

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 31 MARCH 2013**

The figures have not been audited

**CONDENSED CONSOLIDATED INCOME STATEMENTS FOR THE QUARTER ENDED 31 MARCH 2013**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year-To-Date	Preceding Year Corresponding Period
	31/03/2013 RM'000	31/03/2012 RM'000	31/03/2013 RM'000	31/03/2012 RM'000
Revenue	11,910	10,462	38,843	37,247
Cost of sales	(12,358)	(9,792)	(37,469)	(34,388)
<b>Gross (loss)/profit</b>	<b>(448)</b>	<b>670</b>	<b>1,374</b>	<b>2,859</b>
Operating expenses	(600)	(777)	(2,062)	(2,439)
Other operating (expenses)/income	(377)	29	(351)	155
<b>Operating (loss)/profit</b>	<b>(1,425)</b>	<b>(78)</b>	<b>(1,039)</b>	<b>575</b>
Finance costs	-	(19)	-	(83)
Finance income	10	13	33	46
<b>(Loss)/profit before taxation</b>	<b>(1,415)</b>	<b>(84)</b>	<b>(1,006)</b>	<b>538</b>
Taxation	100	(102)	(31)	(369)
<b>(Loss)/profit for the period attributable to owners of the Company</b>	<b>(1,315)</b>	<b>(186)</b>	<b>(1,037)</b>	<b>169</b>
<b>(Loss)/earnings per ordinary share (sen):-</b>				
(a) Basic	(2.11)	(0.30)	(1.67)	0.27
(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 2012.**

**NARRA INDUSTRIES BERHAD**  
**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER**  
**ENDED 31 MARCH 2013**

---

The figures have not been audited

**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE**  
**QUARTER ENDED 31 MARCH 2013**

	<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>31/03/2013 RM'000</b>	<b>31/03/2012 RM'000</b>	<b>31/03/2013 RM'000</b>	<b>31/03/2012 RM'000</b>
<b>Loss/(profit) for the period</b>	(1,315)	(186)	(1,037)	169
Foreign currency translation differences for foreign operations	(37)	(83)	(210)	(13)
<b>Total comprehensive (expense)/ income for the period</b>	<b>(1,352)</b>	<b>(269)</b>	<b>(1,247)</b>	<b>156</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 2012.

**NARRA INDUSTRIES BERHAD**  
**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER**  
**ENDED 31 MARCH 2013**

The figures have not been audited

**CONDENSED CONSOLIDATED STATEMENTS ON FINANCIAL POSITION AS AT**  
**31 MARCH 2013**

	As at end of current quarter 31/03/2013 RM'000	Restated As at end of preceding financial year 30/06/2012 RM'000	Restated As at beginning of preceding financial year 01/07/2011 RM'000
<b>ASSETS</b>			
Property, plant and equipment	9,331	9,762	10,299
Deferred tax assets	948	970	1,094
<b>Total non-current assets</b>	<b>10,279</b>	<b>10,732</b>	<b>11,393</b>
Inventories	3,149	2,951	1,603
Trade and other receivables	12,865	13,360	10,441
Current tax assets	-	71	2
Deposits, cash and bank balances	12,414	10,807	11,711
<b>Total current assets</b>	<b>28,428</b>	<b>27,189</b>	<b>23,757</b>
<b>TOTAL ASSETS</b>	<b>38,707</b>	<b>37,921</b>	<b>35,150</b>
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>			
Share capital	62,188	62,188	62,188
Reserves	(39,757)	(38,510)	(39,616)
<b>TOTAL EQUITY</b>	<b>22,431</b>	<b>23,678</b>	<b>22,572</b>
<b>LIABILITIES</b>			
Retirement benefits	146	153	266
Deferred tax liabilities	-	-	135
<b>Total non-current liabilities</b>	<b>146</b>	<b>153</b>	<b>401</b>
Trade and other payables	16,130	14,090	10,741
Borrowings (unsecured)	-	-	1,400
Current tax liabilities	-	-	36
<b>Total current liabilities</b>	<b>16,130</b>	<b>14,090</b>	<b>12,177</b>
<b>TOTAL LIABILITIES</b>	<b>16,276</b>	<b>14,243</b>	<b>12,578</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>38,707</b>	<b>37,921</b>	<b>35,150</b>
Net assets per share attributable to owners of the Company (RM)	0.36	0.38	0.36

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Statements for the Financial Year Ended 30 June 2012.

**NARRA INDUSTRIES BERHAD**  
**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER**  
**ENDED 31 MARCH 2013**

The figures have not been audited

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD**  
**ENDED 31 MARCH 2013**

	Share capital	Translation reserve	Accumulated losses	Total equity
	RM'000	RM'000	RM'000	RM'000
<b>Current year-to-date ended 31 March 2013</b>				
At 1 July 2012 - previously reported	62,188	75	(2,157)	60,106
Effect of MFRS 1 adoption	-	147	(36,575)	(36,428)
At 1 July 2012 - restated	62,188	222	(38,732)	23,678
Other comprehensive expense				
– foreign currency translation difference	-	(210)	-	(210)
Loss for the period	-	-	(1,037)	(1,037)
Total comprehensive expense/(income) for the period	-	(210)	(1,037)	(1,247)
At 31 March 2013	62,188	12	(39,769)	22,431
<b>Preceding year corresponding period ended 31 March 2012</b>				
At 1 July 2011 - previously reported	62,188	(147)	(3,041)	59,000
Effect of MFRS 1 adoption	-	147	(36,575)	(36,428)
At 1 July 2011 - restated	62,188	-	(39,616)	22,572
Other comprehensive income				
– foreign currency translation difference	-	(13)	-	(13)
Profit for the period	-	-	169	169
Total comprehensive (expense)/ income for the period	-	(13)	169	156
At 31 March 2012 - restated	62,188	(13)	(39,447)	22,728

**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 2012.**

**NARRA INDUSTRIES BERHAD**  
**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER**  
**ENDED 31 MARCH 2013**

The figures have not been audited

**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE PERIOD**  
**ENDED 31 MARCH 2013**

	Current Year-To-Date	Preceding Year Corresponding Period
	31/03/2013 RM'000	31/03/2012 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
(Loss)/profit before taxation	(1,006)	538
Adjustments for:-		
Depreciation and amortization	492	543
Non cash item	(172)	(139)
Net financing (income)/costs	(33)	37
Operating (loss)/profit before changes in working capital	(719)	979
Changes in working capital		
Net change in current assets	285	337
Net change in current liabilities	2,040	(1,120)
Tax refunded/(paid)	62	(261)
Net financing income received/(costs paid)	33	(37)
Retirement benefits paid	(7)	(42)
Dividend received	179	159
<b>Net cash generated from operating activities</b>	<b>1,873</b>	<b>15</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceed from disposal of property, plant and equipment	95	52
Acquisition of property, plant and equipment	(151)	(107)
<b>Net cash used in investing activities</b>	<b>(56)</b>	<b>(55)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of bank borrowings	-	(2,400)
Drawdown of bank borrowings	-	1,000
<b>Net cash used in financing activities</b>	<b>-</b>	<b>(1,400)</b>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>1,817</b>	<b>(1,440)</b>
<b>CASH &amp; CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	<b>10,807</b>	<b>11,711</b>
<b>EFFECT ON FOREIGN EXCHANGE</b>	<b>(210)</b>	<b>(13)</b>
<b>CASH &amp; CASH EQUIVALENTS AT END OF PERIOD</b>	<b>12,414</b>	<b>10,258</b>

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

	31/03/2013 RM'000	31/03/2012 RM'000
Deposits, cash and bank balances	12,414	10,258

The Condensed Consolidated Statements of Cash Flows should be read in conjunction with the Annual Financial Statements for the Financial Year Ended 30 June 2012.

**NARRA INDUSTRIES BERHAD**  
**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER**  
**ENDED 31 MARCH 2013**

---

The figures have not been audited

**1. Basis of preparation**

The interim financial report is unaudited and has been prepared in accordance with Malaysian Financial Reporting Standards (“MFRS”) 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 2012. This interim financial report also complies with International Accounting Standards (“IAS”) 34 “Interim Financial Reporting” issued by the International Accounting Standards Board.

The accounting policies and presentation adopted for this interim report are consistent with those adopted in the audited financial statements for the financial year ended 30 June 2012 except for the following transitional exemptions arising from the adoption of MFRS:

a) Business combinations

All business combinations were previously accounted for using acquisition method where goodwill arose from business combinations were measured at cost less accumulated impairment. As at the date of transition to MFRS 1, business combinations involving acquisition of common control companies (prior to the date of transition to MFRS 1) are accounted for using book value method and consequently, the related goodwill (net of accumulated amortisation) was reversed and adjusted to the accumulated losses of the Group.

b) Foreign currency translation reserve

Foreign currency differences were previously recognised in other comprehensive income and accumulated in the foreign currency translation reserve (“FCTR”). As at the date of transition to MFRS 1, the cumulative amounts in the FCTR were reclassified to the accumulated losses of the Group.

The reconciliation of the financial statements for the comparative periods are as follows:

**Condensed Consolidated Statements of Changes in Equity**

*Reconciliation of the affected financial caption reported as at 31 March 2012*

	As previously reported at 31/03/2012 RM'000	Effect of adoption of MFRS		As restated at 31/03/2012 RM'000
		RM'000 Note 1 (a)	RM'000 Note 1 (b)	
Accumulated losses	(2,872)	(36,428)	(147)	(39,447)
Translation reserve	(160)	-	147	(13)

**NARRA INDUSTRIES BERHAD**  
**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER**  
**ENDED 31 MARCH 2013**

---

**The figures have not been audited**

**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 have 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 THIRD QUARTER**  
**ENDED 31 MARCH 2013**

---

The figures have not been audited

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 loss	(793)		
Included in the measure of segment profit are:			
Revenue from external customers	38,664		
Depreciation and amortisation	492		
<b>Reconciliation of reportable segment loss</b>			
<b>Loss</b>			
Reportable segments	(793)		
Non-reportable segments	(246)		
Finance income	33		
Consolidated loss before taxation	(1,006)		
		<b>External Revenue</b>	<b>Depreciation and amortisation</b>
		<b>RM'000</b>	<b>RM'000</b>
Reportable segment		38,664	492
Non-reportable segment		179	-
<b>Total</b>		<b>38,843</b>	<b>492</b>

9. **Material events not reflected in the financial statements**

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

10. **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.



**NARRA INDUSTRIES BERHAD**  
**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER**  
**ENDED 31 MARCH 2013**

---

**The figures have not been audited**

**11. Review of Performance**

For the quarter under review, the Group recorded a revenue of RM11.9 million and a loss before taxation (“LBT”) of RM1.4 million as compared with a revenue of RM10.5 million and a LBT of RM84,000 recorded in the corresponding quarter of the preceding year ended 30 June 2012 (“FY 2012”).

For the financial year-to-date, the Group recorded a revenue of RM38.8 million and LBT of RM1.0 million as compared with a revenue of RM37.2 million and profit before taxation (“PBT”) of RM538,000 recorded in the corresponding period of FY 2012.

In comparison with the corresponding quarter/period of FY 2012, the increases in revenue were mainly attributable to higher sales recorded for hospitality projects. Despite higher revenue, the LBT recorded by the Group was mainly due to unfavourable sales mix.

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

The Group recorded a LBT of RM1.4 million for the quarter under review as compared with a PBT of RM287,000 recorded in the preceding quarter. The LBT recorded by the Group in the quarter under review was mainly attributable to unfavourable sales mix as explained in note 11.

**13. Prospects**

Based on the order books for furniture export sales and interior fit-out works, the Board expects the final quarter of the financial year ending 30 June 2013 to achieve a relatively higher turnover and to be profitable.

**14. Profit forecast / profit guaranteed**

This note is not applicable.

**15. Loss before taxation**

	Current Year Quarter	Current Year To-date
	31/03/2013 RM'000	31/03/2013 RM'000
Loss before taxation is arrived at after charging/(crediting) :-		
Gross dividend income from short term investments	(68)	(179)
Depreciation and amortization	160	492
Loss on foreign exchange	16	28
Reversal of impairment loss on trade receivables	-	-
Inventories written back	-	-
(Gain)/loss on disposal of quoted or unquoted investments or properties	-	-
Impairment of property, plant and equipment	-	-
Fair value gain on derivative instruments	-	-

**NARRA INDUSTRIES BERHAD**  
**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER**  
**ENDED 31 MARCH 2013**

The figures have not been audited

16. **Taxation**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year- To-Date	Preceding Year Corresponding Period
	31/03/2013 RM'000	31/03/2012 RM'000	31/03/2013 RM'000	31/03/2012 RM'000
Current taxation				
Malaysian - current year	2	2	7	6
- prior year	2	-	2	2
Overseas - current year	-	147	-	147
- prior year	-	-	-	61
	4	149	9	216
Deferred taxation				
Malaysian - current year	(104)	(47)	22	153
	(100)	102	31	369

Taxation for the financial year-to-date mainly represents provision for deferred tax.

17. **Corporate proposals**

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

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

There were no borrowings outstanding as at 31 March 2013.

19. **Changes in material litigation**

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

20. **Dividend**

a) The Board does not recommend any interim dividend for the quarter ended 31 March 2013 of the financial year ending 30 June 2013 (3<sup>rd</sup> quarter 2011/2012 : Nil).

b) For the financial year-to-date, no dividend has been declared (2011/2012 : Nil).

21. **(Loss)/Earnings Per Ordinary Share**

(a) Basic (loss)/earnings per ordinary share

The basic loss per ordinary share for the quarter under review is calculated by dividing the Group's losses attributable to owners of the Company of RM1,315,000 (3<sup>rd</sup> quarter 2011/2012:RM186,000) by the weighted average number of ordinary shares outstanding during the quarter of 62,187,600 (3<sup>rd</sup> quarter 2011/2012 : 62,187,600).

**NARRA INDUSTRIES BERHAD**  
**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER**  
**ENDED 31 MARCH 2013**

---

**The figures have not been audited**

**21. (Loss)/Earnings Per Ordinary Share (cont'd)**

a) Basic (loss)/earnings per ordinary share (cont'd)

The basic earnings per ordinary share for the financial year-to-date is based on the losses attributable to owners of the Company of RM1,037,000 (2011/2012: profits attributable to owners of the Company of RM169,000) and the weighted average number of ordinary shares during the period of 62,187,600 (2011/2012: 62,187,600).

(b) Diluted loss per share

The Group has no dilution in its loss 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.

**22. 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	Restated As At End of Preceding Financial Year
	31/03/2013 RM'000	30/06/2012 RM'000
Total accumulated losses of the Company and the subsidiaries:-		
-realised	(5,076)	(3,231)
-unrealised	936	980
	<u>(4,140)</u>	<u>(2,251)</u>
Less: Consolidation adjustments	(35,629)	(36,481)
Group's accumulated losses	<u>(39,769)</u>	<u>(38,732)</u>

By Order of the Board  
Narra Industries Berhad

Joanne Leong Wei Yin  
Company Secretary

Kuala Lumpur  
29 April 2013