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

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE QUARTER ENDED 30 SEPTEMBER 2015
(The figures have not been audited)

	CURRENT 3 months ended		YEAR TO DATE 12 months ended	
	30.09.2015 RM'000	30.09.2014 RM'000	30.09.2015 RM'000	30.09.2014 RM'000
Revenue	7,796	4,736	63,328	64,370
Cost of sales	(7,407)	(1,394)	(40,030)	(35,983)
Gross profit	389	3,342	23,298	28,387
Other income	2,776	105	3,457	478
Administrative expenses	(5,018)	(3,707)	(11,872)	(10,540)
Selling and marketing expenses	(1,673)	(1,635)	(6,579)	(6,386)
Other expenses	(592)	(1,303)	(2,676)	(3,322)
Operating (loss)/profit	(4,118)	(3,198)	5,628	8,617
Finance costs	(206)	(47)	(771)	(194)
Share of profit/(loss) of associates	35	(126)	35	(114)
(Loss)/profit before tax	(4,289)	(3,371)	4,892	8,309
Income tax expenses	159	359	(1,910)	(3,347)
(Loss)/profit for the period/year	**(4,130)**	**(3,012)**	**2,982**	**4,962**
Other comprehensive income that will subsequently be reclassified to profit or loss:				
Foreign currency translation	7	104	188	100
Total comprehensive income for the period	(4,123)	(2,908)	3,170	5,062
(Loss)/profit attributable to:				
Owners of the Company	**(4,077)**	**(2,900)**	**2,575**	**4,688**
Non-controlling interests	(53)	(112)	407	274
	(4,130)	(3,012)	2,982	4,962
Total comprehensive income attributable to:				
Owners of the Company	**(4,071)**	**(2,813)**	**2,681**	**4,786**
Non-controlling interests	(52)	(95)	489	276
	(4,123)	(2,908)	3,170	5,062
(Loss)/earning per share attributable to owners of the Company :				
Basic (Sen)	(4.13)	(2.94)	2.61	4.75
Diluted (Sen)	(4.13)	(2.94)	2.61	4.75

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.

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2015
(The figures have not been audited)

	As at 30.09.2015 RM'000	As at 30.9.2014 RM'000 (Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	59,964	57,843
Investment properties	1,953	1,953
Intangible assets	330	-
Investment in associates	16	-
Other Investments	1,027	27
Deferred tax assets	2,967	3,236
	66,257	63,059
Current assets		
Inventories	33,474	31,615
Trade receivables	14,089	11,868
Other receivables	1,139	734
Prepayment	1,035	436
Tax recoverable	2,073	483
Cash and bank balances	17,035	20,300
	68,845	65,436
TOTAL ASSETS	**135,102**	**128,495**
EQUITY AND LIABILITIES		
Current liabilities		
Short term borrowings	1,795	805
Trade Payables	6,964	2,590
Other Payables	14,969	28,274
Tax Payable	282	870
	24,010	32,539
Non current liabilities		
Long term borrowings	14,934	1,944
Deferred tax liabilities	2,111	1,211
	17,045	3,155
Total liabilities	41,055	35,694
Equity attributable to owners of the parent		
Share capital	50,000	50,000
Treasury shares	(1,408)	(1,408)
Foreign exchange reserve	555	449
Retained earnings	44,136	43,496
	93,283	92,537
Non-controlling interests	764	264
Total equity	94,047	92,801
TOTAL EQUITY AND LIABILITIES	**135,102**	**128,495**
Net assets per share attributable to owners of the parent (RM)	0.9723	0.9594

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
FOR THE QUARTER ENDED 30 SEPTEMBER 2015
(The figures have not been audited)

	Share Capital	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
At 1 October 2014	50,000	(1,408)	449	-	43,496	92,537	264	92,801
Total comprehensive income	-	-	106	-	2,575	2,681	489	3,170
Dividend	-	-	-	-	(1,935)	(1,935)	-	(1,935)
Ordinary shares contributed by minority shareholdres of a subsidiary	-	-	-	-	-	-	20	20
Acquisition of minority interest	-	-	-	-	-	-	(9)	(9)
At 30 September 2015	50,000	(1,408)	555	-	44,136	93,283	764	94,047
At 1 October 2013	50,000	(1,408)	349	-	40,743	89,684	(12)	89,672
Total comprehensive income	-	-	100	-	4,688	4,788	276	5,064
Dividend	-	-	-	-	(1,935)	(1,935)	-	(1,935)
At 30 September 2014	50,000	(1,408)	449	-	43,496	92,537	264	92,801

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.

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

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE QUARTER ENDED 30 SEPTEMBER 2015
(The figures have not been audited)

	12 months ended	
	30.09.2015	30.09.2014
	RM'000	RM'000
Cash flows from operating activities		
Profit before tax	4,892	8,309
Adjustments for non-cash items	1,481	2,867
Operating profit before working capital changes	6,373	11,176
Net change in current assets	(5,010)	(3,738)
Net change in current liabilities	(7,266)	7,987
Cash used in operations	(5,903)	15,425
Tax paid (net of refund)	(2,882)	(2,021)
Interest paid	(771)	(194)
Net cash (used in)/from operating activities	(9,556)	13,210
Cash flows from investing activities		
Acquisition of additional shares in subsidiary	(9)	-
Interest received	204	289
Proceeds from disposal of plant and equipment	147	8
Purchase of plant and equipment	(3,205)	(20,126)
Purchase of intangible assets	(390)	-
Purchase of other investment	(1,000)	-
Repayment of advance by associated company	7	-
Net cash used in investing activities	(4,246)	(19,829)
Cash flows from financing activities		
Dividend paid	(1,935)	(1,935)
Ordinary share capital contributed by minority shareholders of a subsidiary	20	-
Proceeds from term loans	13,950	400
Proceeds from finance leases	1,492	254
Repayment of obligation under finance leases	(1,945)	(639)
Repayment of term loans	(1,024)	(1,313)
Net cash generated from/(used in) financing activities	10,558	(3,233)
Net decrease in cash and cash equivalents	(3,244)	(9,852)
Effect of exchange rate changes	(21)	75
Cash and cash equivalents at beginning of period	20,300	30,077
Cash and cash equivalents at end of period	17,035	20,300

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

	12 months ended	
	RM'000	RM'000
Cash on hand and at banks	14,984	16,287
Fixed deposits	2,051	4,013
	17,035	20,300

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 Malaysia 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 Securities").

The interim financial statements should be read in conjunction with the audited financial statements for financial year ended 30 September 2014. The explanatory notes attached to the interim financial statements provide an explanation of evets 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 accounting policies and methods of computation adopted by the Group in these interim financial statements are consistent with those adopted in the financial statements for the year ended 30 September 2014, except for the following new Malaysian Financial Reporting Standards ("MFRSs") and Amendments to MFRSs adopted by the Group for the financial year ending 30 September 2015:-

Effective for financial periods beginning on or after 1 January 2014
Amendments to MFRS 132: Offsetting Financial Assets and Financial Liabilities
Amendments to MFRS 10, MFRS 12 and MFRS 127: Investment Entities
Amendments to MFRS 136: Recoverable Amount Disclosure for Non-Financial Assets
Amendments to MFRS 139: Novation of Derivatives and Continuation of Hedge Accounting
IC Interpretation 21 Levies

Effective for financial periods beginning on or after 1 July 2014
Amendments to MFRS 119: Defined Benefit Plans: Employee Contributions
Annual Improvements to MFRSs 2010-2012 Cycle
Annual Improvements to MFRSs 2011-2013 Cycle

The adoption of the above MFRSs and amendments to MFRSs did not have any material impact on the financial statements of the Group.

Standards and interpretation issued but not yet effective
At the date of authorisation of these interim financial statements, the following standards and interpretations were issued but not yet effective and have not been applied by the Group:

Description	Effective for annual periods beginning on or after
Annual Improvements to MFRSs 2012 - 2014 Cycle	1 January 2016
Amendments to MFRS 116 and MFRS 138: Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
Amendments to MFRS 116 and MFRS 141: Agriculture: Bearer Plants	1 January 2016
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2016
Amendments to MFRS 11: Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
Amendments to MFRS 127: Equity Method in Separate Financial Statements	1 January 2016
Amendments to MFRS 101: Disclosure Initiatives	1 January 2016
Amendments to MFRS 12 and MFRS 128: Investment Entities: Applying the Consolidated Exception	1 January 2016
MFRS 15: Revenue from Contracts with Customers	1 January 2018
MFRS 9: Financial Instruments	1 January 2018

The adoption of these standards above will have no material impact on the financial statements in the year of initial adoption, except as discuss below:

MFRS 15 Revenue from Contracts with Customers

MFRS 15 establishes a new five-step models that will apply to revenue arising from contracts with customers. MFRS 15 will supersede the current revenue recognition guidance including MFRS 118 Revenue, MFRS 111 Construction Contracts and the related interpretations when it becomes effective.

The core principle of MFRS 15 is that an entity should recognise revenue which depict the transfer of promised goods or services to

customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Under MFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e when "control" of the goods or services underlying the particular performance obligation is transferred to the customer.

Either a full or modified retrospective application is required for annual periods beginning on or after 1 January 2018 with early adoption permitted. The Group is currently assessing the impact of MFRS 15 and plans to adopt the new standard on the required effective date.

MFRS 9 Financial Instruments

In November 2014, MASB issued the final version of MFRS 9 Financial Instruments which reflects all phases of the financial instruments project and replaces MFRS 139 Financial Instruments: Recognition and Measurement and all previous versions of MFRS 9. The standard introduces new requirements for classification and measurement, impairment and hedge accounting. MFRS 9 is effective for annual periods beginning on or after 1 January 2018, with early application permitted. Retrospective application is required, but comparative information is not compulsory. The adoption of MFRS 9 will have an effect on the classification and measurement of the Group's financial assets, but no impact on the classification and measurement of the Group's financial liabilities.

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 30 June 2015.

As at 30 September 2015, 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 buyback transactions were financed by internally generated funds. The shares purchased are held as treasury in accordance with Section 67A of the Company Act 1965. None of the treasury shares are held are resold or cancelled during the period ended 30 September 2015.

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

A single tier final dividend of 4.0% per ordinary share of RM0.50 each amounting to RM1,934,578 in respect of the financial year ended 30 September 2014 was paid on 30 April 2015.

9. Segment information

	Quarter ended		Financial year ended	
	30.9.2015 RM'000	30.9.2014 RM'000	30.9.2015 RM'000	30.9.2014 RM'000
Segment Revenue				
Revenue				
Publishing	5,811	2,400	54,900	58,179
Printing	3,560	3,235	13,977	13,820
Education	27	84	253	238
Others	1,822	1,470	5,294	2,879
Total revenue including inter segment sales	11,220	7,189	74,424	75,116
Elimination of inter-segment sales	(3,424)	(2,453)	(11,096)	(10,745)
Total revenue	7,796	4,736	63,328	64,371
Segment Results				
Publishing	(4,874)	(3,405)	3,584	7,789
Printing	592	258	1,204	844
Education	(175)	(51)	(195)	(120)
Others	339	-	1,035	105
Total operating profit	(4,118)	(3,198)	5,628	8,618

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 year to 24 November 2015.

12. Changes 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 and contingent assets since the last statements of financial position as at 30 September 2014.

14. Capital commitments

There were no capital commitments for the purchase of property, plant and equipment not provided for in the interim financial statements as at 30 September 2015.

15. Significant related party transactions

The following are significant related party transactions:

	Quarter ended		Financial year ended	
	30.9.2015 RM'000	30.9.2014 RM'000	30.9.2015 RM'000	30.9.2014 RM'000
Purchase of production papers	3,521	3,542	9,101	10,245
Rental expense	19	15	70	58

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

16. Performance review (YTD Q4 2015 vs YTD Q4 2014)

The Group reported consolidated turnover of RM63.3 million for the current year ended 30 September 2015 as compared to RM64.4 million for the comparative year ended 30 September 2014. The consolidated turnover decreased by RM1 million or equivalent to 1.6% for the financial year under review.

The Group reported a profit after tax of RM2.9 million for the current year ended 30 September 2015 as compared to RM4.9 million for the comparative year ended 30 September 2014. The decrease in consolidated profit after tax for the year under review by RM2 million was mainly due to decrease in publishing segment revenue and increase cost of papers resulting from the weakening of Ringgit Malaysia.

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

Publishing Segment

During the current year, the Publishing Segment generated a turnover of RM54.9 million as compared to RM58.2 million for the comparative year ended 30 September 2014. The Publishing Segment recorded operating profit of RM3.6 million in the current year compared to RM7.8 million in the comparative year, a decreased of RM4.2 million due to decrease in revenue and increase cost of the papers.

Printing Segment

The Printing Segment generated a total revenue of RM13.9 million in the current period as compared to a total revenue of RM13.8 million for the comparative year ended 30 September 2014.

The Printing Segment recorded a operating profit on RM1.2 million in the current year compared to RM0.8 million in the comparative period, and increase of RM0.4 million was mainly due to cost efficiency for this segment.

Education Segment

During the current period, the Educational Segment generated a total revenue of RM253,000 as compared to a total revenue of RM238,000 for the comparative year ended 30 September 2014.

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 operating loss of RM195,000 compared to loss of RM120,000 in the comparative year, and an increase of RM75,000 due to the set up costs of Claz'room Academy of Media Art ("Claz'room").

Claz'room is a hands-on practical training school in many media arts disciplines including 2D illustration, 3D animation and Game Development.

Other Segment

The Other Segment generated operating profit of RM1 million in the current year as compared to RM105,000 for the comparative year ended 30 September 2014, and increase of RM895,000 mainly contributed by the increased of rental income from a factory building in Pasir Gudang, Johor, purchased by a subsidiary in current financial year 2015.

17. Comparison with preceding quarter results (Q4 2015 vs Q3 2015)

The Group reported a loss before tax of RM4.3 million for the current quarter ended 30 September 2015 as compared to the profit before tax of RM3.3 million generated in the preceding quarter ended 30 June 2015. 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 focussed in managing its operating costs effectively.

The Board expects the Group’s performance to be challenging for the financial year ended 30 September 2016.

19. Profit forecast and profit guarantee

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

20. Taxation

	Quarter ended		Financial year ended	
	30.9.2015 RM'000	30.9.2014 RM'000	30.9.2015 RM'000	30.9.2014 RM'000
Income tax:				
Malaysian	1,625	(778)	(189)	(3,427)
Overseas	77	632	(515)	(100)
Deferred tax:				
Malaysian	(1,032)	582	(695)	257
Overseas	(511)	(77)	(511)	(77)
Total income tax expenses	159	359	(1,910)	(3,347)

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 and recognition of deferred tax liability in respect of the retained profit of an oversea subsidiary which will be distributed in the foreseeable future and it subjects to witholding tax.

21. Corporate proposals

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

22. Borrowings and debt securities

	As at 30.09.2015		
	Secured RM'000	Unsecured RM'000	Total RM'000
Short term	1,795	-	1,795
Long term	14,934	-	14,934
	16,729	-	16,729

23. Changes in material litigation

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

24. (Loss)/earnings per share

a) Basic

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

	Quarter ended		Financial year ended	
	30.9.2015 RM'000	30.9.2014 RM'000	30.9.2015 RM'000	30.9.2014 RM'000
Net (loss)/profit for the year (RM'000)	(4,077)	(2,900)	2,575	4,688
Weighted average number of Ordinary shares in issue ('000)	98,744	98,744	98,744	98,744
(Loss)/earnings per share (Sen)	(4.13)	(2.94)	2.61	4.75

b) Diluted

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

25. Notes to the condensed consolidated statement of comprehensive income

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

	Quarter ended		**Financial year ended**	
	30.09.2015	**30.09.2014**	**30.09.2015**	**30.09.2014**
	RM'000	**RM'000**	**RM'000**	**RM'000**
a) Amortisation of intangible assets	9	-	60	-
b) Bad debts recovered	(108)	-	(213)	(44)
c) Bad debts written off	20	-	598	81
d) Depreciation of property, plant and equipment	710	777	2,785	2,233
e) (Gain)/loss on disposal of property, plant and equipment	(8)	(1)	(147)	4
f) (Gain)/loss on foreign exchange	(1,348)	609	(2,658)	728
g) Impairment loss on receivables	38	331	211	961
h) Interest expenses	206	47	771	194
i) Interest income	(39)	(61)	(204)	(289)
j) Reversal of impairment loss on receivables	315	636	(314)	(464)
k) Write back of allowance for obsolescence	(8)	-	(8)	-

26. Realised and unrealised profit

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

	Current Quarter 30.09.2015 RM'000	**Cumulative Year to date 30.09.2014 RM'000**
Holding Company & its Subsidiaries		
Realised	68,540	65,780
Unrealised	1,368	2,025
	69,908	67,805
Associated Companies		
Realised	(354)	(370)
Unrealised	-	-
	69,554	67,435
Consolidated adjustments	(25,418)	(23,939)
	44,136	43,496

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 in accordance with a resolution of the Directors on 24 November 2015.