

## **2. Summary of significant accounting policies (cont'd)**

### **2.13 Impairment of financial assets (cont'd)**

#### **(b) Unquoted and other investments carried at cost**

If there is objective evidence (such as significant adverse changes in the business environment where the issuer operates, probability of insolvency or significant financial difficulties of the issuer) that an impairment loss on financial assets carried at cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed in subsequent periods.

#### **(c) Available-for-sale financial assets**

Significant or prolonged decline in fair value below cost, significant financial difficulties of the issuer or obligor, and the disappearance of an active trading market are considerations to determine whether there is objective evidence that investment securities classified as available-for-sale financial assets are impaired.

If an available-for-sale financial asset is impaired, an amount comprising the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously recognised in profit or loss, is transferred from equity to profit or loss.

Impairment losses on available-for-sale equity investments are not reversed in profit or loss in the subsequent periods. Increase in fair value, if any, subsequent to impairment loss is recognised in other comprehensive income. For available-for-sale debt investments, impairment losses are subsequently reversed in profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss in profit or loss.

### **2.14 Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank and on hand, demand deposits, and short-term, highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value. These also include bank overdrafts that form an integral part of the Group's cash management.

## 2. Summary of significant accounting policies (cont'd)

### 2.15 Inventories

Inventories are stated at the lower of cost and net realisable value. Costs incurred in bringing the inventories to their present location and condition are accounted for as follows:

- Raw materials: purchase costs on a first-in first-out basis.
- Finished goods: costs of direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. These costs are assigned on a first-in first-out basis.

Net realisable value is the estimated selling price in the ordinary course of business less estimated costs of completion and the estimated costs necessary to make the sale.

### 2.16 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

### 2.17 Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability.

Financial liabilities, within the scope of MFRS 139, are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument. Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

#### (a) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

The Group and the Company have not designated any financial liabilities as at fair value through profit or loss.

## **2. Summary of significant accounting policies (cont'd)**

### **2.17 Financial liabilities (cont'd)**

#### **(b) Other financial liabilities**

The Group's and the Company's other financial liabilities include trade payables, other payables and borrowings.

Trade and other payables are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

Loans and borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

For other financial liabilities, gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

A financial liability is derecognised when the obligation under the liability is extinguished. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

#### **2.18 Borrowing costs**

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period they are incurred. Borrowing costs consist of interest and other costs that the Group incurred in connection with the borrowing of funds.

## **2. Summary of significant accounting policies (cont'd)**

### **2.19 Employee benefits**

#### **(a) Short term benefits**

Wages, salaries, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

#### **(b) Defined contribution plans**

The Malaysian companies in the Group make contributions to the Employee Provident Fund in Malaysia, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

### **2.20 Leases**

#### **(a) As lessee**

Finance leases, which transfer to the Group substantially all the risks and rewards incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Any initial direct costs are also added to the amount capitalised. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to profit or loss. Contingent rents, if any, are charged as expenses in the periods in which they are incurred.

Leased assets are depreciated over the estimated useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of lease term, the asset is depreciated over the shorter of the estimated useful life and the lease term.

Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

## **2. Summary of significant accounting policies (cont'd)**

### **2.20 Leases (cont'd)**

#### **(b) As lessor**

Leases where the Group retains substantially all the risks and rewards of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as rental income.

### **2.21 Revenue**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of consideration received or receivable.

#### **(a) Sale of goods**

Revenue from sale of goods is recognised upon the transfer of significant risk and rewards of ownership of the goods to the customer. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

#### **(b) Rental income**

Rental income is accounted for on a straight-line basis over the lease terms. The aggregate costs of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis.

#### **(c) Dividend income**

Dividend income is recognised when the Group's right to receive payment is established.

### **2.22 Income tax**

#### **(i) Current tax**

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Current taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

## 2. Summary of significant accounting policies (cont'd)

### 2.22 Income tax (cont'd)

#### (ii) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be utilised.

## **2. Summary of significant accounting policies (cont'd)**

### **2.22 Income tax (cont'd)**

#### **(ii) Deferred tax (cont'd)**

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

### **2.23 Segment reporting**

For management purposes, the Group is organised into operating segments based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management of the Company who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance.

### **2.24 Share capital and share issuance expenses**

An equity instrument is any contract that evidences a residual interest in the assets of the Group and the Company after deducting all of its liabilities. Ordinary shares are equity instruments.

Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

### **2.25 Treasury shares**

When shares of the Company, that have not been cancelled, recognised as equity are reacquired, the amount of consideration paid is recognised directly in equity. Reacquired shares are classified as treasury shares and presented as a deduction from total equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of treasury shares. When treasury shares are reissued by resale, the difference between the sales consideration and the carrying amount is recognised in equity.

## **2. Summary of significant accounting policies (cont'd)**

### **2.26 Contingencies**

A contingent liability or asset is a possible obligation or asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future event(s) not wholly within the control of the Group.

Contingent assets are not recognised in the statement of financial position of the Group.

## **3. Significant accounting judgements and estimates**

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

### **3.1 Judgements made in applying accounting policies**

There are no critical judgements made by the management in the process of applying the Group's accounting policies that have significant effect on the amounts recognised in the financial statements.

### **3.2 Key sources of estimation uncertainty**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustments to the carrying amounts of assets and liabilities within the next financial year are discussed below:

#### **(a) Useful lives of plant and machinery**

The cost of plant and machinery of the Group is depreciated on a straight-line basis over the assets' estimated economic useful lives. Management estimates the useful lives of these plant and machinery to be between 5 to 10 years. These are common life expectancies applied in the industry. Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, therefore, future depreciation charges could be revised. The carrying amount of the Group's plant and machinery at the reporting date is disclosed in Note 12.



### **3. Significant accounting judgements and estimates (cont'd)**

#### **3.2 Key sources of estimation uncertainty (cont'd)**

##### **(b) Income taxes**

Judgement is involved in determining the Group's provision for income taxes as there are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business.

The Group recognised liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matter is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

##### **(c) Impairment of loans and receivables**

The Group assesses at each reporting date whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the Group considers factor such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

When there is objective evidence of impairment, the amount and the timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. The carrying amount of the Group's loans and receivables at the reporting date is disclosed in Note 19.

##### **(d) Deferred tax assets**

Deferred tax assets are recognised for all unused tax losses and unabsorbed capital allowances to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based on the likely timing and level of future taxable profits together with future tax planning strategies.

Assumptions about generation of future taxable profits depend on management's estimates of future cash flows. These depends on estimates of future production and sales volume, operating costs, capital expenditure, dividends and other capital management transactions. Judgement is also required about application of income tax legislation. These judgements and assumptions are subject to risks and uncertainty, hence there is a possibility that changes in circumstances will alter expectations, which may impact the amount of deferred tax assets recognised in the statements of financial position and the amount of unused tax losses and unabsorbed capital allowances.

**4. Revenue**

	Group		Company	
	2013 RM	2012 RM	2013 RM	2012 RM
Sale of goods	66,070,454	69,095,214	-	-
Rental income	350,904	271,200	-	-
Dividend income from subsidiaries	-	-	-	6,000,000
	<u>66,421,358</u>	<u>69,366,414</u>	<u>-</u>	<u>6,000,000</u>

**5. Other operating income**

	Group		Company	
	2013 RM	2012 RM	2013 RM	2012 RM
Allowance for impairment of non trade receivables written back	27,769	-	-	-
Dividend income	24	-	-	-
Gain on disposal of property, plant and equipment	1,030,695	1,078,767	-	-
Gain on disposal of investment in subsidiary	-	12	-	-
Interest income	463,785	389,685	33,401	37,060
Income on disposal of printing plates	2,679	2,222	-	-
Income on disposal of scrap papers	41,122	38,592	-	-
Rental income of premises	23,945	37,055	-	-
Seminar fee income	-	1,578	-	-
Sundry income	192,179	170,325	-	-
	<u>1,782,198</u>	<u>1,718,236</u>	<u>33,401</u>	<u>37,060</u>

**6. Finance costs**

	Group	
	2013 RM	2012 RM
Term loan interest	303,618	292,966
Bank overdraft interest	-	1,771
Finance lease interest	31,801	169,102
	<u>335,419</u>	<u>463,839</u>

**7. Profit/(loss) before tax**

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

	Group		Company	
	2013 RM	2012 RM	2013 RM	2012 RM
Auditors' remuneration				
- Auditors' of the Company				
- statutory audits				
- current year	129,000	134,714	40,000	25,000
- prior year	35,000	(5,000)	22,000	(5,000)
- other service	59,200	42,600	10,500	9,500
- Other auditors				
- statutory audits	86,013	64,168	-	-
Bad debts written off	5,548	22,500	-	-
Bad debts recovered	(94,634)	(86,000)	-	-
Depreciation of property, plant and equipment (Note 12)	2,315,117	2,518,888	-	-
Impairment loss on receivables				
- Trade receivables (Note 19)	258,205	2,352,213	-	-
- Other receivables	515	25,801	51,410	-
Impairment loss on trade receivables recovered (Note 19)	(216,064)	(240,495)	-	-
Impairment loss on trade receivables written back (Note 19)	(1,621,248)	(93,866)	-	-
(Gain)/loss on foreign exchange				
- Realised	(78,543)	897	-	-
- Unrealised	103,258	833,883	-	-
Property, plant and equipment written off	2,520	17,223	-	-
Preliminary expenses written off	-	4,673	-	-
Rental				
- Land and building	282,413	189,964	-	-
- Plant and equipment	21,176	35,557	-	-
Non-executive directors' remuneration (Note 9)	69,000	69,000	69,000	69,000
Employee benefits expense (Note 8)	13,488,831	13,001,059	-	-

## 8. Employee benefits expenses

The employee benefits expenses, excluding directors' fees, are as follows:

	Group	
	2013 RM	2012 RM
Wages, salaries and bonus	12,009,490	11,680,108
Contributions to defined contribution plan	1,281,433	1,166,946
Social security contributions	145,131	134,954
Unutilised annual leave	52,777	19,051
	<u>13,488,831</u>	<u>13,001,059</u>

Included in employee benefits expense of the Group are executive directors' remuneration amounting to RM579,186 (2012 : RM654,234).

## 9. Directors' remuneration

The details of remuneration receivable by directors of the Company and of the subsidiaries during the year are as follows:

	Group		Company	
	2013 RM	2012 RM	2013 RM	2012 RM
<b>Directors of the Company</b>				
Executive:				
Salaries and other emoluments	456,456	528,360	-	-
Bonus	62,500	55,200	-	-
Defined contribution plan	59,787	69,611	-	-
Social security contribution	443	1,063	-	-
	<u>579,186</u>	<u>654,234</u>	<u>-</u>	<u>-</u>
Fees				
- current year	182,500	179,200	38,500	8,200
- prior year	14,500	180,500	-	-
	<u>776,186</u>	<u>1,013,934</u>	<u>38,500</u>	<u>8,200</u>
Non-Executive:				
Fees	69,000	69,000	69,000	69,000
	<u>845,186</u>	<u>1,082,934</u>	<u>107,500</u>	<u>77,200</u>

**9. Directors' remuneration (cont'd)**

	Group		Company	
	2013 RM	2012 RM	2013 RM	2012 RM
<b>Directors of subsidiaries</b>				
Executive:				
Salaries and other emoluments	275,543	306,300	-	-
Fees				
- current year	31,500	22,500	-	-
- overprovision in prior year	(3,494)	(1,961)	-	-
Bonus	33,106	46,091	-	-
Defined contribution plan	78,068	73,694	-	-
Social security contribution	1,879	1,055	-	-
	<u>416,602</u>	<u>447,679</u>	<u>-</u>	<u>-</u>
Total directors' remuneration	<u>1,261,788</u>	<u>1,530,613</u>	<u>107,500</u>	<u>77,200</u>

The number of directors of the Company whose total remuneration during the financial year fell within the following bands is analysed below:

	Number of directors	
	2013	2012
Executive directors:		
RM200,000 and below	1	2
RM200,001 - RM250,000	1	-
RM250,001 - RM300,000	-	1
RM500,001 - RM550,000	1	-
RM550,001 - RM600,000	-	1
Non-Executive directors:		
RM50,000 and below	3	3

**10. Income tax expense**

The major components of income tax expense for the years ended 30 September 2013 and 2012 are:

	Group		Company	
	2013 RM	2012 RM	2013 RM	2012 RM
<b>Statements of comprehensive income:</b>				
Current income tax				
- Malaysian income tax	2,269,345	3,241,629	1,500,000	-
- (Over)/underprovision in respect of previous year	(36,444)	(472,092)	10,600	10,000
	<u>2,232,901</u>	<u>2,769,537</u>	<u>1,510,600</u>	<u>10,000</u>
Deferred income tax (Note 23)				
- Origination and reversal of temporary differences	226,924	(1,262,171)	(1,500,000)	1,500,000
- Under/(over) provision in respect of previous year	26,600	(5,997)	-	-
	<u>253,524</u>	<u>(1,268,168)</u>	<u>(1,500,000)</u>	<u>1,500,000</u>
Income tax expense recognised in profit or loss	<u>2,486,425</u>	<u>1,501,369</u>	<u>10,600</u>	<u>1,510,000</u>

**10. Income tax expense (cont'd)**Reconciliation between tax expense and accounting profit

The reconciliation between tax expense and the product of accounting profit multiplied by the applicable corporate tax rate for the years ended 30 September 2013 and 2012 are as follows :

	Group		Company	
	2013 RM	2012 RM	2013 RM	2012 RM
Profit/(loss) before tax	9,077,103	6,024,871	(405,313)	5,761,700
Taxation at Malaysian statutory tax rate of 25% (2012 : 25%)	2,269,276	1,506,218	(101,328)	1,440,425
Different tax rates in other countries	(37,505)	(12,201)	-	-
Adjustments:				
Non-deductible expenses	443,676	120,072	101,328	59,575
Income not subject to taxation	(168,560)	(246,290)	-	-
Utilisation of current year's reinvestment allowances	(75,639)	(30,467)	-	-
Utilisation of unrecognised deferred tax assets	(47,201)	(2,086)	-	-
Deferred tax assets not recognised	119,624	642,491	-	-
Share of results of associates	(7,402)	1,721	-	-
(Over)/underprovision of income tax in respect of previous year	(36,444)	(472,092)	10,600	10,000
Under/(over) provision of deferred tax in respect of previous year	26,600	(5,997)	-	-
Income tax expense recognised in profit or loss	<u>2,486,425</u>	<u>1,501,369</u>	<u>10,600</u>	<u>1,510,000</u>

Domestic income tax is calculated at the Malaysian statutory tax rate of 25% (2012: 25%) of the estimated assessable profit for the year.

Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

The above reconciliation is prepared by aggregating separate reconciliations for each national jurisdiction.

**10. Income tax expense (cont'd)**

Tax savings during the financial year arising from:

	<b>Group</b>	
	<b>2013</b>	<b>2012</b>
	<b>RM</b>	<b>RM</b>
Utilisation of reinvestment allowances	75,639	30,467
Utilisation of previously unrecognised tax losses	47,201	49,002
	<u>122,840</u>	<u>79,469</u>

**11. Earnings per share**

Basic earnings per share amounts are calculated by dividing profit for the year, net of tax, attributable to owners of the parent by the weighted average number of ordinary shares in issue during the financial year.

The following reflect the profit and share data used in the computation of basic earnings per share for the years ended 30 September:

	<b>Group</b>	
	<b>2013</b>	<b>2012</b>
	<b>RM</b>	<b>RM</b>
Profit net of tax attributable to owners of the parent (RM)	6,382,409	4,696,990
Weighted average number of ordinary shares in issue	98,743,968	98,743,968
Basic earnings per share (sen)	<u>6.46</u>	<u>4.76</u>

The diluted earnings per share are not presented as there were no potential dilutive ordinary shares outstanding at reporting date.

## 12. Property, plant and equipment

Group	Leasehold land RM	Freehold land RM	Buildings RM	Renovation RM	Plant and machinery RM	Motor vehicles RM	Capital work-in-progress RM	* Others RM	Total RM
<b>At 1 October 2011</b>	9,099,177	5,588,623	16,155,450	785,771	13,143,464	3,508,934	53,065	7,352,004	55,686,488
Additions	-	-	-	34,763	353,331	122,223	37,457	404,747	952,521
Disposals	-	(134,000)	(231,118)	-	(133,299)	(347,111)	-	(6,999)	(852,527)
Write off	-	-	-	(82,600)	(156,250)	-	-	(83,690)	(322,540)
Exchange differences	-	-	-	(621)	-	(13,797)	-	(39,035)	(53,453)
<b>At 30 September 2012</b>	9,099,177	5,454,623	15,924,332	737,313	13,207,246	3,270,249	90,522	7,627,027	55,410,489
<b>At 1 October 2012</b>	9,099,177	5,454,623	15,924,332	737,313	13,207,246	3,270,249	90,522	7,627,027	55,410,489
Additions	-	8,529,546	-	112,219	193,624	390,260	367,555	668,713	10,261,917
Disposals	-	(161,000)	(213,645)	-	(610,000)	(312,139)	-	(172,896)	(1,469,680)
Write off	-	-	-	-	(36,380)	-	-	(95,185)	(131,565)
Exchange differences	-	-	-	1,133	-	(9,294)	-	(18,834)	(26,995)
<b>At 30 September 2013</b>	9,099,177	13,823,169	15,710,687	850,665	12,754,490	3,339,076	458,077	8,008,825	64,044,166



## 12. Property, plant and equipment (cont'd)

Group	Leasehold land RM	Freehold land RM	Buildings RM	Renovation RM	Plant and machinery RM	Motor vehicles RM	Capital work-in-progress RM	* Others RM	Total RM
<b>Accumulated depreciation :</b>									
<b>At 1 October 2011</b>	1,086,716	-	2,937,527	631,540	9,351,764	2,260,010	-	5,748,088	22,015,645
Charge for the year (Note 7)	91,951	-	313,319	60,701	1,045,071	474,467	-	533,379	2,518,888
Disposals	-	-	(87,824)	-	(102,196)	(347,111)	-	(5,263)	(542,394)
Write off	-	-	-	(73,737)	(156,250)	-	-	(75,330)	(305,317)
Exchange differences	-	-	-	(259)	-	(8,533)	-	(35,535)	(44,327)
<b>At 30 September 2012</b>	1,178,667	-	3,163,022	618,245	10,138,389	2,378,833	-	6,165,339	23,642,495
<b>At 1 October 2012</b>	1,178,667	-	3,163,022	618,245	10,138,389	2,378,833	-	6,165,339	23,642,495
Charge for the year (Note 7)	91,951	-	304,778	40,029	857,802	492,931	-	527,626	2,315,117
Disposals	-	-	(81,541)	-	(519,000)	(311,265)	-	(157,894)	(1,069,700)
Write off	-	-	-	-	(36,380)	-	-	(92,665)	(129,045)
Exchange differences	-	-	-	562	-	(5,843)	-	(19,265)	(24,546)
<b>At 30 September 2013</b>	1,270,618	-	3,386,259	658,836	10,440,811	2,554,656	-	6,423,141	24,734,321
<b>Net carrying amount :</b>									
At 30 September 2012	7,920,510	5,454,623	12,761,310	119,068	3,068,857	891,416	90,522	1,461,688	31,767,994
At 30 September 2013	7,828,559	13,823,169	12,324,428	191,829	2,313,679	784,420	458,077	1,585,684	39,309,845

\* Included in other assets are photographic equipment, heavy equipment, electrical installation, office equipment, security protection equipment, tools and equipment, tele-communication equipment, furniture and fittings, staff amenities and computers.

**12. Property, plant and equipment (cont'd)**Assets held under finance leases

During the financial year, the Group acquired property, plant and equipment with an aggregate cost of RM181,378 (2012: RM50,000) by means of finance leases. The cash outflow on acquisition of property, plant and equipment amounted to RM10,080,539 (2012: RM902,521).

The carrying amounts of property, plant and equipment held under finance leases at the reporting date were as follows:

	<b>Group</b>	
	<b>2013</b>	<b>2012</b>
	<b>RM</b>	<b>RM</b>
Motor vehicles	336,209	509,144
Plant and machinery	551,752	376,409
	<u>887,961</u>	<u>885,553</u>

Leased assets are pledged as security for the related finance lease liabilities (Note 21).

Assets pledged as security

Save for the assets held under finance lease, the net carrying amount of property, plant and equipment pledged for borrowings as referred to in Note 21, are as follows:

	<b>Group</b>	
	<b>2013</b>	<b>2012</b>
	<b>RM</b>	<b>RM</b>
Freehold land	4,179,534	4,340,534
Leasehold land	7,467,881	7,405,344
Buildings	10,226,310	10,164,256
	<u>21,873,725</u>	<u>21,910,134</u>

**13. Investment properties**

	<b>Group</b>	
	<b>2013</b>	<b>2012</b>
	<b>RM</b>	<b>RM</b>
<b>Cost</b>		
At 1 October and 30 September		
Freehold land	<u>1,952,980</u>	<u>1,952,980</u>
Fair value of investment properties	<u>2,945,000</u>	<u>3,488,000</u>

The investment properties are pledged to financial institutions for bank borrowings as referred to in Note 21.

**14. Investment in subsidiaries**

	<b>Company</b>	
	<b>2013</b>	<b>2012</b>
	<b>RM</b>	<b>RM</b>
Unquoted shares, at cost		
In Malaysia	33,598,038	33,598,038
Outside Malaysia	12,217	12,217
	<u>33,610,255</u>	<u>33,610,255</u>
Impairment losses	(272,458)	(272,458)
	<u>33,337,797</u>	<u>33,337,797</u>

<b>Name</b>	<b>Country of incorporation</b>	<b>Principal activities</b>	<b>Proportion (%) of ownership interest</b>	
			<b>2013</b>	<b>2012</b>
Penerbitan Pelangi Sdn. Bhd.	Malaysia	Publishing and distribution of books and other educational materials and sale of publishing rights.	100	100
Tunas Pelangi Sdn. Bhd.	Malaysia	Publishing and distribution of books and other educational materials and sale of publishing rights.	100	100
Pelangi Publishing Holding Sdn. Bhd.*	Malaysia	Investment holding.	100	100
Pelangi Publishing International Sdn. Bhd. *	Malaysia	Investment holding.	100	100
Sutera Ceria Sdn. Bhd. *	Malaysia	Property letting and property management.	100	100

**14. Investment in subsidiaries (cont'd)**

Name	Country of incorporation	Principal activities	Proportion (%) of ownership interest	
			2013	2012
Pelangi Education Sdn. Bhd. *	Malaysia	Educational services.	100	100
Cai Hong (Hong Kong) Investment Private Limited *	Hong Kong	Dormant.	100	100
Dickens Publishing Ltd *	England	Dormant.	100	100
Pelangi Publishing Singapore Pte Ltd *	Singapore	Dormant	100	100
Pelangi Epublishing Sdn. Bhd. *	Malaysia	Distribution and provider of e-learning material, equipment and multimedia related products	100	100
<b>Held through Penerbitan Pelangi Sdn. Bhd.</b>				
Comtech Marketing Sdn. Bhd.	Malaysia	Provision of typesetting and printing services.	100	100
Pelangi Formpress Sdn. Bhd.	Malaysia	Printing of computer forms and other types of printing services.	100	100
Pelangi Comics Sdn. Bhd. *	Malaysia	Publishing, designing and distribution of educational comic books.	63	63
Pelangi Novel Sdn. Bhd. (formerly known as Pelangi Novel Sdn Bhd and Pelangi Pictures Sdn. Bhd.) *	Malaysia	Publishing and distribution of novel books.	100	100
Elite Corridor Sdn. Bhd. *	Malaysia	Investment holding, property letting and property management.	100	100

**14. Investment in subsidiaries (cont'd)**

Name	Country of incorporation	Principal activities	Proportion (%) of ownership interest	
			2013	2012
<b>Held through Pelangi Publishing Holding Sdn. Bhd.</b>				
The Commercial Press Sdn. Bhd. *	Malaysia	Provision of printing services.	100	100
Pelangi Multimedia Technologies Sdn. Bhd. *	Malaysia	Multimedia and graphic designing and the production of educational CD-ROMS and related IT products.	62	62
<b>Held through Pelangi Multimedia Technologies Sdn. Bhd.</b>				
Pelangi Kids Sdn. Bhd. *	Malaysia	Educational services	100	100
<b>Held through Pelangi Publishing International Sdn. Bhd.</b>				
P.T. Penerbitan Pelangi Indonesia *	Indonesia	Production and distribution of books, educational materials, multimedia and web related products.	95	95
Pelangi Publishing (Thailand) Co. Ltd. * @	Thailand	Production and distribution of books, educational materials, multimedia and web related products and serve as agencies and licensing to publish, print and distribute books and educational materials.	80	80

\* Audited by firms of auditors other than Ernst & Young

@ Effective interest computed based on ordinary shares

**15. Investment in associates**

Group	Group		Company	
	2013 RM	2012 RM	2013 RM	2012 RM
Unquoted shares, at cost				
In Malaysia	30,000	30,000	-	-
Outside Malaysia	369,907	369,907	369,907	369,907
	<u>399,907</u>	<u>399,907</u>	<u>369,907</u>	<u>369,907</u>
Less : Provision for impairment loss	(29,999)	(29,999)	-	-
	<u>369,908</u>	<u>369,908</u>	<u>369,907</u>	<u>369,907</u>
Share of post acquisition reserve	(255,642)	(285,245)	-	-
Exchange differences	(562)	(7,719)	-	-
	<u>113,704</u>	<u>76,944</u>	<u>369,907</u>	<u>369,907</u>

Name	Country of incorporation	Principal activities	Equity interest held (%)	
			2013	2012
<b>Held by the Company</b>				
Pelangi Smart Kids Culture Media Pte. Ltd. , Hebei	China	Production of academic, children and general titles and multimedia related products for the China market.	40	40
<b>Held through Pelangi Publishing Holding Sdn. Bhd.</b>				
Pelangi Multimedia Sdn. Bhd.	Malaysia	Web page, CD-ROM designers and distribution and sale of all kind of interest and multimedia related products.	30	30

**15. Investment in associates (cont'd)**

The summarised financial information of the associates are as follows:

	<b>2013</b>	<b>2012</b>
	<b>RM</b>	<b>RM</b>
<b>Assets and liabilities:</b>		
Current assets	2,577,470	2,032,232
Non-current assets	57,778	56,859
Total assets	<u>2,635,248</u>	<u>2,089,092</u>
Current liabilities/Total liabilities	<u>2,459,991</u>	<u>2,566,618</u>
<b>Results:</b>		
Revenue	397,321	933,267
Profit/(loss) for the year	<u>74,009</u>	<u>(21,194)</u>

**16. Other investments**

	<b>Group</b>	
	<b>2013</b>	<b>2012</b>
	<b>RM</b>	<b>RM</b>
Club memberships	26,200	26,200
Available-for-sale financial asset: Carrying amount of quoted shares	<u>387</u>	<u>384</u>
	<u>26,587</u>	<u>26,584</u>
Market value of quoted shares	<u>387</u>	<u>384</u>

**17. Intangible assets**

<b>Group</b>	<b>Development</b>		<b>Total</b>
	<b>Goodwill</b>	<b>cost</b>	
	<b>RM</b>	<b>RM</b>	<b>RM</b>
<b>Cost</b>			
At 1 October 2012/30 September 2013	<u>1,266,752</u>	<u>559,847</u>	<u>1,826,599</u>
<b>Accumulated amortisation and impairment</b>			
At 1 October 2012/30 September 2013	<u>1,266,752</u>	<u>559,847</u>	<u>1,826,599</u>
<b>Net carrying amount</b>			
At 1 October 2012/30 September 2013	<u>-</u>	<u>-</u>	<u>-</u>

**18. Inventories**

	<b>Group</b>	
	<b>2013</b>	<b>2012</b>
	<b>RM</b>	<b>RM</b>
<b>At cost</b>		
Raw materials	7,834,505	10,561,437
Work in progress	325,371	111,311
Finished goods	19,937,050	18,240,867
Goods in transit	63,103	-
	<u>28,160,029</u>	<u>28,913,615</u>

**19. Trade and other receivables**

	<b>Group</b>		<b>Company</b>	
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
<b>Trade receivables</b>				
Third parties	14,454,431	17,991,705	-	-
Less: Allowance for impairment	(2,478,003)	(4,366,761)	-	-
Trade receivables, net	<u>11,976,428</u>	<u>13,624,944</u>	<u>-</u>	<u>-</u>
<b>Other receivables</b>				
Amount due from subsidiaries	-	-	17,166,558	19,704,878
Amount due from associates	6,900	12,225	-	5,325
Refundable deposits	527,608	488,234	1,000	1,000
Sundry debtors	227,016	1,508,568	4,000	4,000
	<u>761,524</u>	<u>2,009,027</u>	<u>17,171,558</u>	<u>19,715,203</u>
Less: Allowance for impairment	(47,722)	(75,491)	-	-
	<u>713,802</u>	<u>1,933,536</u>	<u>17,171,558</u>	<u>19,715,203</u>
Total trade and other receivables	12,690,230	15,558,480	17,171,558	19,715,203
Add: Cash and bank balances (Note 20)	<u>30,077,314</u>	<u>28,010,707</u>	<u>1,707,537</u>	<u>1,443,296</u>
Total loans and receivables	<u>42,767,544</u>	<u>43,569,187</u>	<u>18,879,095</u>	<u>21,158,499</u>



**19. Trade and other receivables (cont'd)****Trade receivables**

Trade receivables are non-interest bearing and are generally on 30 to 90 day (2012: 30 to 90 day) terms, although in practice, this may extend to 120 days. Other credit terms are assessed and approved on a case-by-case basis. They are recognised at their original certificated or invoiced amounts which represent their fair values on initial recognition.

Ageing analysis of trade receivables

The ageing analysis of the Group's trade receivables is as follows:

	<b>2013</b>	<b>2012</b>
	<b>RM</b>	<b>RM</b>
Neither past due nor impaired	1,994,865	5,487,160
1 to 30 days past due not impaired	820,396	1,217,668
31 to 60 days past due not impaired	1,468,594	1,450,047
61 to 90 days past due not impaired	1,803,670	1,762,931
91 to 120 days past due not impaired	2,494,077	1,945,099
More than 121 days past due not impaired	3,394,826	1,762,039
	9,981,563	8,137,784
Impaired	2,478,003	4,366,761
	<u>14,454,431</u>	<u>17,991,705</u>

Receivables that are neither past due nor impaired

Trade and other receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group.

None of the Group's trade receivables that are neither past due nor impaired have been renegotiated during the financial year.

Receivables that are past due but not impaired

The Group has trade receivables amounting to RM9,981,563 (2012 : RM8,137,784) that are past due at the reporting date but not impaired and are not secured by any collateral or credit enhancements.

The management is confident that the balance of receivables that are past due but not impaired are recoverable as these accounts are still active.

**19. Trade and other receivables (cont'd)****Trade receivables (cont'd)**Receivables that are impaired

The Group's trade receivables that are impaired at the reporting date and the movement of the allowance accounts used to record the impairment are as follows:

	<b>Individually impaired</b>	
	<b>2013</b>	<b>2012</b>
	<b>RM</b>	<b>RM</b>
Trade receivables - nominal amounts	8,876,982	13,316,721
Less: Allowance for impairment	(2,478,003)	(4,366,761)
	<u>6,398,979</u>	<u>8,949,960</u>
<u>Movement in allowance accounts :</u>		
	<b>2013</b>	<b>2012</b>
	<b>RM</b>	<b>RM</b>
At 1 October	4,366,761	2,392,832
Charge for the year (Note 7)	258,205	2,352,213
Impairment loss on trade receivables recovered (Note 7)	(216,064)	(240,495)
Impairment loss on trade receivables written back (Note 7)	(1,621,248)	(93,866)
Exchange differences	(309,651)	(43,923)
At 30 September	<u>2,478,003</u>	<u>4,366,761</u>

Trade receivables that are individually determined to be impaired at the reporting date relate to debtors that have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

**Related party balances**

Amounts due from subsidiaries and associates are unsecured, interest free and repayable on demand.

Further details on related party transactions are disclosed in Note 27.

Other information on financial risks of trade and other receivables is disclosed in Note 30.

**20. Cash and bank balances**

	<b>Group</b>		
	<b>30.09.2013</b>	<b>30.09.2012</b>	<b>1.10.2011</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>
Cash on hand and at banks	19,417,994	15,860,016	10,922,075
Short term deposits with licensed banks	10,659,320	12,150,691	7,411,773
Cash and bank balances	<u>30,077,314</u>	<u>28,010,707</u>	<u>18,333,848</u>
	<b>Company</b>		
	<b>30.09.2013</b>	<b>30.09.2012</b>	<b>1.10.2011</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>
Cash on hand and at banks	706,046	336,812	1,362,722
Short term deposits with licensed banks	1,001,491	1,106,484	1,070,465
Cash and bank balances	<u>1,707,537</u>	<u>1,443,296</u>	<u>2,433,187</u>

Included in cash at banks is an amount of RM3,726,071 (2012 : RM4,300,322) held under the Investment Cash Management Trust for the investment of the Company's funds as a short term investment. There are no restrictions on the Company's funds.

The interest rates of short term deposits with licensed banks at the reporting date of the Group and the Company were between 2.8% to 3.2% (2012 : 1.5% to 3.2% per annum) and 3.2% (2012 : 3.2% per annum) respectively.

Short-term deposits with licensed banks of the Group amounting to RM200,000 (2012: RM200,000) are pledged to licensed bank for credit facilities granted to the subsidiary.

The average maturity of fixed deposits with licensed banks as at the end of the financial year of the Group and the Company ranged from 1 to 93 days (2012 : 4 to 18 days) and 12 days (2012 : 12 days) respectively.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise the following at the reporting date :

	<b>Group</b>		
	<b>30.09.2013</b>	<b>30.09.2012</b>	<b>1.10.2011</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>
Cash and short term deposits	30,077,314	28,010,707	18,333,848
Less: Other deposits not for short-term funding requirements	(200,000)	(200,000)	(200,000)
Less: Overdraft	-	-	(7,394)
Cash and cash equivalents	<u>29,877,314</u>	<u>27,810,707</u>	<u>18,126,454</u>

**21. Loans and borrowings**

	<b>Maturity</b>	<b>Group</b>	
		<b>2013</b>	<b>2012</b>
		<b>RM</b>	<b>RM</b>
<b>Current</b>			
Secured:			
Term loans	2014	890,662	1,000,745
Obligations under finance leases (Note 28 (d))	2014	263,889	413,254
		<u>1,154,551</u>	<u>1,413,999</u>
<b>Non-current</b>			
Secured:			
Term loans	2015 - 2026	1,952,888	4,904,099
Obligations under finance leases (Note 28 (d))	2015	283,732	164,309
		<u>2,236,620</u>	<u>5,068,408</u>
<b>Total loans and borrowings</b>			
Secured:			
Term loans		2,843,550	5,904,844
Obligations under finance leases (Note 28 (d))		547,621	577,563
		<u>3,391,171</u>	<u>6,482,407</u>

The remaining maturities of the loans and borrowings as at 30 September are as follows:

	<b>Group</b>	
	<b>2013</b>	<b>2012</b>
	<b>RM</b>	<b>RM</b>
On demand or within one year	1,154,551	1,413,999
More than 1 year and less than 2 years	718,196	1,137,768
More than 2 years and less than 5 years	812,211	1,368,586
5 years or more	706,213	2,562,054
	<u>3,391,171</u>	<u>6,482,407</u>

Obligations under finance leases

These obligations are secured by a pledge over the leased assets (Note 12). The discount rate implicit in the leases are between 2.63% to 6.54% per annum (2012 : 3.20% to 11.49% per annum.).

Term loans

The interest rates (per annum) at the reporting date were as follows:

	<b>Group</b>	
	<b>2013</b>	<b>2012</b>
	<b>%</b>	<b>%</b>
Term loans	4.00 to 7.90	4.00 to 7.75

**21. Loans and borrowings (cont'd)**

The term loans are secured by the followings:

- (a) First legal charge over certain freehold and leasehold land and buildings as disclosed in Note 12 and Note 13;
- (b) Corporate guarantees by the Company.

**22. Trade and other payables**

	Group		Company	
	2013 RM	2012 RM	2013 RM	2012 RM
<b>Current</b>				
<b>Trade payables</b>				
Third parties	2,305,433	5,057,224	-	-
Associate	-	2,355	-	-
	<u>2,305,433</u>	<u>5,059,579</u>	<u>-</u>	<u>-</u>
<b>Other payables</b>				
Amount due to subsidiary companies	-	-	10,274	7,274
Amount due to directors	96,000	306,050	-	-
Accrued operating expenses	12,066,765	10,407,480	148,610	109,576
Other payables	8,378,375	1,835,197	30,157	37,156
	<u>20,541,140</u>	<u>12,548,727</u>	<u>189,041</u>	<u>154,006</u>
Total trade and other payables	22,846,573	17,608,306	189,041	154,006
Add: Loans and borrowings (Note 21)	3,391,171	6,482,407	-	-
Total financial liabilities carried at amortised cost	<u>26,237,744</u>	<u>24,090,713</u>	<u>189,041</u>	<u>154,006</u>

**(a) Trade payables**

This amount is non-interest bearing. Trade payables are normally settled on 30 to 90 day (2012 : 30 to 90 day) terms.

**(b) Other payables**

This amount is non-interest bearing.

**(c) Amount due to directors**

This amount is unsecured, non-interest bearing and repayable on demand.

**(d) Amount due to subsidiary companies**

This amount is unsecured, non-interest bearing and repayable on demand.

**23. Deferred taxation**

Deferred income tax as at 30 September relates to the following:

<b>Group</b>	<b>As at 1 October 2011 RM</b>	<b>Recognised in profit or loss RM</b>	<b>Exchange differences RM</b>	<b>As at 30 September 2012 RM</b>	<b>Recognised in profit or loss RM</b>	<b>Exchange differences RM</b>	<b>As at 30 September 2013 RM</b>
<b>Deferred tax liability of the Group:</b>							
Property, plant and equipment	1,604,637	(4,821)	-	1,599,816	(162,975)	-	1,436,841
<b>Deferred tax assets of the Group:</b>							
Trade receivables	(481,608)	(409,892)	-	(891,500)	402,000	-	(489,500)
Other payables	(1,777,854)	(768,335)	13,271	(2,532,918)	(161,985)	17,653	(2,677,250)
Unutilised tax credits	(216,488)	(85,120)	-	(301,608)	176,484	-	(125,124)
	<u>(2,475,950)</u>	<u>(1,263,347)</u>	<u>13,271</u>	<u>(3,726,026)</u>	<u>416,499</u>	<u>17,653</u>	<u>(3,291,874)</u>
	<u>(871,313)</u>	<u>(1,268,168)</u>	<u>13,271</u>	<u>(2,126,210)</u>	<u>253,524</u>	<u>17,653</u>	<u>(1,855,033)</u>
<b>Deferred tax liability of the Company:</b>							
Dividend receivable	-	1,500,000	-	1,500,000	(1,500,000)	-	-

**23. Deferred taxation (cont'd)**

Deferred tax assets have not been recognised in respect of the following items:

	Group	
	2013 RM	2012 RM
Unutilised tax losses	3,310,000	2,734,634
Unabsorbed capital allowances	720,000	244,006
Unabsorbed reinvestment allowances	5,367,000	-
	<u>9,397,000</u>	<u>2,978,640</u>

**24. Share capital and treasury shares**

Company	Group and Company			
	Number of ordinary shares of RM0.50 each	Share capital (Issued and fully paid) RM	Share capital (Issued and fully paid) RM	Treasury shares RM
			----- Amount -----	Total RM
At 1 October 2012/ 30 September 2013	100,000,000	50,000,000	(1,407,602)	48,592,398
	<u>2013</u>	<u>2012</u>	<u>2013</u> RM	<u>2012</u> RM
<b>Authorised share capital</b>				
At 1 October and 30 September	<u>200,000,000</u>	<u>200,000,000</u>	<u>100,000,000</u>	<u>100,000,000</u>

Treasury shares relate to ordinary shares of the Company that are held by the Company. The amount consists of the acquisition costs of treasury shares net of the proceeds received on their subsequent sale or issuance.

## **25. Other reserves**

### **Fair value reserve**

The fair value reserve represents the cumulative fair value changes of available-for-sale financial assets until they are disposed of or impaired.

### **Foreign exchange reserve**

The foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

## **26. Retained earnings**

Prior to the year of assessment 2008, Malaysian companies adopted the full imputation system. In accordance with the Finance Act 2007 which was gazetted on 28 December 2007, companies shall not be entitled to deduct tax on dividend paid, credited or distributed to its shareholders, and such dividends will be exempted from tax in the hands of the shareholders ("single tier system"). However, there is a transitional period of six years, expiring on 31 December 2013, to allow companies to pay franked dividends to their shareholders under limited circumstances. Companies also have an irrevocable option to disregard the 108 balance and opt to pay dividends under the single tier system. The change in the tax legislation also provides for the 108 balance to be locked-in as at 31 December 2007 in accordance with Section 39 of the Finance Act 2007.

The Company elected for the irrevocable option to disregard the 108 balance as at 30 September 2013. Hence, the Company will be able to distribute dividends out of its entire retained earnings as at 30 September 2013 under the single tier system.



## 27. Related party transactions

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions of the Group and of the Company with related parties took place at terms agreed between the parties during the financial year, as follows :

	Group		Company	
	2013 RM	2012 RM	2013 RM	2012 RM
Dividend income received from subsidiaries	-	-	-	6,000,000
Multimedia fees paid to subsidiary:				
- Pelangi Multimedia Technologies Sdn. Bhd.	-	-	2,000	3,000
Printing expenses from subsidiary:				
- Comtech Marketing Sdn. Bhd.	-	-	5,548	5,498
Rental expenses to director:				
- Sum Kown Cheek	57,600	57,600	-	-
Purchase of papers from related party:				
- New Top Win Corporation Sdn. Bhd.	9,454,424	9,814,147	-	-

## 28. Commitments

### (a) Capital commitments

Capital expenditure as at the reporting date is as follows:

	Group	
	2013 RM	2012 RM
Capital expenditure :		
Approved and contracted for :		
Property, plant and equipment	473,333	-

**28. Commitments (cont'd)****(b) Operating lease commitment - as lessee**

The Group has entered into non-cancellable operating lease arrangements for the use of buildings. The leases have an average life of between 1 to 2 years.

The future minimum lease payments receivable under operating lease contracted for as at the reporting date but not recognised as liabilities, are as follows:

	<b>Group</b>	
	<b>2013</b>	<b>2012</b>
	<b>RM</b>	<b>RM</b>
Future minimum rentals payments :		
Not later than 1 year	113,040	169,500
Later than 1 year and not later than 5 years	66,165	-
	<u>179,205</u>	<u>169,500</u>

**(c) Operating lease commitment - as lessor**

The Group has entered into operating lease arrangements on its investment property portfolio. The lease has remaining lease terms of less than 1 year.

Future minimum lease payments receivable under operating leases contracted for as at the reporting date but not recognised as receivable, are as follows:

	<b>Group</b>	
	<b>2013</b>	<b>2012</b>
	<b>RM</b>	<b>RM</b>
Not later than 1 year	<u>189,840</u>	<u>117,700</u>

**28. Commitments (cont'd)****(d) Finance lease commitments**

The Group has finance leases for certain items of property, plant and equipment (Note 12). These leases do not have terms for renewal, but have purchase options at nominal values at the end of lease term.

Future minimum lease payments under finance leases together with the present value of the net minimum lease payments are as follows:

	<b>Group</b>	
	<b>2013</b>	<b>2012</b>
	<b>RM</b>	<b>RM</b>
<b>Minimum lease payments:</b>		
Not later than 1 year	281,213	434,931
Later than 1 year but not later than 2 years	182,383	141,984
Later than 2 years but not later than 5 years	109,538	27,800
Total minimum lease payments	<u>573,134</u>	<u>604,715</u>
Less: Amounts representing finance charges	<u>(25,513)</u>	<u>(27,152)</u>
Present value of minimum lease payments	<u>547,621</u>	<u>577,563</u>
<b>Present value of payments:</b>		
Not later than 1 year	263,889	413,254
Later than 1 year but not later than 2 years	175,040	137,086
Later than 2 years but not later than 5 years	108,692	27,223
Present value of minimum lease payments	<u>547,621</u>	<u>577,563</u>
Less: Amount due within 12 months (Note 21)	<u>(263,889)</u>	<u>(413,254)</u>
Amount due after 12 months (Note 21)	<u>283,732</u>	<u>164,309</u>

**29. Fair value of financial instruments**

The carrying amounts of trade and other receivables, related companies, cash and bank balances, trade and other payables, loans and borrowings of the Group and of the Company at the reporting date approximate fair values due to the relatively short term or that they are floating rate instruments that are re-priced to market interest rates on or near the reporting date.

### 30. Financial risk management objectives and policies

The Group and the Company are exposed to financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk and foreign currency risk.

The Board of Directors reviews and agrees policies and procedures for the management of these risks, which are executed by the Management. The audit committee provides independent oversight to the effectiveness of the risk management process.

The Group and the Company do not undertake any trading of derivative financial instruments.

The following sections provide details regarding the Group's and the Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

#### (a) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables. For cash and bank balances, the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

The Group and the Company minimise and monitor their credit risk by strictly limiting the Group's and Company's associations to business partners with high credit worthiness. Receivable balances are monitored on an ongoing basis.

The Group and the Company do not have any significant exposure to any individual customer or counterparties nor does it have any major concentration of credit risk related to any financial instruments.

#### Financial assets that are neither past due nor impaired

Information regarding trade and other receivables that are neither past due nor impaired is disclosed in Note 19. Deposits with banks and other financial institutions are placed with or entered into with reputable financial institutions.

Information regarding financial assets that are either past due or impaired is disclosed in Note 19.

### 30. Financial risk management objectives and policies (cont'd)

#### (b) Liquidity risk

Liquidity risk is the risk that the Group and the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

To ensure continuity of funding, the Group's and the Company's policy is to manage the debt maturity profile, operating cash flows and the availability of funding to support the operating cycle of the business.

#### Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and the Company's liabilities at the reporting date based on contractual undiscounted repayment obligations.

Group	2013			Total RM
	On demand or within one year RM	One to five years RM	More than five years RM	
<b>Financial liabilities:</b>				
Trade and other payables	22,846,573	-	-	22,846,573
Obligations under finance lease	281,213	291,921	-	573,134
Term loans	1,045,570	1,539,065	702,377	3,287,012
Total undiscounted financial liabilities	24,173,356	1,830,986	702,377	26,706,719
	2012			
Group	On demand or within one year RM	One to five years RM	More than five years RM	Total RM
<b>Financial liabilities:</b>				
Trade and other payables	17,608,306	-	-	17,608,306
Obligations under finance lease	434,931	169,784	-	604,715
Term loans	1,419,752	3,323,575	3,540,588	8,283,915
Total undiscounted financial liabilities	19,462,989	3,493,359	3,540,588	26,496,936

**30. Financial risk management objectives and policies (cont'd)****(b) Liquidity risk (cont'd)**

<b>Company</b>	<b>2013</b> <b>On demand</b> <b>or within</b> <b>one year</b> <b>RM</b>	<b>2012</b> <b>On demand</b> <b>or within</b> <b>one year</b> <b>RM</b>
<b>Financial liabilities:</b>		
Other payables	189,041	154,006
Corporate guarantee given to financial institutions for banking facilities granted to subsidiaries	<u>2,675,737</u>	<u>3,384,235</u>
Total undiscounted financial liabilities	<u><u>2,864,778</u></u>	<u><u>3,538,241</u></u>

**(c) Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates.

The Group's and Company's exposure to interest rate risk arises primarily from interest bearing borrowings. As the Group has no significant interest-bearing financial assets, the Group's income and operating cash flows are substantially independent of changes in market interest rates. The Group's interest bearing financial assets are mainly short term in nature and have been mostly placed in fixed deposits.

Sensitivity analysis for interest rate risk

At the reporting date, if interest rates had been 10 basis points lower/higher, with all other variables held constant, the Group's profit net of tax would have been RM8,814 (2012:RM26,693) lower/higher, arising mainly as a result of lower/higher interest expense on floating rate loans. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

**30. Financial risk management objectives and policies (cont'd)****(d) Foreign currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group has transactional currency exposures arising from sales or purchases that are denominated in a currency other than the respective functional currencies of Group's entities. The foreign currencies in which these transactions are denominated are mainly Singapore Dollars ("SGD") and US Dollars ("USD"). The Group did not enter into any forward currency contracts during the financial years ended 30 September 2013 and 2012.

The Group is also exposed to currency translation risk arising from its investments in foreign operations.

Sensitivity analysis of foreign exchange rate changes

The following table demonstrates the sensitivity of the Group's profit net of tax to a reasonably possible change in the SGD and USD exchange rates against RM, with all other variables held constant.

	Profit net of tax			
	Group	Company		
	2013	2012	2013	2012
	RM	RM	RM	RM
SGD/RM - strengthened 3%	(24,150)	(550)	-	-
- weakened 3%	24,150	550	-	-
USD/RM - strengthened 3%	(84,788)	(2)	-	(46)
- weakened 3%	84,788	-	-	46

### **31. Capital management**

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended 30 September 2013 and 2012.

The Group is not subject to any externally imposed capital requirements.

### **32. Segment Information**

#### **(a) Business segments**

For management purposes, the Group is organised into business units based on their products, and has three reportable operating segments as follows:

- (i) Publishing and production
- (ii) Printing
- (iii) Education

Other business segment includes rental and other investment income.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which, in certain respects as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.



## 32. Segment Information (cont'd)

	Publishing and production RM	Printing RM	Education RM	Others RM	Eliminations RM	Total RM
<b>At 30 September 2013</b>						
<b>Revenue:</b>						
External customers	54,715,130	10,797,112	445,062	464,054	-	66,421,358
Inter-segment	3,920,152	4,281,560	149,670	1,204,218	(9,555,600)	-
Total revenue	<u>58,635,282</u>	<u>15,078,672</u>	<u>594,732</u>	<u>1,668,272</u>	<u>(9,555,600)</u>	<u>66,421,358</u>
<b>Results:</b>						
Segment results	6,928,746	2,195,920	(85,714)	343,967	-	9,382,919
Finance costs						(335,419)
Share of results of associates						29,603
Taxation						(2,486,425)
Net profit for the year						<u>6,590,678</u>
<b>Assets:</b>						
Segment assets	71,100,155	14,618,797	853,950	31,064,908	-	117,637,810
Investment in associates	-	-	-	113,704	-	113,704
						<u>117,751,514</u>
<b>Liabilities:</b>						
Segment liabilities	15,671,297	1,689,001	147,048	10,572,123	-	28,079,469

## 32. Segment Information (cont'd)

At 30 September 2012	Publishing and production RM	Printing RM	Education RM	Others RM	Eliminations RM	Total RM
<b>Revenue:</b>						
External customers	56,521,681	12,024,233	438,419	382,081	-	69,366,414
Inter-segment	2,810,867	3,699,353	234,327	6,928,078	(13,672,625)	-
Total revenue	<u>59,332,548</u>	<u>15,723,586</u>	<u>672,746</u>	<u>7,310,159</u>	<u>(13,672,625)</u>	<u>69,366,414</u>
<b>Results:</b>						
Segment results	5,934,308	793,317	(528,853)	296,825	-	6,495,597
Finance costs						(463,839)
Share of results of associates						(6,887)
Taxation						(1,501,369)
Net profit for the year						<u>4,523,502</u>
<b>Assets:</b>						
Segment assets	72,746,249	15,206,775	752,817	22,466,066	-	111,171,907
Investment in associates	-	-	-	76,944	-	76,944
						<u>111,248,851</u>
<b>Liabilities:</b>						
Segment liabilities	17,276,366	4,558,421	186,315	4,537,974	-	26,559,076

**(b) Geographical segments**

Segment information by geographical location has not been prepared as the Group's operations are predominantly located in Malaysia.

**33. Dividends**

	Group		Company	
	2013 RM	2012 RM	2013 RM	2012 RM
<b>Recognised during the financial year:</b>				

Dividends on ordinary shares:

- Final dividend for 2012: 2.00 sen (2011: 1.50 sen) per share	<u>1,934,578</u>	<u>1,450,933</u>	<u>1,934,578</u>	<u>1,450,933</u>
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**Proposed but not recognised as a liability as at 30 September:**

Dividends on ordinary shares,  
subject to shareholders'  
approval at the AGM:

- Final dividend for 2013: 2.00 sen (2012: 2.00 sen) per share	<u>1,934,578</u>	<u>1,934,578</u>	<u>1,934,578</u>	<u>1,934,578</u>
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At the forthcoming Annual General Meeting, a single-tier final dividend in respect of the financial year ended 30 September 2013 of 4.00% on 96,728,900 ordinary shares, amounting to a dividend payable of RM1,934,578 (2.00 sen per ordinary share) will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained earnings in the financial year ending 30 September 2014.

**34. Authorisation of financial statements for issue**

The financial statements for the year ended 30 September 2013 were authorised for issue in accordance with a resolution of the directors on 22 January 2014.

### 35. Supplementary Information - Breakdown of Retained profits into Realised and Unrealised

The breakdown of the retained profits of the Group and of the Company as at 30 September 2013 into realised and unrealised profits is presented in accordance with the directive issued by Bursa Malaysia Securities Berhad dated 25 March 2011 and prepared in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

	<b>Group 2013 RM</b>	<b>Company 2013 RM</b>
Total retained profits		
- Realised	62,950,882	3,819,187
- Unrealised	1,855,033	-
	<u>64,805,915</u>	<u>3,819,187</u>
Associated companies		
Realised	<u>(256,204)</u>	-
	64,549,711	3,819,187
Less: Consolidation adjustments	<u>(23,806,604)</u>	-
Retained earnings as per financial statements	<u><u>40,743,107</u></u>	<u><u>3,819,187</u></u>

**LIST OF PROPERTIES**

The details of landed properties owned by the Company as at 30 September, 2013 are as follows :-

Registered Owner	Title / Location	Description	Existing use	Land area (sq. ft) / Built-up area (sq. ft)	Tenure / From to	Approximate Age of Building ( years )	Net Book Value As at 30/9/2013 (RM)	Date of Acquisition
PPSB	HS (D) 40328 PTD 18339 Mukim of Plentong	3 Storey Shophouse 66, 66A & 66B, Jalan Pingai Taman Pelangi 80400 Johor Bahru	Commercial	1,920 sq. ft.	Freehold	27	141,165	1986
	HS (D) 40327 PTD 18338 Mukim of Plentong	3 Storey Shophouse 64, 64A & 64B, Jalan Pingai Taman Pelangi 80400 Johor Bahru	Commercial	1,920 sq. ft.	Freehold	25	139,921	1988
	HS (D) 14840 PTD 11822 Mukim of Plentong	Double Storey Terrace House (Corner) 2, Jalan Ungu 5 Taman Pelangi 80400 Johor Bahru	Residential	3,558 sq. st.	Freehold	21	112,555	1992
	HS (D) 40405 PTD 18416 Mukim of Plentong	Double Storey Terrace House No.28 Jalan Kuning Muda 5 Taman Pelangi 80400 Johor Bahru	Residential	1,760 sq. ft.	Freehold	12	280,010	2001
	HS (M) 18909 PTD 14671 Lot 191 Mukim Of Petaling	Double Storey Terrace House 28, Jalan SR 8/12 Taman Putra Indah Seri Kembangan Selangor	Residential	1,300 sq.ft.	Leasehold Expiring on 23/09/2090	20	96,657	1993

Registered Owner	Title / Location	Description	Existing use	Land area (sq. ft) / Built-up area (sq. ft)	Tenure From / to	Approximate Age of Building ( years )	Net Book Value As at 30/9/2013 (RM)	Date of Acquisition
PFSB [...cont']	Lot 82 HS (D) 52815 PT 40964 Mukim of Bandar Baru Bangi	1 1/2 Storey Terrace Factory No. 8, Jalan P/18 Taman Industri Selaman, Seksyen 10 Bandar Baru Bangi 43650 Bangi, Selangor	Industrial	Lot size = 3,998 sq.ft. Built-up area = 5,059 sq. ft.	Leasehold Expiring on 19/08/2098	15	483,940	1998
	Mukim of Kajang Daerah Hulu Langat	Double Storey Terrace House (Corner Lot ) Unit No: M066 Type - Impian, Seksyen 8 Bandar Baru Bangi	Residential	3,197 sq. ft.	Leasehold Expiring on 29/10/2101	9	273,120	2004
	Mukim of Kajang Daerah Hulu Langat	Double Storey Terrace House Unit No: M068 Type - Impian, Seksyen 8 Bandar Baru Bangi	Residential	1,302 sq. ft.	Leasehold Expiring on 29/10/2101	9	172,092	2004
	HS (M) 31435 PT 34544 Lot 45 Mukim Of Kuantan	Double Storey Terrace House No.9, Lorong Seri Setali 10 Taman Sri Galing 25300 Kuantan, Pahang	Residential	1,539 sq. ft.	Freehold	16	89,070	1997
	Geran 31252 Lot 18369 Mukim of Sg. Pasir, Kedah	Single Storey Medium Cost Terrace House G319, Lorong 29 Taman Sejahti Indah 08000 Sg. Petani, Kedah	Residential	1,302 sq. ft.	Freehold	14	62,021	1999

Registered Owner	Title / Location	Description	Existing use	Land area (sq. ft) / Built-up area (sq. ft)	Tenure / From to	Approximate Age of Building (years)	Net Book Value As at 30/9/2013 (RM)	Date of Acquisition
PPSB [....con't]	PN24102 Lot No:182456 Mukim Of Plentong	B01-02, Block B, The Oasis @ Bayu Puteri 3 Jalan Bayu Puteri 2 Taman Bayu Puteri 80150 Johor Bahru	Residential	1,172 sq. ft.	Leasehold expiring on 1/21/97	4	187,498	2010
	HSD457869 PTD202590 Mukim Of Plentong	Lot No:188475 GRN436574 Kawasan Perindustrial Mukim Plentong Daerah Johor Bahru	Industrial	44,433 sq. ft.	Freehold	-	1,370,680	2011
TPSB	HS (D) 40329 PTD 18340 Mukim of Plentong	3 Storey Shophouse 68, 68A & 68B, Jalan Pingai Taman Pelangi 80400 Johor Bahru	Commercial	1,920 sq. ft.	Freehold	16	781,702	1997
	K-8-25 Mukim of Kajang	Kenaria Condominium K-08-25, Taman Sri Taman Sri Kenari 2 Kajang, Selangor Selangor	Residential	850 sq. ft.	Leasehold Expiring on 11/04/2099	14	79,490	1999

Registered Owner	Title / Location	Description	Existing use	Land area (sq. ft) / Built-up area (sq. ft)	Tenure From / to	Approximate Age of Building (years)	Net Book Value As at 30/9/2013 (RM)	Date of Acquisition
TPSB [...con't]	Lot 81 Mukim of Kajang HS (D) 52816 PTD 40965	Terrace Factory Lot 81, 10 Jalan P/18 Taman Industri Selaman Seksyen 10, Bandar Baru Bangi, Selangor	Industrial	Lot size = 3,998 sq. ft. Built-up area = 5,060 sq. ft.	Leasehold Expiring on 19/7/2098	17	267,112	1996
ECSB	HS (D) 196839 PTD 109167 Mukim of Plentong	Freehold Land Kawasan MIEL Bandar Baru Seri Alam Phase VIII Johor Bahru, Johor	Industrial	77,511 sq. ft.	Freehold	-	1,952,980	1997
CMISB	HSD 457870 PTD 202591 Mukim of Plentong	Freehold Land Lot No: 188476 GRN436575 Kawasan Perindustrial, Mukim Plentong, Daerah Johor Bahru	Industrial	42,959 sq. ft.	Freehold	-	1,369,199	2011
	HSD 457871 PTD 202592 Mukim of Plentong	Freehold Land Lot No: 188477 GRN436576 Kawasan Perindustrial, Mukim Plentong, Daerah Johor Bahru	Industrial	45,187 sq. ft.	Freehold	-	1,439,655	2011
PFSB	HS(D) 196765 PTD 109093 Mukim of Plentong	1 1/2 Storey Terrace Factory 16, Jalan Bukit 2 Kawasan MIEL, Seri Alam, 81750 Masai	Industrial	19,800 sq. ft.	Freehold	14	851,744	1999



Registered Owner	Title / Location	Description	Existing use	Land area (sq. ft) / Built-up area (sq. ft)	Tenure From / to	Approximate Age of Building (years)	Net Book Value As at 30/9/2013 (RM)	Date of Acquisition
SCSB	H.S. (D) 52696 PT40845 Daerah Hulu Langat, Selangor	Lot 8, Jalan P10/10 Kawasan Perusahaan Bangi, Bandar Baru Bangi, 43650 Bangi Selangor	Industrial	294,069 sq. ft.	Leasehold Expiring on 19/08/2098	13	17,248,979	2000
	Hakmilik GRN 101356 Mukim of Tanjung Kupang	Freehold Land Lot 1216 Mukim Tanjung Kupang Johor Bahru, Johor	Industrial	109,449 sq. ft.	Freehold	1	3,696,647	2013
	Hakmilik GRN 790 Mukim of Tanjung Kupang	Freehold Land Lot 569 Mukim Tanjung Kupang Johor Bahru, Johor	Industrial	65,887 sq. ft.	Freehold	1	2,267,807	2013
	Hakmilik GRN 1371 Mukim of Tanjung Kupang	Freehold Land Lot 2111 Mukim Tanjung Kupang Johor Bahru, Johor	Industrial	74,951 sq. ft.	Freehold	1	2,565,092	2013

**STATEMENT OF SHAREHOLDINGS****As at 24 January 2014**

Authorised capital	:	RM100,000,000-00 divided into 200,000,000 Ordinary Shares of RM0.50 each
Issued and fully paid-up capital	:	RM50,000,000.00
Class of shares	:	Ordinary Shares of RM0.50 each
Voting rights	:	One vote per RM0.50 share

**ANALYSIS OF SHAREHOLDINGS**

Number of Holders	Holdings	Total Holdings	Percentage of Holdings
58	Less than 100	2,407	0.00
47	100 to 1,000	24,176	0.03
1,100	1,001 to 10,000	3,219,595	3.33
313	10,001 to 100,000	9,240,932	9.55
74	100,001 to less than 5% of issued shares	50,383,097	52.09
3	5% and above of issued shares	33,858,693	35
1,595		96,728,900*	100

\* Excluding a total of 3,271,100 ordinary shares bought back by Pelangi Publishing Group Bhd and retained as treasury shares.

**THIRTY LARGEST SHAREHOLDERS**

	Name of shareholder	Number of shares	Percentage of shares
1.	Sum Kown Cheek	22,358,693	23.11
2.	DB (Malaysia) Nominee (Asing) Sdn Bhd Deutsche Bank AG Singapore For British and Malayan Trustees Limited	6,500,000	6.72
3.	United Logistics Sdn Bhd	5,000,000	5.17
4.	Chung Shan Kwang	4,675,000	4.83
5.	Fang Mei Sin	4,545,781	4.70
6.	Goh Kheng Jiu	4,000,000	4.14
7.	Sinar Qiqi Sdn. Bhd.	4,000,000	4.14
8.	Lai Swee Chiung	3,437,465	3.55
9.	Lee Kheng Hon	3,248,965	3.35

	<b>Name of shareholder</b>	<b>Number of shares</b>	<b>Percentage of shares</b>
10.	Lim Keh Kuan	1,910,000	1.97
11.	Sam Yuen @ Sam Chin Yan	1,589,762	1.64
12.	Lim Kah Eng	1,177,875	1.22
13.	Ang Hwi Lin	1,089,237	1.13
14.	Chin Khuan Meng	865,625	0.89
15.	Lai Chin Heng	822,662	0.85
16.	Yee Tan Fatt	806,475	0.83
17.	Wong Sue Yin	693,100	0.72
18.	Goh Pek Hen	682,500	0.71
19.	Teh Teaw Kee	635,875	0.66
20.	HDM Nominees (Asing) Sdn Bhd DBS Vickers Secs (S) Pte Ltd for Yeo Seng Chong	625,000	0.65
21.	Tan Kim Chai	612,500	0.63
22.	Sinar Qiqi Sdn Bhd	597,400	0.62
23.	Teh Hui Guan	575,500	0.59
24.	RHB Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Tan Gaik Suan	553,375	0.57
25.	Amanahraya Trustees Berhad Kumipa Balanced Fund	506,250	0.52
26.	RHB Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Teh Teaw Kee	505,800	0.52
27.	Chung Shan Meng	500,000	0.52
28.	Chung Shan Yong	500,000	0.52
29.	Chung Soo Cheng	500,000	0.52
30.	Lee Wee Ling	500,000	0.52

**SUBSTANTIAL SHAREHOLDERS**

According to the Register required to be kept under Section 69L of the Companies Act, 1965, the following are the substantial shareholders of the Company:

Shareholders	No. of Shares			
	Direct	%	Deemed	%
Sum Kown Cheek	22,358,693	23.11	3,437,465(a)	3.55
Lai Swee Chiung	3,437,465	3.55	22,358,693(a)	23.11
United Logistics Sdn. Bhd.	5,000,000	5.17	–	–
Sam Yuen @ Sam Chin Yan	1,589,762	1.64	5,682,500(b)	5.88
Yeoman Capital Management Pte Ltd	224,750	0.23	6,750,000(c)	6.97
Yeo Seng Chong	625,000	0.65	6,974,750(d)	7.21
Lim Mee Hwa	–	–	6,974,750(d)	7.21

- (a) Deemed interested by virtue of the shareholding of his/her spouse pursuant to Section 134 of the Companies Act, 1965.
- (b) Deemed interested by virtue of his interests in United Logistics Sdn Bhd and the shareholding of his spouse pursuant to Section 134 of the Companies Act, 1965.
- (c) Deemed interested by virtue of its indirect interests in DB (Malaysia) Nominee (Asing) Sdn Bhd, HSBC Malaysia Bhd and CIMSEC Nominees (Asing) Sdn Bhd.
- (d) Deemed interested by virtue of his/her indirect interests in Yeoman Capital Management Pte Ltd.

**DIRECTORS' SHAREHOLDINGS**

According to the Register required to be kept under Section 134 of the Companies Act, 1965, the following are the shareholdings of the Directors in the Company:

Directors	No. of Shares			
	Direct Interest	%	Deemed Interest	%
Sum Kown Cheek	22,358,693	23.11	3,437,465 (a)	3.55
Sam Yuen @ Sam Chin Yan	1,589,762	1.64	5,682,500 (b)	5.88
Lee Kheng Hon	3,248,965	3.35	–	–
Syahriza Binti Senan	13,750	0.01	–	–
Vincent Wong Soon Choy	–	–	–	–
Teh Hui Guan	575,500	0.60	–	–

- (a) Deemed interested by virtue of the shareholding of his spouse pursuant to Section 134 of the Companies Act, 1965.
- (b) Deemed interested by virtue of his interests in United Logistics Sdn. Bhd. and the shareholding of his spouse pursuant to Section 134 of the Companies Act, 1965.

## FORM OF PROXY

I/We \_\_\_\_\_ of \_\_\_\_\_  
 being a member/members of PELANGI PUBLISHING GROUP BHD., hereby appoint \_\_\_\_\_  
 \_\_\_\_\_ of \_\_\_\_\_  
 \_\_\_\_\_ or failing him,  
 \_\_\_\_\_ of \_\_\_\_\_

\_\_\_\_\_ as my/our proxy to vote for me/us and on my/our behalf at the Twelfth Annual General Meeting of the Company to be held at **Palm Resort Berhad, Melati Hall, Jalan Persiaran Golf, Off Jalan Jumbo, 81250 Senai, Johor** on **Friday, 21 March, 2014** at **11.00 a.m** and at any adjournment thereof.

My/Our proxy is to vote as indicated below:-

NO.	RESOLUTION	FOR	AGAINST
1.	Approval of Final Dividend.		
2.	Approval of Directors' fees.		
3.	Re-election of Mr Vincent Wong Soon Choy as Director.		
4.	Re-election of Mr Sum Kown Cheek as Director.		
5.	Re-appointment of Messrs Ernst & Young as Auditors.		
6.	Authority to Allot Shares - Section 132D.		
7.	Approve the continuation of terms of office of Syahriza binti Senan as Independent Director		
8.	Approval for the Proposed Renewal Shareholders' Mandate For Recurrent Related Parties Transactions		

Please indicate with a cross (×) in the space whether you wish your votes to be cast for or against the resolution. In the absence of such specific directions, your proxy will vote or abstain as he thinks fit.

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2014.

NO. OF SHARES HELD	CDS ACCOUNT

.....  
Signature of Member(s)

**Note:**

- a. A member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote in his stead. A proxy may but need not be a member of the Company and if he is not a Member of the Company, Section 149(1)(b) of the Companies Act, 1965 shall not be applicable. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at a meeting of a company shall have the same rights as the member to speak at the meeting.
- b. A member shall be entitled to appoint more than one proxy (subject always to a maximum of two (2) proxies at each meeting) to attend and vote at the same meeting. Where a member appoints more than one (1) proxy (subject always to a maximum of two (2) proxies at each meeting) the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
- c. Where a member of the Company is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 ("SICDA") which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account") there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. Where a member is an authorised nominee as defined under SICDA, it may appoint one (1) proxy in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account.
- d. The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing or if such appointer is a corporation under its common seal or the hand of its officer or attorney.
- e. The instrument appointing the proxy must be deposited at the Company's Registered Office situated at Suite 6.1A, Level 6, Menara Pelangi, Jalan Kuning, Taman Pelangi, 80400 Johor Bahru, Johor, Malaysia not less than forty-eight hours before the time appointed for holding the Meeting and any adjournment thereof.

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Suite 6.1A, Level 6, Menara Pelangi,  
Jalan Kuning, Taman Pelangi,  
80400 Johor Bahru,  
Johor.

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# Achievements and Awards

- 2000** – Enterprise 50 Award (12th Rank)
- 2001** – Enterprise 50 Award (6th Rank)
- 2002** – Enterprise 50 Award (8th Rank)



- 2002** – MS ISO 9001:2000  
Quality Management System by DSM (Malaysia), UKAS (UK) and COFRAC (France)
- Golden Bull Award



**SMI Recognition Award 2003**

- 2003** – SMI Recognition Award 2003
- 2005** – Superbrands Status
- Anugerah Buku Negara (National Book Award 2005)
  - Buku Umum Fiksyen Terjemahan Terbaik
  - Buku Ilmiah Terjemahan Terbaik dalam Bahasa Malaysia
  - Ilustrator Terbaik Buku Kanak-Kanak dalam Bahasa Malaysia
  - Rekabentuk Buku Terbaik Buku Kanak-Kanak dalam Bahasa Malaysia



**Anugerah Buku Negara**

- 2006** – Superbrands Status



- 2009** – The SMEs Bestbrands 2009
- MS ISO 9001: 2008  
Quality Management System by DSM(Malaysia) and UKAS(UK)
- 2011** – The SMEs Bestbrands 2011



- 2012** – Anugerah Buku Negara (National Book Award 2012)
  - Penerbit Terbaik Buku Bahasa Cina
- The SMEs Bestbrands Signature Award 2012



- 2013** – THE BRANDLAUREATE BRAND PERSONALITY AWARD 2013 - 2013  
*Mr Samuel Sum, Chairman & Group Managing Director, Pelangi Publishing Group*
- CORPORATE BRANDING AWARD 2012 - 2013  
*The World's Best Brands in Publishing*



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