



**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE QUARTER ENDED 31 DECEMBER 2012**  
(The figures have not been audited)

	CURRENT 3 months ended		YEAR TO DATE 3 months ended	
	31.12.2012 RM'000	31.12.2011 RM'000	31.12.2012 RM'000	31.12.2011 RM'000
Revenue	24,073	25,881	24,073	25,881
Cost of sales	(16,886)	(17,590)	(16,886)	(17,590)
Gross Profit	7,187	8,291	7,187	8,291
Other income	1,168	127	1,168	127
Administrative expenses	(1,998)	(2,209)	(1,998)	(2,209)
Selling and marketing expenses	(1,450)	(775)	(1,450)	(775)
Other expenses	(511)	(560)	(511)	(560)
Operating profit	4,396	4,874	4,396	4,874
Finance costs	(137)	(118)	(137)	(118)
Share of profit/(loss) of associates	(7)	(45)	(7)	(45)
Profit before tax	4,252	4,711	4,252	4,711
Income tax expenses	(1,356)	(1,449)	(1,356)	(1,449)
<b>Profit for the period</b>	<b>2,896</b>	<b>3,262</b>	<b>2,896</b>	<b>3,262</b>
Other comprehensive income :				
Gain on fair value changes of other investment	-	-	-	-
Foreign currency translation	20	67	20	67
Total comprehensive income for the period	2,916	3,329	2,916	3,329
Profit attributable to:				
<b>Owners of the Company</b>	<b>2,932</b>	<b>3,359</b>	<b>2,932</b>	<b>3,359</b>
Non-controlling interests	(36)	(97)	(36)	(97)
	2,896	3,262	2,896	3,262
Total comprehensive income attributable to:				
Owners of the Company	2,951	3,422	2,951	3,422
Non-controlling interests	(35)	(93)	(35)	(93)
	2,916	3,329	2,916	3,329
<b>Earning per share attributable to owners of the Company :</b>				
Basic (Sen)	2.97	3.40	2.97	3.40
Diluted (Sen)	2.97	3.40	2.97	3.40

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 DECEMBER 2012

(The figures have not been audited)

	As at 31.12.2012 RM'000	As at 30.9.2012 RM'000 (Audited)
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	31,427	31,768
Investment properties	1,953	1,953
Investment in associates	71	77
Other Investments	27	27
Deferred tax assets	3,673	3,726
	<u>37,151</u>	<u>37,551</u>
<b>Current assets</b>		
Inventories	21,800	28,914
Trade receivables	26,673	13,625
Other receivables	601	1,933
Prepayment	834	758
Tax recoverable	394	457
Cash and bank balances	28,151	28,011
	<u>78,453</u>	<u>73,698</u>
<b>TOTAL ASSETS</b>	<b><u>115,604</u></b>	<b><u>111,249</u></b>
<b>EQUITY AND LIABILITIES</b>		
<b>Current liabilities</b>		
Short term borrowings	1,310	1,414
Trade Payables	7,540	5,059
Other Payables	13,018	12,549
Tax Payable	1,775	869
Dividend payable	-	-
	<u>23,643</u>	<u>19,891</u>
<b>Non current liabilities</b>		
Long term borrowings	2,847	5,068
Deferred tax liabilities	1,508	1,600
	<u>4,355</u>	<u>6,668</u>
Total liabilities	<u>27,998</u>	<u>26,559</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	63	44
Retained earnings	39,227	36,295
	<u>87,883</u>	<u>84,932</u>
Non-controlling interests	(277)	(242)
<b>Total equity</b>	<u>87,606</u>	<u>84,690</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b><u>115,604</u></b>	<b><u>111,249</u></b>
Net assets per share attributable to owners of the parent (RM)	<u>0.9057</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 DECEMBER 2012  
(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
<b>At 1 October 2012</b>	50,000	-	(1,408)	44	1	36,295	84,932	(242)	84,690
Total comprehensive income	-	-	-	19	-	2,932	2,951	(35)	2,916
<b>At 31 December 2012</b>	<b>50,000</b>	<b>-</b>	<b>(1,408)</b>	<b>63</b>	<b>1</b>	<b>39,227</b>	<b>87,883</b>	<b>(277)</b>	<b>87,606</b>
<b>At 1 October 2011</b>	50,000	-	(1,408)	(132)	1	33,049	81,510	(79)	81,431
Total comprehensive income	-	-	-	63	-	3,359	3,422	(93)	3,329
<b>At 31 December 2011</b>	<b>50,000</b>	<b>-</b>	<b>(1,408)</b>	<b>(69)</b>	<b>1</b>	<b>36,408</b>	<b>84,932</b>	<b>(172)</b>	<b>84,760</b>

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 DECEMBER 2012**  
(The figures have not been audited)

	3 months ended	
	31.12.2012 RM'000	31.12.2011 RM'000
<b>Cash flows from operating activities</b>		
Profit before tax	4,252	4,711
Adjustments for non-cash items	(336)	758
<b>Operating profit before working capital changes</b>	3,916	5,469
Net change in current assets	(4,862)	(11,516)
Net change in current liabilities	2,949	4,392
<b>Cash generated from operations</b>	2,003	(1,655)
Tax paid (net of refund)	(426)	(401)
Interest paid	(137)	(118)
<b>Net cash generated from/(used in) operating activities</b>	1,440	(2,174)
<b>Cash flows from investing activities</b>		
Interest received	128	72
Purchase of plant and equipment	(320)	(231)
Proceeds from disposal of plant and equipment	1,265	9
<b>Net cash generated from/(used in) investing activities</b>	1,073	(150)
<b>Cash flows from financing activities</b>		
Repayment of obligation under finance leases	(116)	(140)
Repayment of term loans	(2,277)	(249)
<b>Net cash used in financing activities</b>	(2,393)	(389)
<b>Net increase/(decrease) in cash and cash equivalents</b>	120	(2,713)
<b>Effect of exchange rate changes</b>	20	71
<b>Cash and cash equivalents at beginning of period</b>	28,011	18,326
<b>Cash and cash equivalents at end of period</b>	28,151	15,684

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

	3 months ended	
	31.12.2012 RM'000	31.12.2011 RM'000
Cash on hand and at banks	18,355	9,160
Fixed deposits	9,796	6,524
	28,151	15,684

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 three months ended 31 December 2012 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 December 2012.

As at 31 December 2012, 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 2012.

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	
	31.12.2012 RM'000	31.12.2011 RM'000	31.12.2012 RM'000	31.12.2011 RM'000
<b>Segment Revenue</b>				
<u>Revenue</u>				
Publishing	21,220	21,655	21,220	21,655
Printing	4,319	5,317	4,319	5,317
Education	189	262	189	262
Others	303	314	303	314
Total revenue including inter segment sales	26,031	27,548	26,031	27,548
Elimination of inter-segment sales	(1,958)	(1,667)	(1,958)	(1,667)
Total revenue	24,073	25,881	24,073	25,881
<u>Segment Results</u>				
Publishing	3,270	4,652	3,270	4,652
Printing	1,167	455	1,167	455
Education	(24)	(197)	(24)	(197)
Others	(17)	(36)	(17)	(36)
Total operating profit	4,396	4,874	4,396	4,874

**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 21 February 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**

There were no capital commitments for the purchase of property, plant and equipment for the quarter ended 31 December 2012.

**15. Significant related party transactions**

The following are significant related party transactions:

	Quarter ended		Financial period ended	
	31.12.2012 RM'000	31.12.2011 RM'000	31.12.2012 RM'000	31.12.2011 RM'000
Purchase of production papers	1,375	3,908	1,375	3,908
Rental expense	15	15	15	15

**16. Performance review (YTD Q1 2013 vs YTD Q1 2012)**

The Group reported a consolidated turnover of RM24.1 million for the current period ended 31 December 2012 as compared to RM25.9 million for the comparative period ended 31 December 2011. The consolidated turnover showed a decrease of RM1.8 million or marginal drop of 6.9% for the period under review.

The Group reported a profit after tax of RM2.9 million for the current period ended 31 December 2012 as compared to RM3.3 million for the comparative period ended 31 December 2011. The consolidated profit after tax for the period under review showed a decrease of RM0.4 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 RM21.2 million as compared to RM21.7 million for the comparative period ended 31 December 2011. The Publishing Segment recorded a bottom line results of RM3.3 million in the current period as compared to RM4.7 million in the comparative period, mainly due to certain timing differences in recognition of textbook sales in the comparative quarter of the previous year.

Printing Segment

The Printing Segment generated a total revenue of RM4.3 million in the current period as compared to a total revenue of RM5.3 million for the comparative period ended 31 December 2011.

The bottom line results of RM1.2 million as recorded by the printing segment in the current period ended 31 December 2012 is made up of RM213,000 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 RM242,000 in its bottom line results as compared to RM455,000 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 RM24,000 based on its total revenue of RM189,000 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 (Q1 2013 vs Q4 2012)

The Group reported a profit before tax of RM4.3 million for the current quarter ended 31 December 2012 as compared to the loss before tax of RM4.6 million generated in the preceding quarter ended 30 September 2012. 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. 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 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	
	31.12.2012	31.12.2011	31.12.2012	31.12.2011
	RM'000	RM'000	RM'000	RM'000
Income tax:				
Malaysian	(1,396)	(1,354)	(1,396)	(1,354)
Overseas	-	-	-	-
Deferred tax:				
Malaysian	40	(95)	40	(95)
Overseas	-	-	-	-
Total	<u>(1,356)</u>	<u>(1,449)</u>	<u>(1,356)</u>	<u>(1,449)</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

	As at 31.12.2012		
	Secured	Unsecured	Total
Group borrowings	RM'000	RM'000	RM'000
Short term	1,310	-	1,310
Long term	2,847	-	2,847
	<u>4,157</u>	<u>-</u>	<u>4,157</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 21 February 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	
	31.12.2012	31.12.2011	31.12.2012	31.12.2011
Net profit for the year (RM'000)	2,932	3,359	2,932	3,359
Weighted average number of ordinary shares in issue ('000)	98,744	98,744	98,744	98,744
Earnings Per Share (sen)	2.97	3.40	2.97	3.40

#### 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 31.12.2012 RM'000	Cumulative Year to date 31.12.2012 RM'000
a) Interest income	(128)	(128)
b) Other income	(70)	(70)
c) Interest expense	137	137
d) Depreciation and amortisation	618	618
e) Provision for and write off of receivables	-	-
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)	(970)
i) Impairment of assets	-	-
j) (Gain)/Loss on foreign exchange	10	10
k) (Gain)/Loss on derivatives	-	-
l) Exceptional items	-	-

**26. Realised and unrealised profit / losses**

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

	<b>As at 31.12.2012 RM'000</b>	<b>As at 31.12.2011 RM'000</b>
Holding Company & its Subsidiaries		
Realised	61,481	59,968
Unrealised	2,165	771
	<u>63,646</u>	<u>60,739</u>
Associated Companies		
Realised	(299)	(328)
Unrealised	-	-
	<u>63,347</u>	<u>60,411</u>
Consolidation adjustments	<u>(24,120)</u>	<u>(24,003)</u>
	<u><u>39,227</u></u>	<u><u>36,408</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 26 February 2013.