



**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME FOR THE QUARTER ENDED 31 MARCH 2018**
(The figures have not been audited)

| | CURRENT 3 months ended | | YEAR TO DATE 6 months ended | |
|--|---------------------------|----------------------|--------------------------------|----------------------|
| | 31.03.2018 RM'000 | 31.03.2017 RM'000 | 31.03.2018 RM'000 | 31.03.2017 RM'000 |
| Revenue | 18,418 | 18,021 | 48,160 | 55,918 |
| Cost of sales | (11,834) | (11,506) | (28,979) | (32,934) |
| Gross profit | 6,584 | 6,515 | 19,181 | 22,984 |
| Other income | 739 | 1,017 | 1,216 | 2,060 |
| Administrative expenses | (3,013) | (3,395) | (6,313) | (7,034) |
| Selling expenses | (2,099) | (2,171) | (4,251) | (4,736) |
| Other expenses | (1,404) | (595) | (2,637) | (1,123) |
| Operating profit | 807 | 1,371 | 7,196 | 12,151 |
| Finance costs | (164) | (165) | (326) | (338) |
| Share of profit of equity-accounted associate | 92 | 148 | 62 | 115 |
| Profit before tax | 735 | 1,354 | 6,932 | 11,928 |
| Tax expenses | (232) | (217) | (1,630) | (3,169) |
| Profit for the period | 503 | 1,137 | 5,302 | 8,759 |
| Other comprehensive income: | | | | |
| <i>Item that will be reclassified subsequently to profit or loss</i> | | | | |
| Foreign currency translation | 463 | 453 | 669 | 450 |
| Total comprehensive income for the period | 966 | 1,590 | 5,971 | 9,209 |
| Profit attributable to: | | | | |
| Owners of the Company | 411 | 1,005 | 5,241 | 8,734 |
| Non-controlling interests | 92 | 132 | 61 | 25 |
| | 503 | 1,137 | 5,302 | 8,759 |
| Other comprehensive income attributable to: | | | | |
| Owners of the Company | 853 | 1,414 | 5,884 | 9,042 |
| Non-controlling interests | 113 | 176 | 87 | 167 |
| | 966 | 1,590 | 5,971 | 9,209 |
| Earnings per share attributable to owners of the Company: | | | | |
| Basic (Sen) | 0.43 | 1.04 | 5.43 | 9.04 |
| Diluted (Sen) | 0.42 | 1.04 | 5.41 | 9.02 |

The unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 30 September 2017 and the accompanying notes attached to the Interim Financial Statements.



CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2018

(The figures have not been audited)

| | As at 31.03.2018 RM'000 | As at 30.09.2017 RM'000 (Audited) |
|--|-------------------------------|--|
| ASSETS | | |
| Non-current assets | | |
| Property, plant and equipment | 55,866 | 55,271 |
| Investment properties | 4,762 | 4,762 |
| Investment in associate | 269 | 267 |
| Other Investments | 1,027 | 1,027 |
| Intangible assets | 135 | 174 |
| Deferred tax assets | 7,915 | 5,734 |
| | <u>69,974</u> | <u>67,235</u> |
| Current assets | | |
| Inventories | 34,338 | 37,727 |
| Trade receivables | 25,358 | 14,222 |
| Other receivables | 1,643 | 1,291 |
| Prepayment | 2,061 | 1,554 |
| Tax recoverable | 345 | 850 |
| Cash and bank balances | 17,873 | 20,567 |
| | <u>81,618</u> | <u>76,211</u> |
| TOTAL ASSETS | <u>151,592</u> | <u>143,446</u> |
| EQUITY AND LIABILITIES | | |
| Current liabilities | | |
| Short term borrowings | 1,252 | 1,110 |
| Trade Payables | 5,009 | 9,393 |
| Other Payables | 25,445 | 20,061 |
| Tax Payable | 1,238 | 359 |
| | <u>32,944</u> | <u>30,923</u> |
| Non current liabilities | | |
| Long term borrowings | 12,764 | 12,604 |
| Employees' benefits | 345 | 368 |
| Deferred tax liabilities | 2,529 | 2,484 |
| | <u>15,638</u> | <u>15,456</u> |
| Total liabilities | <u>48,582</u> | <u>46,379</u> |
| Equity attributable to owners of the parent | | |
| Share capital | 50,025 | 50,025 |
| Treasury shares | (1,508) | (1,508) |
| Foreign exchange reserve | 1,224 | 581 |
| Employee share option reserve | 320 | 348 |
| Retained earnings | 52,219 | 46,978 |
| | <u>102,280</u> | <u>96,424</u> |
| Non-controlling interests | 730 | 643 |
| Total equity | <u>103,010</u> | <u>97,067</u> |
| TOTAL EQUITY AND LIABILITIES | <u>151,592</u> | <u>143,446</u> |
| Net assets per share attributable to owners of the parent (RM) | <u>1.0588</u> | <u>0.9982</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 2017 and the accompanying explanatory notes to the Interim Financial Statements.



CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED 31 MARCH 2018
(The figures have not been audited)

| | Share Capital | Treasury Shares | Foreign Exchange Reserve | Employee Share Option 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 2017 | 50,025 | (1,508) | 581 | 348 | 46,978 | 96,424 | 643 | 97,067 |
| Total comprehensive income | - | - | 643 | - | 5,241 | 5,884 | 87 | 5,971 |
| Employee share option forfeited | - | - | - | (28) | - | (28) | - | (28) |
| At 31 March 2018 | 50,025 | (1,508) | 1,224 | 320 | 52,219 | 102,280 | 730 | 103,010 |
| At 1 October 2016 | 50,000 | (1,453) | (1) | - | 45,291 | 93,837 | 695 | 94,532 |
| Total comprehensive income | - | - | 308 | - | 8,734 | 9,042 | 167 | 9,209 |
| Own shares acquired | - | (55) | - | - | - | (55) | - | (55) |
| Employee share options granted | - | - | - | 385 | - | 385 | - | 385 |
| At 31 March 2017 | 50,000 | (1,508) | 307 | 385 | 54,025 | 103,209 | 862 | 104,071 |

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 2017 and the Notes to the Interim Financial Statements.



**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE QUARTER ENDED 31 MARCH 2018**
(The figures have not been audited)

| | 6 months ended | |
|---|----------------------|----------------------|
| | 31.03.2018 RM'000 | 31.03.2017 RM'000 |
| Cash flows from operating activities | | |
| Profit before tax | 6,932 | 11,928 |
| Adjustments for non-cash items | 5,165 | 390 |
| Operating profit before working capital changes | 12,097 | 12,318 |
| Net change in current assets | (12,682) | (9,754) |
| Net change in current liabilities | 976 | 5,491 |
| Cash generated from operating activities | 391 | 8,055 |
| Tax paid | (2,427) | (1,408) |
| Net cash (used in)/from operating activities | (2,036) | 6,647 |
| Cash flows from investing activities | | |
| Interest received | 172 | 212 |
| Proceeds from disposal of property, plant and equipment | 362 | - |
| Purchase of property, plant and equipment | (2,141) | (187) |
| Net cash (used in)/from investing activities | (1,607) | 25 |
| Cash flows from financing activities | | |
| Interest paid | (326) | (338) |
| Proceeds from finance leases financing | 953 | - |
| Purchase of treasury shares | - | (55) |
| Repayment of obligation under finance leases | (217) | (209) |
| Repayment of term loans | (433) | (416) |
| Placement of fixed deposit with licensed bank | - | (100) |
| Net cash used in financing activities | (23) | (1,118) |
| Net (decrease)/increase in cash and cash equivalents | (3,666) | 5,554 |
| Effect of exchange rate changes | 971 | 167 |
| Cash and cash equivalents at beginning of year | 20,068 | 18,498 |
| Cash and cash equivalents at end of year | 17,373 | 24,219 |

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

| | 6 months ended | |
|--|----------------|--------|
| | RM'000 | RM'000 |
| Cash and bank balances | 17,873 | 24,719 |
| Less: Fixed deposits pledged with licensed banks | (500) | (500) |
| | 17,373 | 24,219 |

The unaudited Condensed Consolidated Statement of Cash Flow should be read in conjunction with the audited financial statements for the year ended 30 September 2017 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 ("MFRSs") 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 2017. 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 2017.

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 2017. At the beginning of the current financial year, the Group adopted amendments to MFRSs and IC interpretations ("IC Int") which are mandatory for the financial period beginning on or after 1 October 2017.

Initial application of the amendments to the standards and IC Int did not have material impact to the financial statements, except for : -

Amendments to MFRS 107 Statement of Cash Flows: Disclosure Initiative

The Group has applied these amendments for the first time in the current year. The amendments require entities to provide disclosure of changes in their liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. Consistent with the transition provisions of the amendments, the Group has not disclosed comparative information for the prior period.

Standard Issued But Not Yet Effective

At the date of authorisation of these interim financial statements, the Group has not applied the following new standards, amendments to standards that have been issued by the Malaysian Accounting Standards Board ("MASB") but are not yet effective for the Group:

MFRS, Amendments to MFRS and IC Interpretation effective 1 January 2018:

Amendments to MFRS 2 Share-based Payment: Classification and Measurement of Share-based Payment Transactions

MFRS 9 Financial Instruments (IFRS 9 issued by IASB in July 2014)

MFRS 15 Revenue from Contracts with Customers

Amendments to MFRS 4 Insurance Contracts: Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts)

Amendments to MFRS 140 Investment Property: Transfers of Investment Property

Annual Improvements to MFRS Standards 2014-2016 Cycle (except for Amendments to MFRS 12 Disclosure of Interests in Other Entities)

IC Interpretation 22 Foreign Currency Transactions and Advance Consideration

MFRS and Amendments to MFRS effective 1 January 2019:

Amendments to MFRS 9 Financial Instrument: Prepayment Features with Negative Compensation

MFRS 16 Leases

Amendments to MFRS 119 Employee Benefits: Plan Amendment, Curtailment or Settlement

Amendments to MFRS 128 Investments in Associates and Joint Ventures: Long-term Interests in Associates and Joint Ventures

Annual Improvements to MFRS Standards 2015 - 2017 Cycle

IC Interpretation 23 Uncertainty over Income Tax Treatments

Amendments to MFRS and IC Interpretation effective 1 January 2020:

Amendments to MFRS 2 Share-Based Payment

Amendment to MFRS 3 Business Combinations

Amendments to MFRS 6 Exploration for and Evaluation of Mineral Resources

Amendment to MFRS 14 Regulatory Deferral Accounts

Amendments to MFRS 101 Presentation of Financial Statements

Amendments to MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors

Amendments to MFRS 134 Interim Financial Reporting

Amendment to MFRS 137 Provisions, Contingent Liabilities and Contingent Assets

Amendment to MFRS 138 Intangible Assets

Amendment to IC Interpretation 12 Service Concession Arrangements

Amendment to IC Interpretation 19 Extinguishing Financial Liabilities with Equity Instruments

Amendment to IC Interpretation 20 Stripping Costs in the Production Phase of a Surface Mine

Amendment to IC Interpretation 22 Foreign Currency Transactions and Advance Consideration

Amendments to IC Interpretation 132 Intangible Assets - Web Site Costs

MFRS effective 1 January 2021:

MFRS 17 Insurance Contracts

Amendments to MFRSs - effective date deferred indefinitely

Amendments to MFRS 10 Consolidated Financial Statements and MFRS 128 Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture



The initial application of the above standards, amendments and interpretation are not expected to have any financial impacts to the financial statements, except for:

MFRS 9 Financial Instruments

MFRS 9 Financial Instruments replaces MFRS 139 Financial Instruments: Recognition and Measurement and all previous version of MFRS 9. The new standard introduces extensive requirements and guidance for classification and measurement of financial assets and financial liabilities which fall under scope of MFRS 9, new "expected credit loss model" under the impairment of financial assets and greater flexibility has been allowed in hedge accounting transactions. Upon adoption of MFRS 9, financial assets will be measured at either fair value or amortised cost. It is also expected that the Group's investment in unquoted shares will be measured at fair value through other comprehensive income.

The adoption of MFRS 9 will result in a change of accounting policy. The Group is currently examining the financial impact of adopting MFRS 9.

MFRS 15 Revenue from Contracts with Customers

MFRS 15 presents new requirements for the recognition of revenue, replacing the guidance of MFRS 111 Construction Contracts, MFRS 118 Revenue, IC Interpretation 13 Customer Loyalty Programmes, IC Interpretation 15 Agreements for Construction of Real Estate, IC Interpretation 18 Transfers of Assets from Customers and IC Interpretation 131 Revenue – Barter Transaction Involving Advertising Services. The principles in MFRS 15 provide a more structured approach to measuring and recognizing revenue. It establishes a new five-step model that will apply to revenue arising from contracts with customers. Under MFRS 15 revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchanged for transferring goods or services to a customer.

The adoption of MFRS 15 will results in a change in accounting policy. The Group is currently assessing the impact of MFRS 15 and plans to adopt the new standards on the required effective date.

MFRS 16 Leases

MFRS 16 replaces MFRS 117 Leases. MFRS 16 eliminates the distinction between finance and operating leases for lessees. As off-balance sheet will no longer be allowed except for some limited practical exemptions, all leases will be brought onto the statement of financial position by recognising a "right-of-use" asset and a lease liability. In other words, for a lessee that has material operating leases, the assets and liabilities reported on its statement of financial position are expected to be different compared with the current position.

The Group is currently assessing the impact of MFRS 16 and plans to adopt the new standards on the required effective date of 1 January 2019.

3. Auditors' report on preceding annual financial statements

The auditors' report on the financial statements for the year ended 30 September 2017 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 Group's revenue comes from 1st quarter of our financial year (i.e., that is October 2017 to December 2017) before school term reopened in January 2018. The revenue cycle is expected to drop and coupled with higher goods returns in other quarters during the financial year.

The revenue 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.

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

There were no issuances, cancellation, repurchases, resale and repayments of debts and equity securities for the current quarter under review except for the following :

Employees's Share Option Scheme ("ESOS")

As at 31 March 2018, a total of 403,000 employee share options lapsed.



8. Dividends

There was no dividend being paid, proposed or declared during the quarter under review.

9. Segment information

| | Quarter ended | | Financial year ended | |
|---|----------------------|----------------------|----------------------|----------------------|
| | 31.03.2018 RM'000 | 31.03.2017 RM'000 | 31.03.2018 RM'000 | 31.03.2017 RM'000 |
| Segment Revenue | | | | |
| <u>Revenue</u> | | | | |
| Publishing | 15,476 | 15,876 | 43,387 | 51,423 |
| Printing | 2,546 | 2,723 | 5,908 | 6,386 |
| Education | 182 | 144 | 302 | 263 |
| Others | 785 | 2,864 | 1,536 | 3,762 |
| Total revenue including inter segment sales | 18,989 | 21,607 | 51,133 | 61,834 |
| Elimination of inter-segment sales | (571) | (3,586) | (2,973) | (5,916) |
| Total revenue | <u>18,418</u> | <u>18,021</u> | <u>48,160</u> | <u>55,918</u> |
| <u>Segment Results</u> | | | | |
| Publishing | 646 | 846 | 6,317 | 11,486 |
| Printing | (192) | 45 | 348 | 448 |
| Education | 14 | (14) | 22 | (265) |
| Others | 339 | 494 | 509 | 482 |
| Total operating profit | <u>807</u> | <u>1,371</u> | <u>7,196</u> | <u>12,151</u> |

10. Valuation of property, plant and equipment

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

11. Material events subsequent to the end of the interim period

There were no material events subsequent to the end of the current quarter up to the date of this report.

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/assets

There were no material changes in contingent liabilities/assets since the last balance sheet date up to the date of this report.

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 31 March 2018.

15. Significant related party transactions

The following are significant related party transactions:

| | Quarter ended | | Financial year ended | |
|-------------------------------|----------------------|----------------------|----------------------|----------------------|
| | 31.03.2018 RM'000 | 31.03.2017 RM'000 | 31.03.2018 RM'000 | 31.03.2017 RM'000 |
| Purchase of production papers | - | 359 | - | 6,511 |
| Rental expense | 19 | 19 | 38 | 38 |

*Teh Hui Guan has resigned as a Director on 31 March 2017



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

16. Performance review (YTD Q2 2018 vs YTD Q2 2017)

Publishing Segment

Publishing Segment generated revenue of RM43.39 million for the current period ended 31 March 2018 as compared to RM51.42 million for the comparative period ended 31 March 2017. Publishing Segment recorded operating profit of RM6.32 million in the current period compared to RM11.49 million in the comparative period, a decrease of RM5.17 million.

The decrease in revenue was caused by lesser textbook revenue from government open tender during the current period. Besides, reduction of quantity orders for primary school workbook in Malaysia also contributed to the drop in workbook sales. The drop in workbook sales was mainly resulted from the reminders issued by the Ministry of Education Malaysia to disallow workbook usage for first level students (Year 1 to Year 3) and only allow one workbook each subject for second level students (Year 4 to Year 6).

However, the revenue contribution from one of non-Malaysia subsidiaries, PT. Penerbitan Pelangi Indonesia ("PTPPI") has seen good growth of RM0.62 million as compared to last comparative period.

The Group has lower operating profit for current period was partly due to high unrealised loss on foreign exchange with the amount of RM1.67 million which was mainly incurred by PTPPI with the amount of RM1.47 million. The increase of unrealised loss on foreign exchange in PTPPI was due to the strengthening of Malaysia Ringgit against Indonesian Rupiah.

Printing Segment

Printing Segment generated revenue of RM5.91 million for the current period ended 31 March 2018 as compared to RM6.39 million for the comparative period ended 31 March 2017.

This segment recorded an operating profit of RM0.35 million for the current period as compared to RM0.45 million in the comparative period. The decrease of RM0.10 million mainly due to reduction in printing jobs and higher impairment loss on receivables.

Education Segment

The Education Segment remains as a minor segment within the Group. This Segment recorded operating profit of RM0.02 million in the current period ended 31 March 2018, as compared to operating loss of RM0.27 million in the comparative period ended 31 March 2017. The profit comes from the reduction of costs in Pelangi Education Sdn. Bhd. and Pelangi Multimedia Technologies Sdn. Bhd.

With stringent cost control and good management, the Group expects positive contribution and promoting a greater brand name of this segment moving forward.

Other Segment

The Other Segment generated revenue of RM1.54 million in the current period as compared to RM3.76 million for the comparative period ended 31 March 2017 with a decrease of RM2.22 million. However, the operating profit has been improved RM0.03 million mainly due to the saving on ESOS expenses as compared to the last comparative period.

17. Comparison of current quarter with preceding quarter results (Q2 2018 vs Q1 2018)

The Group reported profit before tax of RM0.74 million for the current quarter ended 31 March 2018 as compared to the profit before tax of RM6.20 million in the preceding quarter ended 31 December 2017. The lower profit generated during this quarter is in line with the business trend and annual cyclical order as explained in Note 4.

18. Commentary of prospects

The focus of the Group for this year are on creating both e-books and digital learning tools, as well as to venture more into the higher education segment especially for production of technical and vocational curriculums. Besides, more investment and product development will be placed in growing the business in the ASEAN markets, especially in Thailand and Indonesia.

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 | |
|--------------------|----------------------|----------------------|----------------------|----------------------|
| | 31.03.2018 RM'000 | 31.03.2017 RM'000 | 31.03.2018 RM'000 | 31.03.2017 RM'000 |
| Income tax: | | | | |
| Malaysian | (370) | (171) | (3,637) | (4,100) |
| Overseas | (171) | (291) | (175) | (294) |
| Deferred tax: | | | | |
| Malaysian | (11) | 245 | 1,791 | 1,225 |
| Overseas | 320 | - | 391 | - |
| Total tax expenses | <u>(232)</u> | <u>(217)</u> | <u>(1,630)</u> | <u>(3,169)</u> |

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

21. Corporate proposals

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

22. Borrowings and debt securities

| | As at 31.03.2018 | | |
|------------|-------------------|---------------------|-----------------|
| | Secured RM'000 | Unsecured RM'000 | Total RM'000 |
| Short term | 1,252 | - | 1,252 |
| Long term | 12,764 | - | 12,764 |
| | <u>14,016</u> | <u>-</u> | <u>14,016</u> |

23. Changes in material litigation

On 25 July 2017, PPG has made an announcement to Bursa Securities which PPG through its wholly owned subsidiary, PPSB, has taken legal action against Sasbadi Sdn Bhd ("SSB"), a wholly-owned subsidiary of Sasbadi Holdings Berhad, by serving SSB a copy of the sealed Writ and Statement of Claim dated 29 June 2017. The Sealed Writ and Statement of Claim was served on 20 July 2017 by Messrs Skrine, acting on behalf PPSB.

The claims pursuant to the Writ and Statement of Claim are in relation to the infringement of Copyright Works by SSB for the Sijil Tinggi Persekolahan Malaysia ("STPM") examination and Malaysian University English Test ("MUET") question papers as well as the performance analysis reports for the STPM examination and the MUET where PPSB has the exclusive right in Malaysia in pursuant to the several publishing agreements between PPSB and Majlis Peperiksaan Malaysia ("MPM") to control, among others, the reproduction, communication, distribution, and commercialisation of the Copyright Works.

SSB had, on 30 August 2017, via its solicitors, Messrs Shook Lin & Bok, filed its defence against the claim and filed a counterclaim seeking for reliefs.

For details of the circumstances leading to the filing of the Writ and Statement of Claim against SSB and counterclaim filed by SSB may refer to the Company's announcement in the Bursa Securities website.

On 28 September 2017, PPG has made an announcement in the Bursa Securities which PPG through its wholly owned subsidiary, PPSB, has filed on 27 September 2017 a Reply to Defence and Defence to Counterclaim whereby Pelangi challenged SSB's counterclaims and put SSB to strict proof of the said claims, on the basis that at all material times, PPSB is the owner of the copyright in the Copyright Works and PPSB had acted within its rights.

PPSB, MPM and SSB have entered into a settlement agreement dated 16 April 2018 whereby it has been agreed that PPSB and SSB will withdraw its claim and counterclaim respectively. Please refer to the details of this settlement agreement in Company's announcement dated 16 Apr 2018.



24. Earnings per share

a) Basic earnings per share

The basic earnings per ordinary share for current period is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the current period concerned.

| | Quarter ended | | Financial year ended | |
|--|---------------|------------|----------------------|------------|
| | 31.03.2018 | 31.03.2017 | 31.03.2018 | 31.03.2017 |
| Net profit for the year (RM'000) | 411 | 1,005 | 5,241 | 8,734 |
| Weighted average number of ordinary shares in issue ('000) | 96,598 | 96,621 | 96,598 | 96,621 |
| Earnings per share (Sen) | 0.43 | 1.04 | 5.43 | 9.04 |

b) Diluted earnings per share

For the purpose of calculating diluted earnings per share, the profit for the period attributable to ordinary equity holders of the Company and the weighted average number of ordinary shares in issue during the financial period have been adjusted for the dilutive effects of all potential ordinary shares, i.e., share options granted to employees.

| | Quarter ended | | Financial year ended | |
|--|---------------|------------|----------------------|------------|
| | 31.03.2018 | 31.03.2017 | 31.03.2018 | 31.03.2017 |
| Net profit for the year (RM'000) | 411 | 1,005 | 5,241 | 8,734 |
| Weighted average number of ordinary shares in issue ('000) | 96,598 | 96,621 | 96,598 | 96,621 |
| Effect of dilution arising from ESOS ('000) | 189 | 164 | 189 | 164 |
| Weighted average number of ordinary shares for diluted earnings per share ('000) | 96,787 | 96,785 | 96,787 | 96,785 |
| Diluted earnings per share (Sen) | 0.42 | 1.04 | 5.41 | 9.02 |

25. Notes to the condensed consolidated statement of comprehensive income

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

| | Quarter ended | | Financial year ended | |
|---|----------------------|----------------------|----------------------|----------------------|
| | 31.03.2018 RM'000 | 31.03.2017 RM'000 | 31.03.2018 RM'000 | 31.03.2017 RM'000 |
| a) Interest income | (78) | (134) | (172) | (212) |
| b) Other income | (661) | (883) | (1,044) | (1,848) |
| c) Interest expense | 164 | 165 | 326 | 338 |
| d) Depreciation and amortisation | 695 | 672 | 1,388 | 1,342 |
| e) Provision for and write off receivables | 193 | - | 223 | 84 |
| f) Provision for and write off of inventories | 995 | 1,058 | 2,649 | 2,391 |
| g) (Gain)/loss on disposal of property, plant and equipment | (98) | - | (362) | 1 |
| h) Loss/(gain) on foreign exchange | 941 | (23) | 1,667 | (827) |
| i) Reversal of impairment loss on receivables | (439) | (879) | (466) | (867) |
| j) Derivative gain | - | - | - | - |
| k) Exceptional items: | | | | |
| - employee benefit expenses | (17) | - | (28) | 385 |

26. 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 21 May 2018.