



**Interim Report for the
Second Quarter Ended
31st December 2007**

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JAVA INCORPORATED BHD (2511-M)
CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE SECOND QUARTER OF THE FINANCIAL YEAR ENDING 30 JUNE 2008

	2ND QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 31-Dec-07 <u>RM '000</u>	Preceding Year Corresponding Quarter 31-Dec-06 <u>RM '000</u>	Current Year To Date 31-Dec-07 <u>RM '000</u>	Preceding Year Corresponding Period 31-Dec-06 <u>RM '000</u>
Revenue	64,405	68,329	136,662	149,043
Operating Profit before depreciation and other income	7,948	30,234	16,980	52,637
Depreciation & amortisation	-3,038	-4,341	-5,972	-9,618
Finance costs	-782	-333	-1,411	-627
Other income	760	2,479	1,496	2,791
Profit before taxation	4,888	28,039	11,093	45,183
Taxation	(3)	-9	(3)	-126
Net profit after taxation	<u>4,885</u>	<u>28,030</u>	<u>11,090</u>	<u>45,057</u>
Attributable to:-				
Equity holders of the parent	4,889	28,030	11,094	45,057
Minority interest	(4)	-	(4)	-
	<u>4,885</u>	<u>28,030</u>	<u>11,090</u>	<u>45,057</u>
Earnings Per Share (Sen)				
- Basic	3.02	16.96	7.07	27.26
- Diluted	2.74	14.53	6.39	23.02

The above statement should be read in conjunction with the Annual Financial Report for the year ended 30 June 2007.

JAVA INCORPORATED BHD (2511-M)
CONDENSED CONSOLIDATED BALANCE SHEET
FOR THE SECOND QUARTER OF THE FINANCIAL YEAR ENDING 30 JUNE 2008

	UNAUDITED	AUDITED
	As At End Of Current Quarter 31-Dec-07 <u>RM '000</u>	As At Preceding Financial Year End 30-Jun-07 <u>RM '000</u>
NON-CURRENT ASSETS		
PROPERTY, PLANT AND EQUIPMENT	93,591	94,858
TIMBER CONCESSION RIGHTS	37,068	12,902
PLANTATION DEVELOPMENT EXPENDITURE	7,528	6,181
CURRENT ASSETS		
Inventories	78,866	88,154
Trade and other receivables and advance payments	68,094	49,346
Deposits placed with licenced banks	17,632	48,079
Tax recoverable	-	176
Cash and bank balances	15,635	9,142
Total current assets	180,227	194,897
TOTAL ASSETS	318,414	308,838
EQUITY AND LIABILITIES		
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT		
Share capital	173,369	173,109
Share premium	1,476	1,476
Share options reserve	529	529
Revaluation reserve	59,934	59,934
Retained earnings	14,980	3,886
Shareholders' funds	250,288	238,934
Minority interests	2,499	2,503
Total equity	252,787	241,437
NON-CURRENT LIABILITIES		
Hire purchase creditors	2,108	1,901
Long term loans	25,328	136
Deferred taxation	652	653
Total non-current liabilities	28,088	2,690
CURRENT LIABILITIES		
Trade and other payables and advance payments	25,603	40,257
Hire purchase creditors	554	641
Short term borrowings	7,676	18,433
Tax payable	3,706	5,380
Total current liabilities	37,539	64,711
Total Liabilities	65,627	67,401
TOTAL EQUITY AND LIABILITIES	318,414	308,838
Net assets per ordinary share (RM)	1.44	1.57

The above statement should be read in conjunction with the Annual Financial Report for the year ended 30 June 2007.

JAVA INCORPORATED BHD (2511-M)
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SECOND QUARTER OF THE FINANCIAL YEAR ENDING 30 JUNE 2008

Group	Attributable to equity holders of the parent						Total	Minority interests	Total Equity
	Share Capital			Share Option Reserve	Revaluation Reserve	Retained Earnings/ (Accumulated Losses)			
	Ordinary Shares	Preference Shares	Share Premium						
RM '000	RM '000	RM '000	RM'000	RM'000	RM '000	RM '000	RM '000	RM '000	
As at 1 July 2007	152,310	20,799	1,476	529	59,934	3,886	238,934	2,503	241,437
Net Profit for the financial period	-	-	-	-	-	11,094	11,094	(4)	11,090
Issuance of shares:- - conversion of ICCPS	20,799	(20,799)	-	-	-	-	-	-	-
Share options:- - issuance of shares	203	-	-	-	-	-	203	-	203
Issuance of shares:- - exercise of warrants	57	-	-	-	-	-	57	-	57
As at 31 December 2007	173,369	-	1,476	529	59,934	14,980	250,288	2,499	252,787
As at 1 July 2006	144,461	20,800	-	-	-	(65,880)	99,381	41	99,422
Surplus arising from revaluation of land and buildings	-	-	-	-	59,934	-	59,934	2,466	62,400
Share options:- - fair value of share options granted under ESOS	-	-	-	2,005	-	-	2,005	-	2,005
- issuance of shares	7,780	-	-	-	-	-	7,780	-	7,780
- reserve realised upon exercise of ESOS	-	-	1,476	(1,476)	-	-	-	-	-
Issuance of shares:- - conversion of ICCPS	1	(1)	-	-	-	-	-	-	-
- exercise of warrants	68	-	-	-	-	-	68	-	68
Dividend paid	-	-	-	-	-	(3,120)	(3,120)	-	(3,120)
Net Profit for the financial year	-	-	-	-	-	72,886	72,886	(4)	72,882
As at 30 June 2007	152,310	20,799	1,476	529	59,934	3,886	238,934	2,503	241,437

The above statement should be read in conjunction with the Annual Financial Report for the year ended 30 June 2007.

JAVA INCORPORATED BHD (2511-M)
CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE SECOND QUARTER OF THE FINANCIAL YEAR ENDING 30 JUNE 2008

	6 months ended	6 months ended
	31-Dec-07	31-Dec-06
	RM '000	RM '000
Cash Flow from operating activities		
Profit before taxation	11,093	45,183
Adjustments for:		
Depreciation and amortisation	5,972	9,618
Gain on disposal of property, plant & equipment	(37)	-
ESOS related expenses	-	838
Interest income	(652)	(185)
Interest expenses	1,411	627
Operating Profit before working capital changes	<u>17,787</u>	<u>56,081</u>
Increase/Decrease in working capital		
Inventories	9,288	(28,542)
Receivables	(18,748)	(14,000)
Payables	(14,654)	(16,490)
Cash used in operations	<u>(6,327)</u>	<u>(2,951)</u>
Interest received	652	185
Tax paid	(1,498)	(224)
Net cash used in operating activities	<u>(7,173)</u>	<u>(2,990)</u>
Cash flows from investing activities		
Purchase of property, plant & equipment	(808)	(1,647)
Proceeds from disposal of property, plant & equipment	396	-
Acquisition in timber concession rights	(28,000)	-
Investment in plantation development expenditure	(1,177)	(2,780)
Net cash used in investing activities	<u>(29,589)</u>	<u>(4,427)</u>
Cash flow from financing activities		
Fixed Deposit (held as)/released	(35)	-
Proceeds from issuance of shares	260	-
Payments of hire purchase creditors	(474)	(241)
Drawdown of term loan	25,200	-
Repayment of term loans	(9)	(11,718)
Interest paid	(1,411)	(333)
Net change in revolving credits	(6,000)	6,000
Net cash generated from/(used in) financing activities	<u>17,531</u>	<u>(6,292)</u>
Net decrease in cash & cash equivalents	(19,231)	(13,709)
Cash & cash equivalents at beginning of the year	<u>42,423</u>	<u>15,354</u>
Cash and cash equivalents at the end of the quarter	<u><u>23,192</u></u>	<u><u>1,645</u></u>
Cash & cash equivalents comprise:		
Cash and bank balances	15,635	4,734
Deposits placed with licenced bank	17,632	10,378
Bankers' acceptances	(7,658)	(11,126)
	<u>25,609</u>	<u>3,986</u>
Less: Deposits held as security value	(2,417)	(2,341)
	<u><u>23,192</u></u>	<u><u>1,645</u></u>

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