



NARRA INDUSTRIES

A Member of the Hong Leong Group Malaysia

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 30 JUNE 2009

The figures have not been audited

CONDENSED CONSOLIDATED INCOME STATEMENTS FOR THE QUARTER ENDED 30 JUNE 2009

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year- To-Date	Preceding Year Corresponding Period
	30/06/2009 RM'000	30/06/2008 RM'000	30/06/2009 RM'000	30/06/2008 RM'000
Revenue	9,456	8,380	34,996	47,749
Cost of sales	(8,213)	(8,197)	(28,784)	(47,899)
Gross profit/(loss)	1,243	183	6,212	(150)
Operating expenses	(1,065)	(1,225)	(4,837)	(5,198)
Other (expense)/income	(66)	(231)	(2,349)	(212)
Operating profit/(loss)	112	(1,273)	(974)	(5,560)
Interest income	19	94	178	330
Interest expense	(49)	(57)	(256)	(250)
Profit/(Loss) before taxation	82	(1,236)	(1,052)	(5,480)
Taxation	354	510	354	510
Profit/(Loss) for the period	436	(726)	(698)	(4,970)
Earnings/(Loss) per ordinary share (sen):-				
(a) Basic	0.70	(1.17)	(1.12)	(7.99)
(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 Year Ended 30 June 2008.

NARRA INDUSTRIES BERHAD
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CONDENSED CONSOLIDATED BALANCE SHEETS AS AT 30 JUNE 2009

	As at end of current quarter 30/06/2009 RM'000	As at preceding financial year end 30/06/2008 RM'000
Non-current assets		
Property, plant and equipment	9,043	9,790
Prepaid lease payments	2,504	2,576
Goodwill on consolidation	36,428	36,428
Deferred tax assets	1,271	917
	49,246	49,711
Current assets		
Inventories	2,798	5,205
Trade and other receivables	7,629	2,858
Tax recoverable	48	1,095
Deposits, cash and bank balances	10,122	10,994
	20,597	20,152
TOTAL ASSETS	69,843	69,863
Equity		
Share capital	62,188	62,188
Reserves	(5,149)	(4,438)
	57,039	57,750
Non-current liabilities		
Retirement benefits	234	239
	234	239
Current liabilities		
Trade and other payables	4,209	4,771
Short term borrowings and overdraft	8,361	7,103
	12,570	11,874
TOTAL LIABILITIES	12,804	12,113
TOTAL EQUITY AND LIABILITIES	69,843	69,863
Net assets per share attributable to ordinary equity holders of the parent (RM)	0.92	0.93

The Condensed Consolidated Balance Sheets should be read in conjunction with the Annual Financial Statements for the Year Ended 30 June 2008.

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CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE
PERIOD ENDED 30 JUNE 2009

	Share capital	Exchange Fluctuation Reserve	(Accumulated losses)/ Retained profits	Total Equity
	RM'000	RM'000	RM'000	RM'000
Current year-to-date ended				
30 June 2009				
At 1 July 2008	62,188	-	(4,438)	57,750
Foreign currency translation difference	-	(13)	-	(13)
Net loss for the period		-	(698)	(698)
At 30 June 2009	62,188	(13)	(5,136)	57,039
Preceding year corresponding period				
ended 30 June 2008				
At 1 July 2007	62,188	-	532	62,720
Net loss for the period	-	-	(4,970)	(4,970)
At 30 June 2008	62,188	-	(4,438)	57,750

The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Financial Statements for the Year Ended 30 June 2008.

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CONDENSED CONSOLIDATED CASH FLOW STATEMENTS FOR THE PERIOD
ENDED 30 JUNE 2009

	Current Year- To-Date	Preceding Year Corresponding Period
	30/06/2009 RM'000	30/06/2008 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(1,052)	(5,480)
Adjustments for:-		
Depreciation and amortisation	899	942
Non cash item	(83)	156
Net interest expenses/(income)	78	(80)
Operating loss before changes in working capital	(158)	(4,462)
Changes in working capital		
Net change in current assets	(2,369)	12,529
Net change in current liabilities	(562)	(4,186)
Net income taxes refunded/(paid)	1,047	(14)
Retirement benefits paid	(5)	(45)
Dividend received	89	-
Net interest (paid)/received	(78)	80
Net cash (used in)/generated from operating activities	(2,036)	3,902
CASH FLOWS FROM INVESTING ACTIVITIES		
Property, plant and equipment	(81)	254
Net cash (used in)/generated from investing activities	(81)	254
CASH FLOWS FROM FINANCING ACTIVITIES		
Net proceeds from/(repayment of) bank borrowings	1,258	(1,686)
Net cash used in financing activities	1,258	(1,686)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(859)	2,470
EFFECT ON FOREIGN EXCHANGE	(13)	-
CASH & CASH EQUIVALENTS AT BEGINNING OF PERIOD	10,994	8,524
CASH & CASH EQUIVALENTS AT END OF PERIOD	10,122	10,994

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

	31/06/2009 RM'000	30/06/2008 RM'000
Deposits, cash and bank balances	10,122	10,994

The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Annual Financial Statements for the Year Ended 30 June 2008.

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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 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 2008.

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 2008.

The Group has not applied the following Amendments to FRSs, FRSs and IC Interpretations that have been issued by the Malaysian Accounting Standards Board (MASB) which are not yet effective:

FRSs / Interpretations	Effective date
Amendments to FRS 1, <i>First-time Adoption of Financial Reporting Standards</i> and FRS 127, <i>Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate</i>	1 January 2010
Amendments to FRS 2, <i>Share-based Payment: Vesting Conditions and Cancellations</i>	1 January 2010
FRS 4, <i>Insurance Contracts</i>	1 January 2010
FRS 7, <i>Financial Instruments: Disclosures</i>	1 January 2010
FRS 8, <i>Operating Segments</i>	1 July 2009
FRS 123, <i>Borrowing Costs</i>	1 January 2010
FRS 139, <i>Financial Instruments: Recognition and Measurement</i>	1 January 2010
IC Interpretation 9, <i>Reassessment of Embedded Derivatives</i>	1 January 2010
IC Interpretation 10, <i>Interim Financial Reporting and Impairment</i>	1 January 2010
IC Interpretation 11, <i>FRS 2 - Group and Treasury Share Transactions</i>	1 January 2010
IC Interpretation 13, <i>Customer Loyalty Programmes</i>	1 January 2010
IC Interpretation 14, <i>FRS 119 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and Their Interaction</i>	1 January 2010

Amendments to FRS 2, FRS 4, IC Interpretation 11, IC Interpretation 13 and IC Interpretation 14 are not applicable to the Group and hence, no further disclosure is required.

The Group plans to apply FRS 8 for the financial year ending 30 June 2010. The Group plans to adopt the other Amendments to FRSs, FRSs and IC Interpretations for the financial year ending 30 June 2011.

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1. Basis of preparation (Cont'd)

The financial impact on the financial statement of the Group resulting from the adoption of FRS 7 and FRS 139 upon first adoption of these FRSs as required by paragraph 30(b) of FRS 108, *Accounting Policies, Changes in Accounting Estimates and Errors* are not disclosed by virtue of the exemptions given in the respective FRSs.

The first adoption application of the other Amendments to FRSs, FRSs and IC Interpretations are not expected to have any material 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

The Group's operation is not affected materially by any seasonal / cyclical factors.

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, shares cancellation, resale of treasury shares nor repayments of debt or equity securities during the quarter under review and financial year-to-date.

7. Dividend

There were no dividend paid during the current financial year-to-date.

8. Segmental reporting

The Group is solely involved in the business of design, manufacture and supply of furniture and interior design fit-out works. Accordingly, information by industry segment on the Group's operations as required by FRS 114 is not presented.

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9. Valuations of property, plant and equipment

This note is not applicable, as no valuation had been carried out for the property, plant and equipment of the Group.

10. Material events not reflected in the financial statements

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

13. Review of Performance

The Group registered a revenue of RM9.5 million for the quarter under review, an increase of 13% as compared with RM8.4 million registered in the preceding year's corresponding quarter. The Group posted a profit before taxation ("PBT") of RM0.08 million for the quarter under review as compared with a loss before taxation ('LBT') of RM1.2 million recorded in the previous year's corresponding quarter.

The Group's LBT for the current year-to-date closed at RM1.1 million as compared with a LBT of RM5.5 million in the preceding year's corresponding period. The reduction in LBT was as a result of the right-sizing initiatives implemented and a better product mix

14. Material changes in PBT against the immediate preceding quarter

The Group recorded a PBT of RM0.08 million for the quarter under review as compared with a LBT of RM1.3 million in the preceding quarter due to a higher revenue and a better product mix.

15. Prospects

If the global economy continues to improve, the Board expects the group's performance to be better for the financial year ending 30 June 2010.

16. Profit forecast / profit guaranteed

This note is not applicable.

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17. Taxation

	Individual Quarter		Cumulative Quarter	
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	30/06/2009 RM'000	30/06/2008 RM'000	30/06/2009 RM'000	30/06/2008 RM'000
Current tax				
- current	-	-	-	-
- prior years	-	199	-	199
Deferred tax				
- current	(203)	(709)	(203)	(709)
- prior years	(151)	-	(151)	-
	(354)	(510)	(354)	(510)

The Group's effective tax rate is lower than the statutory tax rate mainly due to non-assessable income, utilisation of tax losses and incentives/allowances granted to its subsidiary.

18. Sale of unquoted investments and/or properties

There were no sales of unquoted investments and/or properties for the quarter under review and financial year-to-date.

19. Quoted securities

There were no purchases or disposals of quoted securities for the quarter under review and financial year-to-date.

20. Corporate proposals

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

21. Group's borrowings and debt securities

The Group's borrowings as at 30 June 2009 consist of unsecured short-term trade financing.

There is no foreign currency borrowing as at 30 June 2009.

22. Financial instruments with off balance sheet risk

Derivative financial instruments are used to reduce exposure to fluctuations in foreign exchange rates and interest rates. While these are subject to the risk of market rates changing subsequent to acquisition, such changes are generally offset by opposite effects on the items being hedged.

Financial instruments are viewed as risk management tools by the Group and are not used for trading or speculative purposes.

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22. Financial instruments with off balance sheet risk (Cont'd)

Gains and losses on foreign exchange forward contracts are recognised in the income statements upon realisation.

There were no financial instruments with off balance sheet risk as at 13 August 2009.

23. Changes in material litigation

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

24. Dividend

a) The Board does not recommend any interim dividend for the quarter ended 30 June 2009 of the financial year ending 30 June 2009 (2007/2008 : Nil).

b) For the financial year-to-date, no dividend has been declared (2007/2008 : Nil).

25. Earnings/(Loss) Per Ordinary Share

Basic earnings/(loss) per ordinary share

The calculation of basic earnings/(loss) per ordinary share for the quarter under review is calculated by dividing the Group's profit attributable to ordinary shareholders of RM436,000 (2007/2008: net loss of RM726,000) by the weighted average number of ordinary shares outstanding during the quarter of 62,187,600 (2007/2008 : 62,187,600).

The calculation of basic loss per ordinary share for the current year-to-date is calculated by dividing the Group's loss attributable to ordinary shareholders of RM698,000 (2007/2008: net loss of RM4,970,000) by the weighted average number of ordinary shares outstanding during the current year-to-date of 62,187,600 (2007/2008 : 62,187,600).

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 are no dilutive potential ordinary shares.

By Order of the Board
Narra Industries Berhad

Joanne Leong Wei Yin
Company Secretary

Kuala Lumpur
20 August 2009