

Financial ResultsReference No **JJ-120220-3F09D**

Company Name : **JAVA BERHAD**
 Stock Name : **JAVA**
 Date Announced : 29/02/2012
 Financial Year End : 30/06/2012
 Quarter : 2
 Quarterly report for the financial period ended : 31/12/2011
 The figures : have not been audited

Converted attachment :

Please attach the full Quarterly Report here:

[#JAVA Quarterly Announcement 2Q FY2012.pdf](#)
[#JAVA Quarterly Announcement 2Q FY2012 \(Notes\).pdf](#)

Remark:

The consolidated interim financial results for the quarter ended 31 December 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
31/12/2011

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	31/12/2011 S\$'000	31/12/2010 S\$'000	31/12/2011 S\$'000	31/12/2010 S\$'000
1 Revenue	17,046	12,986	29,956	27,928
2 Profit/(loss) before tax	220	-3,739	-308	-7,683
3 Profit/(loss) for the period	220	-3,710	-308	-7,590
4 Profit/(loss) attributable to ordinary equity holders of the parent	283	-3,647	-202	-7,476
5 Basic earnings/(loss) per share (Subunit)	0.16	-2.10	-0.12	-4.31
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	
		1.2500		1.2500

Remarks :

The consolidated interim financial results for the quarter ended 31 December 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
Second Quarter Ended
31 December 2011

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2011

	(UNAUDITED)	(AUDITED)
	As At 31-Dec-11 RM '000	As At 30-Jun-11 RM '000
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipments	100,128	96,650
Plantation development expenditures	15,486	15,774
Timber concession rights	20,678	20,678
TOTAL NON-CURRENT ASSETS	136,292	133,102
CURRENT ASSETS		
Inventories	81,268	58,226
Trade and other receivables	33,810	27,708
Tax recoverable	741	802
Deposits placed with licensed bank	10,542	18,524
Cash and bank balances	836	7,507
TOTAL CURRENT ASSETS	127,197	112,767
TOTAL ASSETS	263,489	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	(17,807)	(17,605)
SHAREHOLDERS' FUNDS	217,266	217,468
Non-controlling interest	1,983	2,089
TOTAL EQUITY	219,249	219,557
NON-CURRENT LIABILITIES		
Loans and borrowings	630	809
TOTAL NON-CURRENT LIABILITIES	630	809
CURRENT LIABILITIES		
Trade and other payables	13,163	12,790
Loans and borrowings	30,447	12,647
Tax payable	-	66
TOTAL CURRENT LIABILITIES	43,610	25,503
TOTAL LIABILITIES	44,240	26,312
TOTAL EQUITY AND LIABILITIES	263,489	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 31 DECEMBER 2011**

	INDIVIDUAL QUARTER 2ND QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter Ended 31-Dec-11 RM '000	Preceding Year Corresponding Quarter 31-Dec-10 RM '000	Current Year To Date 31-Dec-11 RM '000	Preceding Year Corresponding Period 31-Dec-10 RM '000
Revenue	17,046	12,986	29,956	27,928
Cost of sales	(12,711)	(12,747)	(22,797)	(26,974)
Gross profit	4,335	239	7,159	954
Other income	11	137	344	316
Distribution expenses	(866)	(883)	(1,338)	(1,680)
Administrative expenses	(2,931)	(2,994)	(5,782)	(6,731)
Results from operating activities	549	(3,501)	383	(7,141)
Finance cost	(329)	(238)	(691)	(542)
(Loss)/profit before tax	220	(3,739)	(308)	(7,683)
Taxation	-	29	-	93
(Loss)/profit for the period	220	(3,710)	(308)	(7,590)
Other comprehensive income, net of tax for the period	-	-	-	-
(Loss)/profit attributable to:				
- Equity holders of the Company	283	(3,647)	(202)	(7,476)
- Non-controlling interest	(63)	(63)	(106)	(114)
	220	(3,710)	(308)	(7,590)
Total comprehensive (loss)/income attributable to:				
- Equity holders of the Company	283	(3,647)	(202)	(7,476)
- Non-controlling interest	(63)	(63)	(106)	(114)
	220	(3,710)	(308)	(7,590)
Basic earnings per ordinary share (sen)	0.16	(2.10)	(0.12)	(4.31)
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 31 DECEMBER 2011**

6 months ended 31 December 2011

	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 2011	173,394	1,571	271	59,837	(17,605)	217,468	2,089
ESOS issued	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	(202)	(202)	(106)
At 31 December 2011	173,394	1,571	271	59,837	(17,807)	217,266	1,983
At 1 July 2010	173,394	1,571	379	59,837	(6,026)	229,155	2,303
ESOS issued	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	(7,476)	(7,476)	(114)
Realisation of revaluation reserve	-	-	-	-	-	-	-
At 31 December 2010	173,394	1,571	379	59,837	(13,502)	221,679	2,189

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

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

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE QUARTER AND PERIOD ENDED 31 DECEMBER 2011**

	6 months ended 31-Dec-11 RM '000	6 months ended 31-Dec-10 RM '000
Cash Flow from operating activities		
(Loss)/profit before taxation	(308)	(7,683)
Adjustments for:		
Amortisation of timber concession	-	45
Amortisation of prepaid lease payment	-	152
Amortisation of plantation development expenditure	288	164
Depreciation of property, plants and equipments	2,940	2,797
Loss/(gain) on disposal of property, plant and equipments	-	3
Interest income	(293)	(247)
Interest expenses	691	542
Operating (loss)/profit before working capital changes	<u>3,318</u>	<u>(4,227)</u>
Changes in working capital		
Inventories	(23,042)	9,275
Receivables	(6,102)	(548)
Payables	371	(3,839)
Cash generated from operations	<u>(25,455)</u>	<u>661</u>
Interest paid	(691)	(542)
Interest received	293	247
Tax refunded/(paid)	(4)	212
Net cash generated from operating activities	<u>(25,857)</u>	<u>578</u>
Cash flows from investing activities		
Purchase of property, plant and equipments	(6,420)	(1,044)
Investment in plantation development expenditure	-	(648)
Net cash used in investing activities	<u>(6,420)</u>	<u>(1,692)</u>
Cash flow from financing activities		
Deposit held as security	-	15
Net drawdown/(payments) of hire purchase creditors	(177)	174
Repayment of term loans	(2,807)	(2,862)
Net cash used in financing activities	<u>(2,984)</u>	<u>(2,673)</u>
Net (decrease)/increase in cash and cash equivalents	<u>(35,261)</u>	<u>(3,787)</u>
Cash and cash equivalents at beginning of the year	<u>19,608</u>	<u>25,288</u>
Cash and cash equivalents at end of the period	<u>(15,653)</u>	<u>21,501</u>
Cash and cash equivalents comprise the followings:		
Cash and bank balances	836	5,228
Deposits placed with licensed bank	10,542	19,296
Bankers' acceptances	(18,189)	(518)
Bank overdraft	(8,842)	-
	<u>(15,653)</u>	<u>24,006</u>
Less: Deposits held as security	-	(2,505)
	<u>(15,653)</u>	<u>21,501</u>

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 – 31
DECEMBER 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 31 December 2011:

	Timber products	Plantation	Investment Holding	Eliminations	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000
Segment revenue					
External revenue	29,283	673	-	-	29,956
Intersegment revenue	1,815	-	2,160	(3,975)	-
Total revenue	31,098	673	2,160	(3,975)	29,956
Segment results					
Operating profit/(loss)	1,662	(530)	(749)	-	383
Finance cost	(672)	-	(19)	-	(691)
Taxation	-	-	-	-	-
Net profit/(loss) after taxation	990	(530)	(768)	-	(308)
Non-controlling interest	-	-	106	-	106
Net profit/(loss) attributable to owners of the Group for the period	990	(530)	(662)	-	(202)

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 6 months ended	
	31-Dec-11 RM'000	31-Dec-10 RM'000	31-Dec-11 RM'000	31-Dec-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	130	129	257	256
<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.	-	-	906	-

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 RM17.04 million is higher than RM12.98 million as recorded for the corresponding quarter of last year. This current quarter has reported a profit before taxation of RM0.22 million as compared to a loss before taxation of RM3.74 million recorded for the corresponding quarter of last year. Compare with the corresponding quarter, revenue for Timber products has increased 30% due to availability of logs supply while the revenue from Plantation has increased 70% due to maturity of plants planted in year 2006.

The improved in financial performance is mainly due to better cost control measurements practiced by the organisation and the stability of round logs supply in current financial year.

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

The Group's revenue for the reported quarter of RM17.04 million is higher than the RM12.91 million recorded for the immediate preceding quarter.

The Group registered a profit before taxation of RM0.22 million in the current quarter as compared to the loss before taxation of RM0.53 million of the immediate preceding quarter. Revenue from Timber products has increased as a result of more stable supply of logs for the current quarter while the revenue from Plantation has decreased as a result of the prolong raining season in the northern state of West Malaysia which has affected the harvesting of the fresh fruit bunch (FFB). The improved in financial performance is mainly due to 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. The outlook for the timber industry remains positive in view of the stable selling prices of wood based products from the existing 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	
	31-Dec-11	31-Dec-10	31-Dec-11	31-Dec-10
	RM'000	RM'000	RM'000	RM'000
Malaysian tax expense				
Income tax				
- Current year	-	-	-	-
- Under/(Over) provision in prior years	-	29	-	93
	-	29	-	93
Deferred taxation				
- Current year	-	-	-	-
- Under/(Over) provision in prior years	-	-	-	-
	-	-	-	-
	-	29	-	93

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 20th February 2012, 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: -

All borrowings are denominated in Ringgit.

	31-Dec-11	30-Jun-11
	RM'000	RM'000
Short term borrowings		
- Secured		
Bank overdraft	8,840	1,504
Hire purchase creditors	533	574
Bankers' acceptance	18,189	4,919
Term loan	2,885	5,650
	<u>30,447</u>	<u>12,647</u>
Long term borrowings		
- Secured		
Hire purchase creditors	630	767
Term loan	-	42
	<u>630</u>	<u>809</u>
	<u>31,077</u>	<u>13,456</u>

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 6 months ended	
	31-Dec-11 RM'000	31-Dec-10 RM'000	31-Dec-11 RM'000	31-Dec-10 RM'000
(Loss)/profit attributable to owners of the Company	283	(3,647)	(202)	(7,476)
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)	0.16	(2.10)	(0.12)	(4.31)
Diluted EPS (sen)	N/A	N/A	N/A	N/A

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 6 Months Ended 31-Dec-11 RM'000	Preceding Financial Year Ended 30-Jun-11 RM'000
Total retained profits of the Group:		
- Realised	45,136	45,338
- Unrealised	-	-
Less: Consolidation adjustments	(62,943)	(62,943)
Total group accumulated losses	(17,807)	(17,605)

26 **Notes to the Statement of Comprehensive Income**

	6 months ended 31.12.2011
	RM'000
Net profit /(Loss) for the period is arrived at after charging:	
Depreciation of property, plants and equipment	2,940
Amortisation of plantation development expenditure	288
And after crediting:	
Interest income	293
Foreign exchange gain	45

Other than the above and 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 quarter and financial period to date.

By order of the Board,
Lim Siew Ting
Secretary
Date: 23rd February 2012
Kuala Lumpur