



**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND  
OTHER COMPREHENSIVE INCOME FOR THE QUARTER ENDED 31 DECEMBER 2014**  
(The figures have not been audited)

	CURRENT		YEAR TO DATE	
	3 months ended		3 months ended	
	31.12.2014	31.12.2013	31.12.2014	31.12.2013
	RM'000	RM'000	RM'000	RM'000
Revenue	23,793	27,374	23,793	27,374
Cost of sales	(14,062)	(16,173)	(14,062)	(16,173)
Gross Profit	9,731	11,201	9,731	11,201
Other income	98	105	98	105
Administrative expenses	(1,824)	(2,493)	(1,824)	(2,493)
Selling and marketing expenses	(1,948)	(1,899)	(1,948)	(1,899)
Other expenses	(630)	(589)	(630)	(589)
Operating profit	5,427	6,325	5,427	6,325
Finance costs	(144)	(52)	(144)	(52)
Share of profit of associates	-	4	-	4
Profit before tax	5,283	6,277	5,283	6,277
Income tax expenses	(1,614)	(2,062)	(1,614)	(2,062)
<b>Profit for the period</b>	<b>3,669</b>	<b>4,215</b>	<b>3,669</b>	<b>4,215</b>
Other comprehensive income that will subsequently be reclassified to profit or loss:				
Gain on fair value changes of other investment	-	-	-	-
Foreign currency translation	(26)	3	(26)	3
Total comprehensive income for the period	<u>3,643</u>	<u>4,218</u>	<u>3,643</u>	<u>4,218</u>
Profit/(loss) attributable to:				
<b>Owners of the Company</b>	<b>3,701</b>	<b>4,040</b>	<b>3,701</b>	<b>4,040</b>
Non-controlling interests	(32)	175	(32)	175
	<u>3,669</u>	<u>4,215</u>	<u>3,669</u>	<u>4,215</u>
Total comprehensive income attributable to:				
Owners of the Company	3,649	4,054	3,649	4,054
Non-controlling interests	(6)	164	(6)	164
	<u>3,643</u>	<u>4,218</u>	<u>3,643</u>	<u>4,218</u>
<b>Earning per share attributable to owners of the Company :</b>				
Basic (Sen)	<u>3.75</u>	<u>4.09</u>	<u>3.75</u>	<u>4.09</u>
Diluted (Sen)	<u>3.75</u>	<u>4.09</u>	<u>3.75</u>	<u>4.09</u>

The unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 30 September 2014 and the accompanying notes attached to the Interim Financial Statements.



CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2014

(The figures have not been audited)

	As at 31.12.2014 RM'000	As at 30.9.2014 RM'000 (Audited)
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	57,633	57,843
Investment properties	1,953	1,953
Intangible assets	79	-
Investment in associates	-	-
Other Investments	27	27
Deferred tax assets	3,974	3,236
	<u>63,666</u>	<u>63,059</u>
<b>Current assets</b>		
Inventories	29,337	31,615
Trade receivables	24,962	11,868
Other receivables	1,596	734
Prepayment	853	435
Tax recoverable	669	483
Cash and bank balances	19,178	20,300
	<u>76,595</u>	<u>65,435</u>
<b>TOTAL ASSETS</b>	<b><u>140,261</u></b>	<b><u>128,494</u></b>
<b>EQUITY AND LIABILITIES</b>		
<b>Current liabilities</b>		
Short term borrowings	1,251	805
Trade Payables	5,287	2,590
Other Payables	17,876	28,273
Tax Payable	2,908	870
	<u>27,322</u>	<u>32,538</u>
<b>Non current liabilities</b>		
Long term borrowings	15,359	1,944
Deferred tax liabilities	1,136	1,211
	<u>16,495</u>	<u>3,155</u>
Total liabilities	<u>43,817</u>	<u>35,693</u>
<b>Equity attributable to owners of the parent</b>		
Share capital	50,000	50,000
Treasury shares	(1,408)	(1,408)
Fair value reserve	1	1
Foreign exchange reserve	396	448
Retained earnings	47,197	43,496
	<u>96,186</u>	<u>92,537</u>
Non-controlling interests	258	264
<b>Total equity</b>	<b><u>96,444</u></b>	<b><u>92,801</u></b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b><u>140,261</u></b>	<b><u>128,494</u></b>
Net assets per share attributable to owners of the parent (RM)	<u>0.9971</u>	<u>0.9594</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 2014 and the accompanying explanatory notes to the Interim Financial Statements.



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

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
OTHER COMPREHENSIVE INCOME FOR THE QUARTER ENDED 31 DECEMBER 2014  
(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 2014	50,000	-	(1,408)	448	1	43,496	92,537	264	92,801
Total comprehensive income	-	-	-	(52)	-	3,701	3,649	(6)	3,643
Dividend	-	-	-	-	-	-	-	-	-
At 31 December 2014	<u>50,000</u>	<u>-</u>	<u>(1,408)</u>	<u>396</u>	<u>1</u>	<u>47,197</u>	<u>96,186</u>	<u>258</u>	<u>96,444</u>
At 1 October 2013	50,000	-	(1,408)	348	1	40,743	89,684	(12)	89,672
Total comprehensive income	-	-	-	14	-	4,040	4,054	164	4,218
Dividend	-	-	-	-	-	-	-	-	-
At 31 December 2013	<u>50,000</u>	<u>-</u>	<u>(1,408)</u>	<u>362</u>	<u>1</u>	<u>44,783</u>	<u>93,738</u>	<u>152</u>	<u>93,890</u>

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 2014 and the Notes to the Interim Financial Statements.



**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
OTHER COMPREHENSIVE INCOME FOR THE QUARTER ENDED 31 DECEMBER 2014**  
(The figures have not been audited)

	3 months ended	
	31.12.2014	31.12.2013
	RM'000	RM'000
<b>Cash flows from operating activities</b>		
Profit before tax	5,283	6,277
Adjustments for non-cash items	(66)	754
<b>Operating profit before working capital changes</b>	<u>5,217</u>	<u>7,031</u>
Net change in current assets	(12,012)	(12,412)
Net change in current liabilities	(6,954)	(2,120)
<b>Cash used in operations</b>	<u>(13,749)</u>	<u>(7,501)</u>
Tax paid (net of refund)	(575)	(615)
Interest paid	(144)	(52)
<b>Net cash used in operating activities</b>	<u>(14,468)</u>	<u>(8,168)</u>
<b>Cash flows from investing activities</b>		
Interest received	45	67
Purchase of plant and equipment	(482)	(350)
Proceeds from disposal of plant and equipment	9	6
<b>Net cash used in investing activities</b>	<u>(428)</u>	<u>(277)</u>
<b>Cash flows from financing activities</b>		
Proceeds from term loans	13,950	-
Proceeds from finance leases	70	-
Repayment of obligation under finance leases	(73)	(97)
Repayment of term loans	(85)	(269)
<b>Net cash generated from / (used in) financing activities</b>	<u>13,862</u>	<u>(366)</u>
<b>Net decrease in cash and cash equivalents</b>	(1,034)	(8,811)
<b>Effect of exchange rate changes</b>	(88)	6
<b>Cash and cash equivalents at beginning of period</b>	20,300	30,077
<b>Cash and cash equivalents at end of period</b>	<u>19,178</u>	<u>21,272</u>

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

	3 months ended	
	31.12.2014	31.12.2013
	RM'000	RM'000
Cash on hand and at banks	12,860	14,663
Fixed deposits	6,318	6,609
	<u>19,178</u>	<u>21,272</u>

The unaudited Condensed Consolidated Statement of Cash Flow should be read in conjunction with the audited financial statements for the year ended 30 September 2014 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").

The interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 30 September 2014. 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 2014.

### 2. Significant accounting policies

The audited financial statements of the Group for the year ended 30 September 2014 were prepared in accordance with MFRS. The significant accounting policies and method of computations adopted in preparation of this interim financial report are consistent with those adopted in the audited financial statements of the Company for the financial year ended 30 September 2014.

### 3. Auditors' report on preceding annual financial statements

The auditors' report on the financial statements for the year ended 30 September 2014 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 comes from 1st quarter of our financial year (October 2014 to December 2014) before school term reopened. The turnover cycle is expected to drop in the 2nd and 3rd quarter of our financial year (January 2015 to June 2015), 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 2015 to September 2015) is expected to be 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 next 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 December 2014.

As at 31 December 2014, 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 December 2014.

### 8. Dividends

The Board of Directors has proposed a single tier final dividend of 4% (2 sen) per ordinary share of RM0.50 each amounting to RM1,934,578 in respect of the year ended 30 September 2014. The proposed dividend is subject to the approval of the shareholders at the forthcoming Annual General Meeting. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained earnings in the financial year ending 30 September 2014.

9. Segmental information

	Quarter ended		Financial period ended	
	31.12.2014 RM'000	31.12.2013 RM'000	31.12.2014 RM'000	31.12.2013 RM'000
<b>Segment Revenue</b>				
<b>Revenue</b>				
Publishing	21,217	25,519	21,217	25,519
Printing	3,713	4,394	3,713	4,394
Education	29	62	29	62
Others	747	625	747	625
Total revenue including inter segment sales	25,706	30,600	25,706	30,600
Elimination of inter-segment sales	(1,913)	(3,226)	(1,913)	(3,226)
Total revenue	<u>23,793</u>	<u>27,374</u>	<u>23,793</u>	<u>27,374</u>
<b>Segment Results</b>				
Publishing	4,988	5,821	4,988	5,821
Printing	245	584	245	584
Education	(49)	(32)	(49)	(32)
Others	243	(48)	243	(48)
Total operating profit	<u>5,427</u>	<u>6,325</u>	<u>5,427</u>	<u>6,325</u>

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 12 February 2015 apart from the acquisition of a wholly-owned subsidiary company, Pelangi Professional Publishing Sdn Bhd for a cash consideration of RM2 on 11 January 2015.

12. Change in the composition of the Group

There were no 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 2014.

14. Capital commitments

Commitments for the purchase of property, plant and equipment not provided for in the interim financial statements as at 31 December 2014 amounted to :

	RM'000
Contracted but not provided for	<u>235</u>

15. Significant related party transactions

The following are significant related party transactions:

	Quarter ended		Financial period ended	
	31.12.2014 RM'000	31.12.2013 RM'000	31.12.2014 RM'000	31.12.2013 RM'000
Purchase of production papers	2,091	2,005	2,091	2,005
Rental expense	<u>15</u>	<u>15</u>	<u>15</u>	<u>15</u>

**B: EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA**

**16. Performance review (YTD Q1 2015 vs YTD Q1 2014)**

The Group reported a consolidated turnover of RM23.8 million for the current period ended 31 December 2014 as compared to RM27.4 million for the comparative period ended 31 December 2013. The consolidated turnover decreased by RM3.6 million or equivalent to 13.1% for the period under review.

The Group reported a profit after tax of RM3.7 million for the current period ended 31 December 2014 as compared to RM4.2 million for the comparative period ended 31 December 2013. The consolidated profit after tax for the period under review decreased by RM0.5 million due mainly to lower sales from the publishing segment.

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 RM21.2 million as compared to RM25.5 million for the comparative period ended 31 December 2013. The Publishing Segment recorded bottom line results of RM5.0 million in the current period compared to RM5.8 million in the comparative period, a decreased of RM0.8 million due to lower sales achieved.

Printing Segment

The Printing Segment generated a total revenue of RM3.7 million in the current period as compared to a total revenue of RM4.4 million for the comparative period ended 31 December 2013.

The Printing Segment recorded a bottom line results of RM245,000 in the current period compared to RM584,000 in the comparative period, a decreased of RM339,000.

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 RM49,000 based on its total revenue of RM32,000 generated during the current period.

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

**17. Comparison with preceding quarter results (Q1 2015 vs Q4 2014)**

The Group reported a profit before tax of RM5.3 million for the current quarter ended 31 December 2014 as compared to the loss before tax of RM3.4 million generated in the preceding quarter ended 30 September 2014. The profit generated during this current quarter is in line with the business trend and annual cyclical order as explained in Note 4.

## 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. Nevertheless, 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 2015.

## 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	
	31.12.2014	31.12.2013	31.12.2014	31.12.2013
	RM'000	RM'000	RM'000	RM'000
Income tax:				
Malaysian	(2,414)	(2,149)	(2,414)	(2,149)
Overseas	-	(273)	-	(273)
Deferred tax:				
Malaysian	780	360	780	360
Overseas	20	-	20	-
Total	<u>(1,614)</u>	<u>(2,062)</u>	<u>(1,614)</u>	<u>(2,062)</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

On 9 December 2014, the Company announced on the completion of the acquisition of a parcel of leasehold industrial land and buildings by its wholly-owned subsidiary company, Sutera Ceria Sdn Bhd for a total cash consideration of RM15.50 million.

Except for the above, there were no other major corporate proposals announced or not completed as at the date of this report.

## 22. Borrowings and debt securities

	As at 31.12.2014		Total
	Secured	Unsecured	
Group borrowings	RM'000	RM'000	RM'000
Short term	1,251	-	1,251
Long term	15,359	-	15,359
	<u>16,610</u>	<u>-</u>	<u>16,610</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 12 February 2015.

### 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	
	31.12.2014	31.12.2013	31.12.2014	31.12.2013
Net profit for the year (RM'000)	<u>3,701</u>	<u>4,040</u>	<u>3,701</u>	<u>4,040</u>
Weighted average number of ordinary shares in issue ('000)	<u>98,744</u>	<u>98,744</u>	<u>98,744</u>	<u>98,744</u>
Earnings Per Share (Sen)	<u>3.75</u>	<u>4.09</u>	<u>3.75</u>	<u>4.09</u>

#### 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 31.12.2014 RM'000	Cumulative Year to date 31.12.2014 RM'000
a) Interest income	(45)	(45)
b) Other income	(35)	(35)
c) Interest expense	144	144
d) Depreciation and amortisation	681	681
e) Provision for and write off of receivables	67	67
f) Provision for and write off of inventories	-	-
g) (Gain)/Loss on disposal of quoted or unquoted investments	-	-
h) (Gain)/Loss on disposal of plant and equipment	(7)	(7)
i) Impairment of assets	-	-
j) Impairment loss on trade receivables written back	(150)	(150)
k) (Gain)/Loss on foreign exchange	(753)	(753)
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 31.12.2014 RM'000	As at 31.12.2013 RM'000
Holding Company & its Subsidiaries		
Realised	68,168	67,202
Unrealised	<u>2,838</u>	<u>2,211</u>
	71,006	69,413
Associated Companies		
Realised	(370)	(250)
Unrealised	<u>-</u>	<u>-</u>
	70,636	69,163
Consolidation adjustments	<u>(23,439)</u>	<u>(24,380)</u>
	<u>47,197</u>	<u>44,783</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 17 February 2015.