



**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 31 MARCH 2013**
(The figures have not been audited)

	CURRENT 3 months ended		YEAR TO DATE 6 months ended	
	31.3.2013 RM'000	31.3.2012 RM'000	31.3.2013 RM'000	31.3.2012 RM'000
Revenue	21,425	18,110	45,498	43,991
Cost of sales	(12,377)	(9,233)	(29,263)	(26,823)
Gross Profit	9,048	8,877	16,235	17,168
Other income	1,512	166	2,680	293
Administrative expenses	(2,299)	(2,079)	(4,297)	(4,289)
Selling and marketing expenses	(2,361)	(2,869)	(3,811)	(3,644)
Other expenses	(592)	(586)	(1,103)	(1,146)
Operating profit	5,308	3,509	9,704	8,382
Finance costs	(91)	(111)	(228)	(229)
Share of profit/(loss) of associates	(58)	2	(65)	(42)
Profit before tax	5,159	3,400	9,411	8,111
Income tax expenses	(1,251)	(967)	(2,607)	(2,417)
Profit for the period	3,908	2,433	6,804	5,694
Other comprehensive income :				
Gain on fair value changes of other investment	-	-	-	-
Foreign currency translation	38	43	58	111
Total comprehensive income for the period	3,946	2,476	6,862	5,805
Profit attributable to:				
Owners of the Company	3,804	2,457	6,736	5,815
Non-controlling interests	104	(24)	68	(121)
	3,908	2,433	6,804	5,694
Total comprehensive income attributable to:				
Owners of the Company	3,837	2,498	6,788	5,920
Non-controlling interests	109	(22)	74	(115)
	3,946	2,476	6,862	5,805
Earning per share attributable to owners of the Company :				
Basic (Sen)	3.89	2.51	6.82	5.89
Diluted (Sen)	3.89	2.51	6.82	5.89

The unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 30 September 2012 and the accompanying notes attached to the Interim Financial Statements.



CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2013

(The figures have not been audited)

	As at 31.3.2013 RM'000	As at 30.9.2012 RM'000 (Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	30,643	31,768
Investment properties	1,953	1,953
Investment in associates	14	77
Other Investments	27	27
Deferred tax assets	4,465	3,726
	<u>37,102</u>	<u>37,551</u>
Current assets		
Inventories	25,845	28,914
Trade receivables	23,234	13,625
Other receivables	1,070	1,933
Prepayment	1,034	758
Tax recoverable	383	457
Cash and bank balances	36,255	28,011
	<u>87,821</u>	<u>73,698</u>
TOTAL ASSETS	<u>124,923</u>	<u>111,249</u>
EQUITY AND LIABILITIES		
Current liabilities		
Short term borrowings	1,447	1,414
Trade Payables	7,247	5,059
Other Payables	16,802	12,549
Tax Payable	3,794	869
Dividend payable	1,934	-
	<u>31,224</u>	<u>19,891</u>
Non current liabilities		
Long term borrowings	2,573	5,068
Deferred tax liabilities	1,508	1,600
	<u>4,081</u>	<u>6,668</u>
Total liabilities	<u>35,305</u>	<u>26,559</u>
Equity attributable to owners of the parent		
Share capital	50,000	50,000
Treasury shares	(1,408)	(1,408)
Fair value reserve	1	1
Foreign exchange reserve	96	44
Retained earnings	41,097	36,295
	<u>89,786</u>	<u>84,932</u>
Non-controlling interests	(168)	(242)
Total equity	<u>89,618</u>	<u>84,690</u>
TOTAL EQUITY AND LIABILITIES	<u>124,923</u>	<u>111,249</u>
Net assets per share attributable to owners of the parent (RM)	<u>0.9265</u>	<u>0.8755</u>

The unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 30 September 2012 and the accompanying explanatory notes to the Interim Financial Statements.



CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED 31 MARCH 2013
(The figures have not been audited)

	Share Capital	Share Premium	Treasury Shares	Foreign Exchange Reserve	Fair Value Adjustment Reserve	Retained Earnings	Total	Non - Controlling Interests	Total Equity
	RM ' 000	RM ' 000	RM ' 000	RM ' 000	RM ' 000	RM ' 000	RM ' 000	RM ' 000	RM ' 000
At 1 October 2012	50,000	-	(1,408)	44	1	36,295	84,932	(242)	84,690
Total comprehensive income	-	-	-	52	-	6,736	6,788	74	6,862
Dividend	-	-	-	-	-	(1,934)	(1,934)	-	(1,934)
At 31 March 2013	50,000	-	(1,408)	96	1	41,097	89,786	(168)	89,618
At 1 October 2011	50,000	-	(1,408)	(132)	1	33,049	81,510	(79)	81,431
Total comprehensive income	-	-	-	105	-	5,815	5,920	(115)	5,805
Dividend	-	-	-	-	-	(1,451)	(1,451)	-	(1,451)
At 31 March 2012	50,000	-	(1,408)	(27)	1	37,413	85,979	(194)	85,785

The unaudited Condensed Consolidated Statement of Changes In Equity should be read in conjunction with the audited financial statements for the year ended 30 September 2012 and the Notes to the Interim Financial Statements.



PELANGI PUBLISHING GROUP BHD.
(Company No. 593649-H)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE QUARTER ENDED 31 MARCH 2013
(The figures have not been audited)

	6 months ended	
	31.3.2013 RM'000	31.3.2012 RM'000
Cash flows from operating activities		
Profit before tax	9,411	8,111
Adjustments for non-cash items	(871)	1,272
Operating profit before working capital changes	8,540	9,383
Net change in current assets	(4,798)	863
Net change in current liabilities	6,440	(212)
Cash generated from operations	10,182	10,034
Tax paid (net of refund)	(439)	(933)
Interest paid	(228)	(229)
Net cash generated from operating activities	9,515	8,872
Cash flows from investing activities		
Interest received	224	150
Purchase of plant and equipment	(287)	(302)
Proceeds from disposal of plant and equipment	1,265	59
Net cash generated from/(used in) investing activities	1,202	(93)
Cash flows from financing activities		
Repayment of obligation under finance leases	(245)	(281)
Repayment of term loans	(2,532)	(518)
Proceeds from finance leases financing	247	-
Net cash used in financing activities	(2,530)	(799)
Net increase in cash and cash equivalents	8,187	7,980
Effect of exchange rate changes	57	121
Cash and cash equivalents at beginning of period	28,011	18,326
Cash and cash equivalents at end of period	36,255	26,427

Cash and cash equivalents at the end of the period comprise the followings:

	6 months ended	
	31.3.2013 RM'000	31.3.2012 RM'000
Cash on hand and at banks	26,404	10,197
Fixed deposits	9,851	16,230
	36,255	26,427

The unaudited Condensed Consolidated Statement of Cash Flow should be read in conjunction with the audited financial statements for the year ended 30 September 2012 and the Notes to the Interim Financial Statements.



A: EXPLANATORY NOTES PURSUANT TO FINANCIAL REPORTING STANDARD 134

1. Basis of preparation

The interim financial statements are unaudited and have been prepared in accordance with the reporting requirements of Malaysian Financial Reporting Standards ("MFRS") 134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board ("MASB") and Paragraph 9.22 Main Market Listing Requirements of the Bursa Malaysia Securities Berhad ("Bursa"). These interim financial statements also comply with IAS 34: Interim Financial Reporting issued by the International Accounting

These interim financial statements are the Group's first MFRS compliant interim financial statements for the six months ended 31 March 2013 and hence *MFRS1: First-Time Adoption of Malaysian Financial Reporting Standards* ("MFRS 1") has been applied.

The MFRS are effective for the Group from 1 October 2012 and the date of transition to the MFRS framework for the purpose of the first MFRS compliant interim financial statements are 1 October 2011. The Group reviewed its accounting policies and considered the transitional opportunities under MFRS 1 and the impact of the transition to MFRS framework is described in Note 2

The interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 30 September 2012. The explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 30 September 2012.

2. Significant accounting policies and application of MFRS 1

The audited financial statements of the Group for the year ended 30 September 2012 were prepared in accordance with Financial Reporting Standards ("FRS") issued by MASB. As the requirements under FRS and MFRS are similar, the significant accounting policies adopted in preparing these interim financial statements are consistent with those of the audited financial statements for the year ended 30 September 2012. The transitioning to MFRS will not have any significant impact on the interim financial report of the Group.

3. Auditors' report on preceding annual financial statements

The auditors' report on the financial statements for the year ended 30 September 2012 was not subject to qualification.

4. Comments about seasonal or cyclical factors

The Group is basically involved in the production and distribution of books. In relation to our academic books, school terms will have impact on revenue and margin.

The bulk of turnover of the Group will come from 1st quarter of our financial year (October 2012 to December 2012) before school term reopens. The turnover cycle will drop in the 2nd and 3rd quarter of our financial year (January 2013 to June 2013), in which the returns are usually higher than the 1st and 4th quarter of our financial year.

The 4th quarter of our financial year (July 2013 to September 2013) is the period of heavy production and promotion. However, the turnover starts picking up towards the end of our 4th quarter and the momentum is well carried forward to the 1st quarter of our financial year before school term reopens again.

5. Unusual items due to their nature, size and incidence

There were no unusual items affecting assets, liabilities, equity, net income, or cash flows of the Group for the current quarter under review.

6. Changes in estimates

There were no changes to the estimates that have a material effect in the current quarter under review.

7. Debts and equity securities

Treasury Shares

The Company has not repurchased any ordinary shares from the open market during the current quarter ended 31 March 2013.

As at 31 March 2013, a total of 3,271,100 ordinary shares of RM0.50 each are held as treasury shares by the Company. These treasury shares are held at a total carrying amount of RM1,407,602.

The buy back transactions were financed by internally generated funds. The shares purchased are held as treasury shares in accordance with Section 67A of the Companies Act 1965. None of the treasury shares held are resold or cancelled during the period ended 31 March 2013.

Other than as mentioned above, there are no issuance, cancellation, repurchase, resale or repayment of debts and equity securities for the current quarter.

8. Dividends

No dividend has been paid, proposed or declared during the quarter under review.

9. Segmental information

	Quarter ended		Financial period ended	
	31.3.2013 RM'000	31.3.2012 RM'000	31.3.2013 RM'000	31.3.2012 RM'000
Segment Revenue				
<u>Revenue</u>				
Publishing	19,930	16,241	41,150	37,896
Printing	3,670	3,590	7,989	8,907
Education	90	165	279	427
Others	481	287	784	601
Total revenue including inter segment sales	24,171	20,283	50,202	47,831
Elimination of inter-segment sales	(2,746)	(2,173)	(4,704)	(3,840)
Total revenue	21,425	18,110	45,498	43,991
Segment Results				
Publishing	4,856	3,401	8,126	8,052
Printing	279	123	1,446	578
Education	16	(117)	(8)	(314)
Others	157	102	140	66
Total operating profit	5,308	3,509	9,704	8,382

10. Valuation of property, plant and equipment

There were no revaluation of property, plant and equipment during the quarter under review.

11. Subsequent events

There is no material subsequent event from the end of the period to 22 May 2013.

12. Change in the composition of the Group

There were no major changes in the composition of the Group during the current quarter under review.

13. Changes in contingent liabilities or contingent assets

There were no material changes in contingent liabilities or contingent assets since the last annual balance sheet as at 30 September 2012.

14. Capital commitments

Commitments for the purchase of property, plant and equipment not provided for in the interim financial statements as at 31 March 2013 amounted to :

	RM'000
Approved but not contracted for	<u>789</u>

15. Significant related party transactions

The following are significant related party transactions:

	Quarter ended		Financial period ended	
	31.3.2013 RM'000	31.3.2012 RM'000	31.3.2013 RM'000	31.3.2012 RM'000
Purchase of production papers	3,672	1,591	5,047	5,499
Rental expense	14	14	29	29

16. Performance review (YTD Q2 2013 vs YTD Q2 2012)

The Group reported a consolidated turnover of RM45.5 million for the current period ended 31 March 2013 as compared to RM44.0 million for the comparative period ended 31 March 2012. The consolidated turnover showed an increase of RM1.5 million or slight improvement of 3.4% for the period under review.

The Group reported a profit after tax of RM6.8 million for the current period ended 31 March 2013 as compared to RM5.7 million for the comparative period ended 31 March 2012. The consolidated profit after tax for the period under review increased by RM1.1 million.

The main contributor towards the profitability of the Group in the current period still remains as the Publishing Segment.

Publishing Segment

During the current period, the Publishing Segment generated a turnover of RM41.2 million as compared to RM37.9 million for the comparative period ended 31 March 2012. The Publishing Segment recorded a bottom line results of RM8.1 million in the current period which was relatively the same in the comparative period, mainly due to certain timing differences in recognition of textbook sales in the aforesaid comparative period.

Printing Segment

The Printing Segment generated a total revenue of RM8.0 million in the current period as compared to a total revenue of RM8.9 million for the comparative period ended 31 March 2012.

The bottom line results of RM1.4 million as recorded by the printing segment in the current period ended 31 March 2013 is made up of RM492,000 generated from the printing operations and the remaining portion of RM954,000 is derived from the disposal of property units.

Excluding the profit derived from non printing operations, the Printing Segment shows a decrease of RM86,000 in its bottom line results as compared to RM578,000 generated during the comparative period.

Education Segment

The Education Segment remains as a minor segment within the Group, a component that still yields no profit since its inception. The Education Segment recorded a loss of RM8,000 based on its total revenue of RM279,000 generated during the current period.

However to the Group, the conduct of the Education Segment, to a certain extent plays a role to compliment the Publishing Segment in promoting a greater brand name to the awareness of the public.

17. Comparison with preceding quarter results (Q2 2013 vs Q1 2013)

The Group reported a profit before tax of RM5.2 million for the current quarter ended 31 March 2013 as compared to the profit before tax of RM4.3 million generated in the preceding quarter ended 31 December 2012. The higher profit generated during this current quarter is mainly due to provision of doubtful debts written back of RM1.2 million in accordance with Group policy on such provisions as well as recognition of textbook sales.

18. Commentary of prospects

The Group will continue to look for opportunities to maintain its competitive advantage against other market players by penetrating new market and pursuing the development and registration of new products for both local and overseas market. The Group will remain focused in managing its operating costs effectively.

The Board expects the Group's performance to be satisfactory for the financial year ending 30 September 2013.

19. Profit forecast & profit guarantee

The Group has not issued any profit forecast or profit guarantee during the current quarter under review.

20. Taxation

	Quarter ended		Financial period ended	
	31.3.2013 RM'000	31.3.2012 RM'000	31.3.2013 RM'000	31.3.2012 RM'000
Income tax:				
Malaysian	(2,042)	(907)	(3,438)	(2,261)
Overseas	-	-	-	-
Deferred tax:				
Malaysian	791	(60)	831	(156)
Overseas	-	-	-	-
Total	<u>(1,251)</u>	<u>(967)</u>	<u>(2,607)</u>	<u>(2,417)</u>

The effective tax rate of the Group for the financial period is higher than the statutory tax rate principally due to certain non-qualified expenses incurred during the period which are not deductible for tax purposes.

21. Corporate proposals

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

22. Borrowings and debt securities

Group borrowings	As at 31.3.2013		
	Secured RM'000	Unsecured RM'000	Total RM'000
Short term	1,447	-	1,447
Long term	2,573	-	2,573
	<u>4,020</u>	<u>-</u>	<u>4,020</u>

All borrowings are denominated in Ringgit Malaysia.

23. Changes in material litigation

As at the date of this report, there are no material litigations that have material effect to the Group as at 22 May 2013.

24. Earnings per share

a) Basic

The basic earnings per share for the quarter and cumulative year to date are computed as follows:

	Quarter ended		Financial period ended	
	31.3.2013	31.3.2012	31.3.2013	31.3.2012
Net profit for the year (RM'000)	3,804	2,457	6,736	5,815
Weighted average number of ordinary shares in issue ('000)	97,807	97,807	98,744	98,744
Earnings Per Share (sen)	3.89	2.51	6.82	5.89

b) Diluted

The diluted earnings per share is the same as the basic earnings per share, as there are no potential dilutive ordinary shares outstanding at reporting date.

25. Notes to the condensed consolidated statement of comprehensive income

The following amount have been (credited)/charged in arriving at profit before tax:

	Current Quarter 31.3.2013 RM'000	Cumulative Year to date 31.3.2013 RM'000
a) Interest income	(96)	(224)
b) Other income	(172)	(242)
c) Interest expense	91	228
d) Depreciation and amortisation	625	1,243
e) Provision for and write off of receivables	31	31
f) Provision for and write off of inventories	-	-
g) (Gain)/Loss on disposal of quoted or unquoted investments	-	-
h) (Gain)/Loss on disposal of properties	-	(970)
i) Impairment of assets	-	-
j) Impairment loss on trade receivables written back	(1,244)	(1,244)
k) (Gain)/Loss on foreign exchange	26	36
l) (Gain)/Loss on derivatives	-	-
m) Exceptional items	-	-

26. Realised and unrealised profit / losses

The retained earnings as at reporting date are analysed as follows :

	As at 31.3.2013 RM'000	As at 31.3.2012 RM'000
Holding Company & its Subsidiaries		
Realised	62,719	62,458
Unrealised	2,956	707
	<u>65,675</u>	<u>63,165</u>
Associated Companies		
Realised	(356)	(329)
Unrealised	-	-
	<u>65,319</u>	<u>62,836</u>
Consolidation adjustments	<u>(24,222)</u>	<u>(25,423)</u>
	<u><u>41,097</u></u>	<u><u>37,413</u></u>

27. Authorisation for issue

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 27 May 2013.