acceptance	13,030	4,919
Term loan	4,288	5,650
	<u>19,985</u>	<u>12,647</u>
Long term borrowings		
- Secured		
Hire purchase creditors	664	767
Term loan	-	42
	<u>664</u>	<u>809</u>
	<u>20,649</u>	<u>13,456</u>

24. **Off Balance Sheet Financial Instruments**

The Group has no financial instruments with off balance sheet risk as at the date of this announcement.

25. **Material Litigation**

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

26. **Dividends Proposed**

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

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

	Individual Quarter 3 months ended		Cumulative Quarter 3 months ended	
	30-Sep-11 RM'000	30-Sep-10 RM'000	30-Sep-11 RM'000	30-Sep-10 RM'000
(Loss)/profit attributable to owners of the Company	(485)	(3,829)	(485)	(3,829)
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)	(0.28)	(2.21)	(0.28)	(2.21)
Diluted EPS (sen)	N/A	N/A	N/A	N/A

28. **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-11 RM'000	Preceding Financial Year Ended 30-Jun-11 RM'000
Total retained profits of the Group:		
- Realised	39,046	45,338
- Unrealised	-	-
Less: Consolidation adjustments	(57,136)	(62,943)
Total group accumulated losses	(18,090)	(17,605)

By order of the Board,
Lim Siew Ting
Secretary
Date: 18 November 2011
Kuala Lumpur