

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 30 JUNE 2012

The figures have not been audited

CONDENSED CONSOLIDATED INCOME STATEMENTS FOR THE QUARTER ENDED 30 JUNE 2012

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year- To-Date	Preceding Year Corresponding Period
	30/06/2012 RM'000	30/06/2011 RM'000	30/06/2012 RM'000	30/06/2011 RM'000
Revenue	16,029	8,945	53,276	32,257
Cost of sales	(14,767)	(9,817)	(49,155)	(30,337)
Gross profit/(loss)	1,262	(872)	4,121	1,920
Operating expenses	(1,078)	(1,770)	(3,517)	(4,578)
Other operating income/(expenses)	296	(96)	451	(929)
Operating profit/(loss)	480	(2,738)	1,055	(3,587)
Finance costs	57	36	(26)	(69)
Finance income	13	7	59	60
Profit/(loss) before taxation	550	(2,695)	1,088	(3,596)
Taxation	165	550	(204)	1,177
Profit/(loss) for the period	715	(2,145)	884	(2,419)
Earnings/(loss) per ordinary share (sen):-				
(a) Basic	1.15	(3.45)	1.42	(3.89)
(b) Fully diluted	N/A	N/A	N/A	N/A

The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Statements for the Financial Year Ended 30 June 2011.

NARRA INDUSTRIES BERHAD
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER
ENDED 30 JUNE 2012

The figures have not been audited

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE
QUARTER ENDED 30 JUNE 2012

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year- To-Date	Preceding Year Corresponding Period
	30/06/2012 RM'000	30/06/2011 RM'000	30/06/2012 RM'000	30/06/2011 RM'000
Profit/(loss) for the period	715	(2,145)	884	(2,419)
Foreign currency translation differences for foreign operations	235	53	222	57
Total comprehensive income/(expense)/ for the period	950	(2,092)	1,106	(2,362)

The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the Annual Financial Statements for the Financial Year Ended 30 June 2011.

NARRA INDUSTRIES BERHAD
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER
ENDED 30 JUNE 2012

The figures have not been audited

CONDENSED CONSOLIDATED STATEMENTS ON FINANCIAL POSITION AS AT
30 JUNE 2012

	As at end of current quarter 30/06/2012 RM'000	As at preceding financial year end 30/06/2011 RM'000
Assets		
Property, plant and equipment	9,762	10,299
Intangible assets	36,428	36,428
Deferred tax assets	970	1,094
Total non-current assets	<u>47,160</u>	<u>47,821</u>
Inventories	2,951	1,603
Trade and other receivables	13,360	10,441
Current tax assets	71	2
Deposits, cash and bank balances	10,807	11,711
Total current assets	<u>27,189</u>	<u>23,757</u>
TOTAL ASSETS	<u>74,349</u>	<u>71,578</u>
Equity attributable to owners of the Company		
Share capital	62,188	62,188
Reserves	(2,082)	(3,188)
Total equity	<u>60,106</u>	<u>59,000</u>
Liabilities		
Retirement benefits	153	266
Deferred tax liabilities	-	135
Total non-current liabilities	<u>153</u>	<u>401</u>
Trade and other payables	14,090	10,741
Borrowings (unsecured)	-	1,400
Current tax liabilities	-	36
Total current liabilities	<u>14,090</u>	<u>12,177</u>
TOTAL LIABILITIES	<u>14,243</u>	<u>12,578</u>
TOTAL EQUITY AND LIABILITIES	<u>74,349</u>	<u>71,578</u>
Net assets per share attributable to owners of the Company (RM)	0.97	0.95

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Statements for the Financial Year Ended 30 June 2011.

NARRA INDUSTRIES BERHAD
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER
ENDED 30 JUNE 2012

The figures have not been audited

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE
PERIOD ENDED 30 JUNE 2012

	Share capital	Translation reserve	Accumulated losses	Total equity
	RM'000	RM'000	RM'000	RM'000
Current year-to-date ended 30 June 2012				
At 1 July 2011	62,188	(147)	(3,041)	59,000
Other comprehensive income	-	222	-	222
– foreign currency translation difference				
Profit for the period	-	-	884	884
Total comprehensive income for the period	-	222	884	1,106
At 30 June 2012	62,188	75	(2,157)	60,106
Preceding year corresponding period ended 30 June 2011				
At 1 July 2010	62,188	(204)	(622)	61,362
Other comprehensive income	-	57	-	57
– foreign currency translation difference				
Profit for the period	-	-	(2,419)	(2,419)
Total comprehensive income for the period	-	57	(2,419)	(2,362)
At 30 June 2011	62,188	(147)	(3,041)	59,000

The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Financial Statements for the Financial Year Ended 30 June 2011.

NARRA INDUSTRIES BERHAD
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER
ENDED 30 JUNE 2012

The figures have not been audited

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD
ENDED 30 JUNE 2012

	Current Year-To-Date	Preceding Year Corresponding Period
	30/06/2012 RM'000	30/06/2011 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(loss) before taxation	1,088	(3,596)
Adjustments for:-		
Depreciation and amortization	715	765
Non cash item	(320)	(213)
Net financing costs	(33)	9
Operating profit before changes in working capital	1,450	(3,035)
Changes in working capital		
Net change in current assets	(4,257)	4,588
Net change in current liabilities	3,349	2,408
Tax paid	(320)	(546)
Net financing costs received/(paid)	33	(9)
Retirement benefits paid	(46)	(21)
Dividend received	214	185
Net cash generated from operating activities	423	3,570
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceed from disposal of property, plant and equipment	69	-
Acquisition of property, plant and equipment	(218)	(146)
Net cash used in investing activities	(149)	(146)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of bank borrowings	(2,400)	(6,187)
Drawdown of bank borrowings	1,000	2,764
Net cash used in financing activities	(1,400)	(3,423)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(1,126)	1
CASH & CASH EQUIVALENTS AT BEGINNING OF PERIOD	11,711	11,653
EFFECT ON FOREIGN EXCHANGE	222	57
CASH & CASH EQUIVALENTS AT END OF PERIOD	10,807	11,711

Cash and cash equivalents included in the consolidated statements of cash flow comprise the following balance sheet amounts:

	30/06/2012 RM'000	30/06/2011 RM'000
Deposits, cash and bank balances	10,807	11,711

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Statements for the Financial Year Ended 30 June 2011.

NARRA INDUSTRIES BERHAD
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER
ENDED 30 JUNE 2012

The figures have not been audited

1. Basis of preparation

The interim financial report is unaudited and has been prepared in accordance with Financial Reporting Standards (“FRS”) 134 “Interim Financial Reporting” and the applicable disclosure provisions of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and should be read in conjunction with the Group’s audited financial statements for the financial year ended 30 June 2011.

The accounting policies and presentation adopted for this interim financial report are consistent with those adopted in the audited financial statements for the financial year ended 30 June 2011 except for the changes in accounting policies and presentation resulting from the adoption of relevant FRSs, Amendments to FRSs and IC Interpretations that are effective for the financial periods beginning on or after 1 January 2011 and 1 July 2011 respectively.

The adoption of relevant FRSs, Amendments to FRSs and IC Interpretations are not expected to have any significant financial impact on the financial statements of the Group.

2. Qualification of audit report of the preceding annual financial statements

The audit report for the preceding annual financial statements was not qualified.

3. Seasonality or cyclicity of interim operations

There has been no material seasonal or cyclical factors affecting the results of the quarter under review.

4. Nature and amount of items affecting assets, liabilities, equity, net income, or cash flows that are unusual because of their nature, size, or incidence

There were no items affecting assets, liabilities, equity, net income, or cash flows that are unusual because of their nature, size, or incidence during the quarter under review and financial year-to-date.

5. Changes in estimates of amounts reported in prior interim periods of the current financial year or in prior financial years

There were no changes in estimates of amounts reported in prior financial years.

6. Issuances, cancellations, repurchases, resale and repayments of debt and equity securities

There were no issuance of shares, share buy-back, share cancellations resale of treasury shares or repayments of debt or equity securities during the quarter under review and financial year-to-date.

7. Dividend

There were no dividends paid during the quarter under review and financial year-to-date.

NARRA INDUSTRIES BERHAD
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER
ENDED 30 JUNE 2012

The figures have not been audited

8. Operating Segments

The Group's segmental report for the financial year-to-date is as follows: -

	Design, manufacturing supply of furniture and interior design fit- out works RM'000
Reportable segment profit	<u>1,485</u>
Included in the measure of segment profit are:	
Revenue from external customers	53,062
Depreciation and amortisation	<u>715</u>
Reconciliation of reportable segment profit	
Profit	
Reportable segments	1,485
Non-reportable segments	(430)
Finance costs	(26)
Finance income	59
Consolidated profit before taxation	<u>1,088</u>

9. Valuations of property, plant and equipment

There are no revaluation of property, plant and equipment as at the date of this report.

10. Material events not reflected in the financial statements

There are no material subsequent events to be disclosed as at the date of this report.

11. Changes in the composition of the Group

There were no changes in the composition of the Group during the quarter under review, including business combinations, acquisition or disposal of subsidiaries and long-term investments, restructurings and discontinued operations.

12. Contingent liabilities or contingent assets

There are no contingent liabilities or contingent assets as at the date of this report.

NARRA INDUSTRIES BERHAD
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER
ENDED 30 JUNE 2012

The figures have not been audited

13. Review of Performance

For the quarter under review, the Group recorded a revenue of RM16.0 million and profit before taxation (“PBT”) of RM0.6 million as compared with a revenue of RM8.9 million and loss before taxation (“LBT”) of RM2.7 million recorded in the corresponding quarter of the preceding year ended 30 June 2011 (“FY 2011”).

For the financial year-to-date, the Group recorded a revenue and PBT of RM53.3 million and RM1.1 million respectively as compared with a revenue and LBT of RM32.3 million and RM3.6 million recorded in the corresponding period of FY 2011.

In comparison with the corresponding quarter and period of FY 2011, the improvements in profits were due to the increase in revenue mainly attributable to the Group’s continuous effort in promoting products and services to the hospitality and commercial markets which had successfully increased project sales during the financial year. This mitigated the reduced sales in the export market which was competitive and challenging.

14. Material changes in PBT against the immediate preceding quarter

The Group recorded a PBT of RM550,000 for the quarter under review as compared with a LBT of RM84,000 recorded in the preceding quarter. The profit in the quarter under review was mainly due to higher revenue recorded for project sales as explained in note 13.

15. Prospects

Although the market remains highly uncertain and competitive, the Group will continue to enhance its services to the hospitality and commercial markets to further penetrate this sector. The new range of furnitures that the Group has designed, which is targeted for the export market, is expected to improve the Group’s revenue.

Barring any unforeseen circumstances, the Board expects the Group’s performance to be satisfactory for the financial year ending 30 June 2013.

16. Profit forecast / profit guaranteed

This note is not applicable.

17. Profit before taxation

	Current Year Quarter	Current Year To-date
	30/06/2012 RM'000	30/06/2012 RM'000
Profit before taxation is arrived at after charging/(crediting) :-		
Gross dividend income from short term investments	(55)	(214)
Depreciation and amortization	172	715
Gain on foreign exchange	(88)	(176)
Inventories written back	(202)	(202)
Fair value gain on derivative instruments	-	-
Reversal of impairment loss on trade receivables	-	-
(Gain)/loss on disposal of quoted or unquoted investments or properties	-	-
Impairment of property, plant and equipment	-	-

NARRA INDUSTRIES BERHAD
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER
ENDED 30 JUNE 2012

The figures have not been audited

18. Taxation

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year- To-Date	Preceding Year Corresponding Period
	30/06/2012 RM'000	30/06/2011 RM'000	30/06/2012 RM'000	30/06/2011 RM'000
Current taxation				
Malaysian - current years	4	83	10	27
- prior year	-	(343)	2	(343)
Overseas - current years	-	480	147	487
- prior year	(5)	(1,275)	56	(1,275)
	(1)	(1,055)	215	(1,104)
Deferred taxation				
Malaysian - current years	20	498	173	(80)
- prior year	(188)	7	(188)	7
Overseas - prior year	4	-	4	-
	(164)	505	(11)	(73)
	(165)	(550)	204	(1,177)

The Group' effective tax rate for the quarter under review and financial year-to-date were lower than the statutory tax rate mainly due to under recognition of deferred tax assets in prior years.

19. Corporate proposals

There are no corporate proposals announced but not completed as at the date of this report.

20. Group's borrowings and debt securities

There were no borrowings outstanding as at 30 June 2012.

21. Changes in material litigation

There are no material litigations as at the date of this report.

22. Dividend

- a) The Board does not recommend any final dividend for the financial year ended 30 June 2012 (2010/2011 : Nil).
- b) For the financial year-to-date, no dividend has been declared (2010/2011 : Nil).

NARRA INDUSTRIES BERHAD
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER
ENDED 30 JUNE 2012

The figures have not been audited

23. Earnings Per Ordinary Share

(a) Basic earnings per ordinary share

The calculation of basic earnings per ordinary share for the quarter under review is calculated by dividing the Group's profit attributable to owners of the Company of RM715,000 (4th quarter 2010/2011: Group's loss attributable to owners of the Company of RM2,145,000) by the weighted average number of ordinary shares outstanding during the quarter of 62,187,600 (4th quarter 2010/2011 : 62,187,600).

The calculation of basic earnings per ordinary share for the financial year-to-date is based on the profit attributable to owners of the Company of RM884,000 (2010/2011: Group's loss attributable to owners of the Company of RM2,419,000) and the weighted average number of ordinary shares during the period of 62,187,600 (2010/2011: 62,187,600).

(b) Diluted earnings per share

The Group has no dilution in its earnings per ordinary share in the quarter under review / financial year-to-date and preceding year corresponding quarter / period as there were no dilutive potential ordinary shares.

24. Realised and unrealised profits /losses disclosure

The breakdown of the accumulated losses of the Group, into realised and unrealised profits/losses are as follows:-

	As At End of Current Quarter	As At End of Preceding Financial Year
	30/06/2012 RM'000	30/06/2011 RM'000
Total accumulated losses of the Company and the subsidiaries:-		
-realised	(3,231)	(3,168)
-unrealised	980	1,169
	<u>(2,251)</u>	<u>(1,999)</u>
Less: Consolidation adjustments	94	(1,042)
Group's accumulated losses	<u>(2,157)</u>	<u>(3,041)</u>

By Order of the Board
Narra Industries Berhad

Joanne Leong Wei Yin
Company Secretary

Kuala Lumpur
27 August 2012