



**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME FOR THE QUARTER ENDED 31 MARCH 2015**
(The figures have not been audited)

	CURRENT		YEAR TO DATE	
	3 months ended	3 months ended	6 months ended	6 months ended
	31.03.2015	31.03.2014	31.03.2015	31.03.2014
	RM'000	RM'000	RM'000	RM'000
Revenue	19,173	19,700	42,966	47,074
Cost of sales	(12,038)	(11,700)	(26,101)	(27,873)
Gross Profit	7,135	8,000	16,865	19,201
Other income	399	146	497	251
Administrative expenses	(2,523)	(2,243)	(4,347)	(4,736)
Selling and marketing expenses	(1,841)	(1,898)	(3,789)	(3,797)
Other expenses	(720)	(792)	(1,350)	(1,381)
Operating profit	2,450	3,213	7,876	9,538
Finance costs	(208)	(48)	(351)	(100)
Share of profit of associates	-	5	-	9
Profit before tax	2,242	3,170	7,525	9,447
Income tax expenses	(383)	(916)	(1,997)	(2,978)
Profit for the period	1,859	2,254	5,528	6,469
Other comprehensive income that will subsequently be reclassified to profit or loss:				
Foreign currency translation	326	(200)	300	(197)
Total comprehensive income for the period	2,185	2,054	5,828	6,272
Profit attributable to:				
Owners of the Company	1,531	2,155	5,232	6,195
Non-controlling interests	328	99	296	274
	1,859	2,254	5,528	6,469
Total comprehensive income attributable to:				
Owners of the Company	1,784	1,961	5,433	6,015
Non-controlling interests	401	93	395	257
	2,185	2,054	5,828	6,272
Earning per share attributable to owners of the Company :				
Basic (Sen)	1.55	2.20	5.30	6.27
Diluted (Sen)	1.55	2.20	5.30	6.27

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 MARCH 2015
(The figures have not been audited)

	As at 31.03.2015 RM'000	As at 30.9.2014 RM'000 (Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	60,888	57,843
Investment properties	1,953	1,953
Intangible assets	364	-
Investment in associates	-	-
Other Investments	27	27
Deferred tax assets	3,990	3,236
	<u>67,222</u>	<u>63,059</u>
Current assets		
Inventories	27,911	31,615
Trade receivables	24,503	11,868
Other receivables	631	734
Prepayment	1,032	435
Tax recoverable	1,218	483
Cash and bank balances	21,493	20,300
	<u>76,788</u>	<u>65,435</u>
TOTAL ASSETS	<u>144,010</u>	<u>128,494</u>
EQUITY AND LIABILITIES		
Current liabilities		
Short term borrowings	1,224	805
Trade Payables	3,231	2,590
Other Payables	20,422	28,281
Tax Payable	2,865	870
	<u>27,742</u>	<u>32,546</u>
Non current liabilities		
Long term borrowings	16,357	1,944
Deferred tax liabilities	1,282	1,211
	<u>17,639</u>	<u>3,155</u>
Total liabilities	<u>45,381</u>	<u>35,701</u>
Equity attributable to owners of the parent		
Share capital	50,000	50,000
Treasury shares	(1,408)	(1,408)
Fair value reserve	1	1
Foreign exchange reserve	649	448
Retained earnings	48,728	43,496
	<u>97,970</u>	<u>92,537</u>
Non-controlling interests	659	264
Total equity	<u>98,629</u>	<u>92,801</u>
TOTAL EQUITY AND LIABILITIES	<u>144,010</u>	<u>128,502</u>
Net assets per share attributable to owners of the parent (RM)	<u>1.0196</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 MARCH 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)	448	1	43,496	92,537	264	92,801
Total comprehensive income	-	-	201	-	5,232	5,433	395	5,828
At 31 March 2015	<u>50,000</u>	<u>(1,408)</u>	<u>649</u>	<u>1</u>	<u>48,728</u>	<u>97,970</u>	<u>659</u>	<u>98,629</u>
At 1 October 2013	50,000	(1,408)	348	1	40,743	89,684	(12)	89,672
Total comprehensive income	-	-	(180)	-	6,195	6,015	257	6,272
Dividend	-	-	-	-	(1,935)	(1,935)	-	(1,935)
At 31 March 2014	<u>50,000</u>	<u>(1,408)</u>	<u>168</u>	<u>1</u>	<u>45,003</u>	<u>93,764</u>	<u>245</u>	<u>94,009</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 MARCH 2015**
(The figures have not been audited)

	6 months ended	
	31.03.2015 RM'000	31.03.2014 RM'000
Cash flows from operating activities		
Profit before tax	7,525	9,447
Adjustments for non-cash items	98	601
Operating profit before working capital changes	7,623	10,048
Net change in current assets	(8,478)	(6,756)
Net change in current liabilities	(6,764)	(962)
Cash used in operations	(7,619)	2,330
Tax paid (net of refund)	(1,416)	(1,561)
Interest paid	(352)	(100)
Net cash (used in) / generated from operating activities	(9,387)	669
Cash flows from investing activities		
Interest received	97	139
Purchase of plant and equipment	(4,257)	(1,292)
Purchase of intangible assets	(390)	-
Proceeds from disposal of plant and equipment	137	6
Net cash (used in) / generated from investing activities	(4,413)	(1,147)
Cash flows from financing activities		
Proceeds from term loans	13,950	-
Proceeds from finance leases	1,143	-
Repayment of obligation under finance leases	(94)	(180)
Repayment of term loans	(166)	(525)
Net cash generated from / (used in) financing activities	14,833	(705)
Net increase / (decrease) in cash and cash equivalents	1,033	(1,183)
Effect of exchange rate changes	160	(200)
Cash and cash equivalents at beginning of period	20,300	30,077
Cash and cash equivalents at end of period	21,493	28,694

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

	6 months ended	
	31.03.2015 RM'000	31.03.2014 RM'000
Cash on hand and at banks	13,579	21,558
Fixed deposits	7,914	7,136
	21,493	28,694

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 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 Disclosures 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.

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 March 2015.

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

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

9. Segmental information

	Quarter ended		Financial period ended	
	31.03.2015 RM'000	31.03.2014 RM'000	31.03.2015 RM'000	31.03.2014 RM'000
Segment Revenue				
<u>Revenue</u>				
Publishing	17,414	17,976	38,631	43,495
Printing	3,603	3,237	7,316	7,631
Education	116	46	145	108
Others	1,822	329	2,569	954
Total revenue including inter segment sales	22,955	21,588	48,661	52,188
Elimination of inter-segment sales	(3,782)	(1,888)	(5,695)	(5,114)
Total revenue	19,173	19,700	42,966	47,074
<u>Segment Results</u>				
Publishing	1,896	3,208	6,883	9,029
Printing	353	(40)	598	544
Education	20	(6)	(29)	(38)
Others	181	51	424	3
Total operating profit	2,450	3,213	7,876	9,538

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 25 May 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

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 2015.

15. Significant related party transactions

The following are significant related party transactions:

	Quarter ended		Financial period ended	
	31.03.2015	31.03.2014	31.03.2015	31.03.2014
	RM'000	RM'000	RM'000	RM'000
Purchase of production papers	1,204	2,278	3,295	4,283
Rental expense	15	14	30	29

16. Performance review (YTD Q2 2015 vs YTD Q2 2014)

The Group reported a consolidated turnover of RM43.0 million for the current period ended 31 March 2015 as compared to RM47.1 million for the comparative period ended 31 March 2014. The consolidated turnover decreased by RM4.1 million or equivalent to 8.7% for the period under review.

The Group reported a profit after tax of RM5.5 million for the current period ended 31 March 2015 as compared to RM6.5 million for the comparative period ended 31 March 2014. The consolidated profit after tax for the period under review decreased by RM1.0 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 RM38.6 million as compared to RM43.5 million for the comparative period ended 31 March 2014. The Publishing Segment recorded bottom line results of RM6.9 million in the current period compared to RM9.0 million in the comparative period, a decreased of RM2.1 million due to lower sales achieved.

Printing Segment

The Printing Segment generated a total revenue of RM7.3 million in the current period as compared to a total revenue of RM7.6 million for the comparative period ended 31 March 2014.

The Printing Segment recorded a bottom line results of RM598,000 in the current period compared to RM544,000 in the comparative period, an increase of RM54,000.

Education Segment

During the current period, the Education Segment generated a total revenue of RM145,000 as compared to a total revenue of RM108,000 for the comparative period ended 31 March 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 a loss of RM29,000 compared to a loss of RM38,000 in the comparative period, an improvement of RM9,000.

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.

Other Segment

The Other Segment generated bottom line profit of RM424,000 in the current period as compared to RM3,000 for the comparative period ended 31 March 2014, an increase of RM421,000 mainly contributed by increase of rental income from a factory property in Pasir Gudang Johor, recently purchased in FY2014.

17. Comparison with preceding quarter results (Q2 2015 vs Q1 2015)

The Group reported a profit before tax of RM2.2 million for the current quarter ended 31 March 2015 as compared to the profit before tax of RM5.3 million generated in the preceding quarter ended 31 December 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	
	31.03.2015 RM'000	31.03.2014 RM'000	31.03.2015 RM'000	31.03.2014 RM'000
Income tax:				
Malaysian	111	(285)	(2,303)	(2,434)
Overseas	(360)	(235)	(360)	(508)
Deferred tax:				
Malaysian	(134)	(396)	646	(36)
Overseas	-	-	20	-
Total	<u>(383)</u>	<u>(916)</u>	<u>(1,997)</u>	<u>(2,978)</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 20 March 2015, the Company announced it has entered into a Term Sheet with Xentral Methods Sdn. Bhd. to subscribe 17,094 ordinary shares of RM1.00 each in the capital of Xentral Methods Sdn. Bhd. at a consideration of RM1,000,000.00 payable upon closing of the Share Subscription Agreement. The transaction is estimated to be completed by second quarter of 2015.

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

Group borrowings	As at 31.03.2015		
	Secured RM'000	Unsecured RM'000	Total RM'000
Short term	1,224	-	1,224
Long term	16,357	-	16,357
	<u>17,581</u>	<u>-</u>	<u>17,581</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.

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	
	31.03.2015	31.03.2014	31.03.2015	31.03.2014
Net profit for the year (RM'000)	1,531	2,155	5,232	6,195
Weighted average number of ordinary shares in issue ('000)	98,744	97,807	98,744	98,744
Earnings Per Share (Sen)	1.55	2.20	5.30	6.27

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 31.03.2015 RM'000	Cumulative Year to date 31.03.2015 RM'000
a) Interest income	(53)	(97)
b) Other income	(106)	(141)
c) Interest expense	208	352
d) Depreciation and amortisation	700	1,381
e) Provision for and write off of receivables	379	446
f) Gain on disposal of plant and equipment	(130)	(137)
g) Impairment loss on trade receivables written back	(137)	(287)
h) Loss/(Gain) on foreign exchange	281	(472)

26. Realised and unrealised profit / losses

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

	As at 31.03.2015 RM'000	As at 31.03.2014 RM'000
Holding Company & its Subsidiaries		
Realised	70,072	67,879
Unrealised	2,708	1,823
	72,780	69,702
Associated Companies		
Realised	(370)	(249)
Unrealised	-	-
	72,410	69,453
Consolidation adjustments	(23,682)	(24,450)
	48,728	45,003

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.