

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 30 JUNE 2013

The figures have not been audited

CONDENSED CONSOLIDATED INCOME STATEMENTS FOR THE QUARTER ENDED 30 JUNE 2013

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year-To-Date	Preceding Year Corresponding Period
	30/06/2013 RM'000	30/06/2012 RM'000	30/06/2013 RM'000	30/06/2012 RM'000
Revenue	20,422	16,029	59,265	53,276
Cost of sales	(18,661)	(14,767)	(55,550)	(49,155)
Gross profit	1,761	1,262	3,715	4,121
Operating expenses	(813)	(1,021)	(3,455)	(3,517)
Other operating income/(expense)	120	296	(231)	451
Operating profit	1,068	537	29	1,055
Finance costs	-	-	-	(26)
Finance income	9	13	42	59
Profit before taxation	1,077	550	71	1,088
Taxation	33	165	2	(204)
Profit for the period attributable to owners of the Company	1,110	715	73	884

Earnings per ordinary share (sen):-

(a) Basic	1.78	1.15	0.12	1.42
(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
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ENDED 30 JUNE 2013

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CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE
QUARTER ENDED 30 JUNE 2013

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year- To-Date	Preceding Year Corresponding Period
	30/06/2013 RM'000	30/06/2012 RM'000	30/06/2013 RM'000	30/06/2012 RM'000
Profit for the period	1,110	715	73	884
Foreign currency translation differences for foreign operations	(11)	235	(221)	222
Total comprehensive income/(expense) for the period	1,099	950	(148)	1,106

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
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CONDENSED CONSOLIDATED STATEMENTS ON FINANCIAL POSITION AS AT
30 JUNE 2013

	As at end of current quarter 30/06/2013 RM'000	Restated As at end of preceding financial year 30/06/2012 RM'000	As at beginning of preceding financial year 01/07/2011 RM'000
ASSETS			
Property, plant and equipment	9,210	9,762	10,299
Deferred tax assets	1,024	970	1,094
Total non-current assets	10,234	10,732	11,393
Inventories	3,760	2,951	1,603
Trade and other receivables	18,422	13,360	10,441
Current tax assets	-	71	2
Deposits, cash and bank balances	10,882	10,807	11,711
Total current assets	33,064	27,189	23,757
TOTAL ASSETS	43,298	37,921	35,150
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY			
Share capital	62,188	62,188	62,188
Reserves	(38,658)	(38,510)	(39,616)
TOTAL EQUITY	23,530	23,678	22,572
LIABILITIES			
Retirement benefits	120	153	266
Deferred tax liabilities	-	-	135
Total non-current liabilities	120	153	401
Trade and other payables	19,605	14,090	10,741
Borrowings (unsecured)	-	-	1,400
Current tax liabilities	43	-	36
Total current liabilities	19,648	14,090	12,177
TOTAL LIABILITIES	19,768	14,243	12,578
TOTAL EQUITY AND LIABILITIES	43,298	37,921	35,150
Net assets per share attributable to owners of the Company (RM)	0.38	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.

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CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD
ENDED 30 JUNE 2013

	Share capital	Translation reserve	Accumulated losses	Total equity
	RM'000	RM'000	RM'000	RM'000
Current year-to-date ended 30 June 2013				
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	-	(221)	-	(221)
Profit for the period	-	-	73	73
Total comprehensive (expense)/income for the period	-	(221)	73	(148)
At 30 June 2013	62,188	1	(38,659)	23,530
Preceding year corresponding period ended 30 June 2012				
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	-	222	-	222
Profit for the period	-	-	884	884
Total comprehensive income for the period	-	222	884	1,106
At 30 June 2012 - restated	62,188	222	(38,732)	23,678

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.

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CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE PERIOD
ENDED 30 JUNE 2013

	Current Year-To-Date	Preceding Year Corresponding Period
	30/06/2013 RM'000	30/06/2012 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	71	1,088
Adjustments for:-		
Depreciation and amortization	653	715
Non cash item	(275)	(320)
Net financing income	(42)	(33)
Operating profit before changes in working capital	407	1,450
Changes in working capital		
Net change in current assets	(5,884)	(4,257)
Net change in current liabilities	5,515	3,349
Tax refunded/(paid)	62	(320)
Net financing income received	42	33
Retirement benefits paid	(9)	(46)
Dividend received	242	214
Net cash generated from operating activities	375	423
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceed from disposal of property, plant and equipment	112	69
Acquisition of property, plant and equipment	(191)	(218)
Net cash used in investing activities	(79)	(149)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of bank borrowings	-	(2,400)
Drawdown of bank borrowings	-	1,000
Net cash used in financing activities	-	(1,400)
NET CHANGE IN CASH AND CASH EQUIVALENTS	296	(1,126)
CASH & CASH EQUIVALENTS AT BEGINNING OF PERIOD	10,807	11,711
EFFECT ON FOREIGN EXCHANGE	(221)	222
CASH & CASH EQUIVALENTS AT END OF PERIOD	10,882	10,807

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

	30/06/2013 RM'000	30/06/2012 RM'000
Deposits, cash and bank balances	10,882	10,807

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.

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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 30 June 2012

	As previously reported at 30/06/2012 RM'000	Effect of adoption of MFRS		As restated at 30/06/2012 RM'000
		RM'000 Note 1 (a)	RM'000 Note 1 (b)	
Accumulated losses	(2,157)	(36,428)	(147)	(38,732)
Translation reserve	75	-	147	222

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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.

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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	253		
Included in the measure of segment profit are:			
Revenue from external customers	59,023		
Depreciation and amortisation	653		
Reconciliation of reportable segment profit/(loss)			
Profit/(loss)			
Reportable segment	253		
Non-reportable segments	(224)		
Finance income	42		
Consolidated profit before taxation	71		
		External Revenue	Depreciation and amortisation
		RM'000	RM'000
Reportable segment	59,023	653	
Non-reportable segment	242	-	
Total	59,265	653	

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.

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11. Review of Performance

For the quarter under review, the Group recorded a revenue of RM20.4 million and a profit before taxation (“PBT”) of RM1.1 million as compared with a revenue of RM16.0 million and a PBT of RM0.6 million recorded in the corresponding quarter of the preceding year ended 30 June 2012 (“FY 2012”). The increase in revenue and PBT were mainly attributable to higher project sales recorded for hospitality and commercial projects.

For the financial year-to-date, the Group recorded a higher revenue of RM59.3 million as compared with a revenue of RM53.3 million in the corresponding period of FY 2012 mainly contributed by higher sales recorded for hospitality and commercial projects. Despite higher revenue, the Group recorded a slightly lower PBT of RM0.07 million as compared with a PBT of RM1.1 million in the corresponding period of FY 2012 mainly due to unfavourable sales mix and increase in project expenses during the financial year-to-date.

12. Material changes in PBT against the immediate preceding quarter

The Group recorded a PBT of RM1.1 million for the quarter under review as compared with a loss before taxation of RM1.4 million recorded in the preceding quarter. The higher PBT recorded by the Group in the quarter under review was mainly attributable to higher sales recorded for hospitality and commercial projects as explained in note 11.

13. Prospects

The furniture export market remains challenging. However, with the increased development of service apartments, hotels and commercial projects in the domestic market, our revenue from hospitality and commercial sectors are expected to grow. Barring any unforeseen circumstances, the Board expects the Group’s performance to be better for the financial year ending 30 June 2014.

14. Profit forecast / profit guaranteed

This note is not applicable.

15. Profit before taxation

	Current Year Quarter	Current Year To-date
	30/06/2013 RM'000	30/06/2013 RM'000
Profit before taxation is arrived at after charging/(crediting) :-		
Gross dividend income from short term investments	(63)	(242)
Depreciation and amortization	161	653
Loss on foreign exchange	1	29
Inventories written back	(52)	(52)
Impairment loss on trade receivables	-	-
Gain on disposal of quoted/unquoted investments or properties	-	-
Impairment of property, plant and equipment	-	-
Fair value gain on derivative instruments	-	-

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16. Taxation

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year- To-Date	Preceding Year Corresponding Period
	30/06/2013 RM'000	30/06/2012 RM'000	30/06/2013 RM'000	30/06/2012 RM'000
Current taxation				
Malaysian - current year	1	4	8	10
- prior year	(1)	-	1	2
Overseas - current year	43	-	43	147
- prior year	-	(5)	-	56
	43	(1)	52	215
Deferred taxation				
Malaysian - current years	(142)	20	(120)	173
- prior year	66	(188)	66	(188)
Overseas - prior year	-	4	-	4
	(76)	(164)	(54)	(11)
	(33)	(165)	(2)	204

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 30 June 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 final dividend for the financial year ended 30 June 2013 (2011/2012 : Nil).

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

21. Earnings Per Ordinary Share

(a) Basic earnings per ordinary share

The 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 RM1,110,000 (4th quarter 2011/2012: RM715,000) by the weighted average number of ordinary shares outstanding during the quarter of 62,187,600 (4th quarter 2011/2012 : 62,187,600).

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21. Earnings Per Ordinary Share (cont'd)

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

The basic earnings per ordinary share for the financial year-to-date is based on the profit attributable to owners of the Company of RM73,000 (2011/2012: RM884,000) and the weighted average number of ordinary shares during the period of 62,187,600 (2011/2012: 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.

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
	30/06/2013 RM'000	30/06/2012 RM'000
Total accumulated losses of the Company and the subsidiaries:-		
-realised	(29,947)	(2,253)
-unrealised	1,011	980
	<u>(28,936)</u>	<u>(1,273)</u>
Less: Consolidation adjustments	(9,723)	(37,459)
Group's accumulated losses	<u>(38,659)</u>	<u>(38,732)</u>

By Order of the Board
Narra Industries Berhad

Joanne Leong Wei Yin
Valerie Mak Mew Chan
Company Secretaries

Kuala Lumpur
27 August 2013