

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER  
ENDED 30 SEPTEMBER 2011**

The figures have not been audited

**CONDENSED CONSOLIDATED INCOME STATEMENTS FOR THE QUARTER ENDED  
30 SEPTEMBER 2011**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year- To-Date	Preceding Year Corresponding Period
	30/09/2011 RM'000	30/09/2010 RM'000	30/09/2011 RM'000	30/09/2010 RM'000
Revenue	13,534	8,963	13,534	8,963
Cost of sales	(11,756)	(7,219)	(11,756)	(7,219)
<b>Gross profit</b>	<b>1,778</b>	<b>1,744</b>	<b>1,778</b>	<b>1,744</b>
Operating expenses	(1,331)	(1,265)	(1,331)	(1,265)
Other operating income	133	710	133	710
<b>Operating profit</b>	<b>580</b>	<b>1,189</b>	<b>580</b>	<b>1,189</b>
Finance costs	(42)	(64)	(42)	(64)
Finance income	17	14	17	14
<b>Profit before taxation</b>	<b>555</b>	<b>1,139</b>	<b>555</b>	<b>1,139</b>
Taxation	(218)	(427)	(218)	(427)
<b>Profit for the period</b>	<b>337</b>	<b>712</b>	<b>337</b>	<b>712</b>

**Earnings per ordinary share (sen):-**

(a) Basic	0.54	1.14	0.54	1.14
(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**  
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**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE**  
**QUARTER ENDED 30 SEPTEMBER 2011**

	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	<b>Current Year Quarter</b>	<b>Preceding Year Corresponding Quarter</b>	<b>Current Year- To-Date</b>	<b>Preceding Year Corresponding Period</b>
	<b>30/09/2011 RM'000</b>	<b>30/09/2010 RM'000</b>	<b>30/09/2011 RM'000</b>	<b>30/09/2010 RM'000</b>
<b>Profit for the period</b>	337	712	337	712
Foreign currency translation differences for foreign operations	125	36	125	36
<b>Total comprehensive income for the period</b>	<b>462</b>	<b>748</b>	<b>462</b>	<b>748</b>

**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.**

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**CONDENSED CONSOLIDATED STATEMENTS ON FINANCIAL POSITION AS AT**  
**30 SEPTEMBER 2011**

	As at end of current quarter 30/09/2011 RM'000	As at preceding financial year end 30/06/2011 RM'000
<b>Assets</b>		
Property, plant and equipment	10,124	10,299
Intangible assets	36,428	36,428
Deferred tax assets	918	1,094
<b>Total non-current assets</b>	<u>47,470</u>	<u>47,821</u>
Inventories	1,905	1,603
Trade and other receivables	9,403	10,441
Current tax assets	34	2
Deposits, cash and bank balances	12,028	11,711
<b>Total current assets</b>	<u>23,370</u>	<u>23,757</u>
<b>TOTAL ASSETS</b>	<u>70,840</u>	<u>71,578</u>
<b>Equity attributable to owners of the Company</b>		
Share capital	62,188	62,188
Reserves	(2,726)	(3,188)
<b>Total equity</b>	<u>59,462</u>	<u>59,000</u>
<b>Liabilities</b>		
Retirement benefits	224	266
Deferred tax liabilities	122	135
<b>Total non-current liabilities</b>	<u>346</u>	<u>401</u>
Trade and other payables	10,027	10,741
Borrowings (unsecured)	1,000	1,400
Current tax liabilities	5	36
<b>Total current liabilities</b>	<u>11,032</u>	<u>12,177</u>
<b>TOTAL LIABILITIES</b>	<u>11,378</u>	<u>12,578</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>70,840</u>	<u>71,578</u>
Net assets per share attributable to owners of the Company (RM)	0.96	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.

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**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE**  
**PERIOD ENDED 30 SEPTEMBER 2011**

	Share capital	Translation reserve	(Accumulated losses)/ Retained profits	Total equity
	RM'000	RM'000	RM'000	RM'000
At 1 July 2011	62,188	(147)	(3,041)	59,000
Other comprehensive income	-	125	-	125
– foreign currency translation difference	-	-	337	337
Profit for the period	-	-	337	462
Total comprehensive income for the period	-	125	337	462
At 30 September 2011	62,188	(22)	(2,704)	59,462
<b>Preceding year corresponding period</b>				
<b>ended 30 September 2010</b>				
At 1 July 2010	62,188	(204)	(622)	61,362
Other comprehensive income	-	36	-	36
– foreign currency translation difference	-	-	712	712
Profit for the period	-	36	712	748
Total comprehensive income for the period	-	36	712	748
At 30 September 2010	62,188	(168)	90	62,110

**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.**

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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD**  
**ENDED 30 SEPTEMBER 2011**

	Current Year- To-Date	Preceding Year Corresponding Period
	30/09/2011 RM'000	30/09/2010 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	555	1,139
Adjustments for:-		
Depreciation and amortization	186	196
Non cash item	(7)	(44)
Net financing costs	25	50
Operating profit before changes in working capital	759	1,341
Changes in working capital		
Net change in current assets	666	(1,138)
Net change in current liabilities	(714)	1,729
Tax paid	(118)	-
Net financing cost paid	(25)	(50)
Retirement benefits paid	(42)	-
Dividend received	54	44
<b>Net cash generated from operating activities</b>	580	1,926
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceed from disposal of property, plant and equipment	52	-
Acquisition of property, plant and equipment	(40)	(34)
<b>Net cash generated from/(used in) investing activities</b>	12	(34)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of bank borrowings	(400)	-
Drawdown of bank borrowings	-	57
<b>Net cash (used in)/generated from financing activities</b>	(400)	57
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	192	1,949
<b>CASH &amp; CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	11,711	11,653
<b>EFFECT ON FOREIGN EXCHANGE</b>	125	36
<b>CASH &amp; CASH EQUIVALENTS AT END OF PERIOD</b>	12,028	13,638

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

	30/09/2011 RM'000	30/09/2010 RM'000
Deposits, cash and bank balances	12,028	13,638

**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.**

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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 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.

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**8. Operating Segments**

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

	<b>Design, manufacturing supply of furniture and interior design fit- out works RM'000</b>
Reportable segment profit	<u>673</u>
Included in the measure of segment loss are:	
Revenue from external customers	13,480
Depreciation and amortisation	<u>186</u>
<b>Reconciliation of reportable segment profit</b>	
<b>Profit</b>	
Reportable segments	673
Non-reportable segments	(93)
Finance costs	(42)
Finance income	17
Consolidated profit before taxation	<u>555</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.

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**13. Review of Performance**

For the quarter under review, the Group recorded a revenue of RM13.5 million and a profit before taxation ("PBT") of RM0.6 million as compared with a revenue of RM9.0 million and a PBT of RM1.1 million recorded in the corresponding quarter of the preceding year ("FY 2011").

PBT for the corresponding quarter of FY 2011 was inclusive of a non-recurring design fee.

**14. Material changes in PBT against the immediate preceding quarter**

The Group recorded a PBT of RM0.6 million for the quarter under review as compared with a loss before taxation of RM2.7 million recorded in the preceding quarter. The improvement in profit was mainly attributable to the increase in revenue.

**15. Prospects**

Although the economic environment continues to be difficult, the Board expects the performance of the Group for the financial year ending 30 June 2012 to be profitable.

**16. Profit forecast / profit guaranteed**

This note is not applicable.

**17. Taxation**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year- To-Date	Preceding Year Corresponding Period
	30/09/2011 RM'000	30/09/2010 RM'000	30/09/2011 RM'000	30/09/2010 RM'000
Current tax				
Malaysian - current years	2	-	2	-
- prior year	2	-	2	-
Overseas - current years	-	326	-	326
- prior year	51	-	51	-
	55	326	55	326
Deferred tax				
- current year	163	12	163	12
- prior year	-	89	-	89
	163	101	163	101
	218	427	218	427

The Group' effective tax rate for the quarter under review is higher than the statutory tax rate mainly due to under provision of current tax by a subsidiary and disallowable expenses.



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

**21. Group's borrowings and debt securities**

Particulars of the Group's borrowings and debt securities as at 30 September 2011 are as follows: -

	<b>RM'000</b>
Unsecured short term borrowings	<u>1,000</u>

There were no foreign currency borrowings as at 30 September 2011.

**22. Derivative financial instruments**

There are no financial instruments with off balance sheet risk as at the above date of this report.

**23. Changes in material litigation**

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

**24. Dividend**

a) The Board does not recommend any interim dividend for the quarter ended 30 September 2011 of the financial year ended 30 June 2012 (1<sup>st</sup> quarter 2010/2011 : Nil).

b) For the financial year-to-date, no dividend has been declared (2010/2011 : Nil).

**25. 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 RM337,000 (1<sup>st</sup> quarter 2010/2011: RM712,000) by the weighted average number of ordinary shares outstanding during the quarter of 62,187,600 (1<sup>st</sup> quarter 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 are no dilutive potential ordinary shares.

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**26. Realised and unrealised profits /losses disclosure**

The retained losses as at 30 September 2011 and 30 June 2011 are analysed as follows:-

	As At End of Current Quarter	As At End of Preceding Financial Year
	30/09/2011 RM'000	30/06/2011 RM'000
Total retained losses of the Company and the subsidiaries:-		
-Realised	(2,401)	(3,164)
-Unrealised	726	1,165
	<u>(1,675)</u>	<u>(1,999)</u>
Less: Consolidation adjustments	(1,029)	(1,042)
Total Group's retained losses	<u>(2,704)</u>	<u>(3,041)</u>

By Order of the Board  
Narra Industries Berhad

Joanne Leong Wei Yin  
Company Secretary

Kuala Lumpur  
15 November 2011