



**PAOS HOLDINGS BERHAD (Company No. 452536-W)**  
**UNAUDITED INTERIM FINANCIAL REPORT**  
**FOR THE FIRST QUARTER**  
**ENDED 31 AUGUST 2013**

**Part A – Explanatory Notes Pursuant To Malaysian Financial Reporting Standard (MFRS) 134 “Interim Financial Reporting”**

***A1. Basis Of Preparation***

The interim financial report is unaudited and has been prepared in accordance with MFRS 134 “Interim Financial Reporting” and paragraph 9.22 of the Bursa Malaysia Listing Requirements. The interim financial report also complies with IAS 34 “Interim Financial Reporting” issued by the International Accounting Standards Board. For the periods up to and including the year ended 31 May 2012, the Group prepared its financial statements in accordance with Financial Reporting Standards (“FRS”).

The Group has applied MFRS 1 First-Time Adoption of Malaysian Financial Reporting Standards (“MFRS 1”) for the annual financial statements for the year ended 31 May 2013. The transition from FRS to MFRS does not have any material impact on the Group’s financial position, financial performance or cash flows.

The interim financial report has been prepared on a condensed basis and as such it should be read in conjunction with the audited annual financial statements for the financial year ended 31 May 2013.

***A2. Auditors’ Report On Preceding Annual Financial Statements***

The audit report in respect of the financial statements of the Group for the preceding year was not subject to any qualification.

***A3. Seasonal Or Cyclical Factors***

The Group’s results were not materially affected by any major seasonal or cyclical factors in the current quarter.

***A4. Unusual Items Affecting Assets, Liabilities, Equity, Net Income Or Cash Flows***

There were no unusual nature and amount of items affecting assets, liabilities, equity, net income or cash flow of the Group during the quarter under review.

***A5. Changes in Estimates***

There were no material changes in estimates during the quarter under review.

***A6. Issuance and Repayment of Debt and Equity Securities***

There were no new debts and equity security issued during the current quarter.



**PAOS HOLDINGS BERHAD (Company No. 452536-W)**  
**UNAUDITED INTERIM FINANCIAL REPORT**  
**FOR THE FIRST QUARTER**  
**ENDED 31 AUGUST 2013**

**A7. Dividends Paid**

No dividends were paid during the quarter under review.

**A8. Operating segments**

	<b>Manufacturing</b> RM'000	<b>Trading</b> RM'000	<b>Integrated hotel operation and property investment</b> RM'000	<b>Current Quarter ended 31/08/2013 Total</b> RM'000
<b>Segment profit</b>	375	1,592	533	2,501
Included in the measure of segment profit are:				
Revenue from external customers	7,394	46,416	2,655	56,465
Depreciation and amortisation	177	30	599	806

**Reconciliation of reportable segment profit: -**

	<b>Current Quarter ended 31/08/2013 RM'000</b>
<b>Profit</b>	
Total profit for reportable segments	2,501
Finance costs	(9)
Unallocated expenses	(92)
Unallocated income	167
	-----
Consolidated profit before tax	2,567
	=====

**A9. Valuation of Property, Plant and Equipment**

The valuation of property, plant and equipment has been brought forward without amendment from the previous financial year.



**PAOS HOLDINGS BERHAD (Company No. 452536-W)**  
**UNAUDITED INTERIM FINANCIAL REPORT**  
**FOR THE FIRST QUARTER**  
**ENDED 31 AUGUST 2013**

**A10. Capital Commitments**

Authorised capital expenditure for property, plant and equipment not provided for in the financial statements were as follows:-

	As at 31 August 2013 RM'000	As at 31 May 2013 RM'000
Property, plant and equipment		
- contracted	-	-
- not contracted	-	40
	-----	-----
Total	-	40
	=====	=====

**A11. Material Events Subsequent to the End of the Interim Period**

There were no material events subsequent to the end of the current reporting period until the date of this report, which are expected to have a material operational or financial impact on the Group.

**A12. Changes in the Composition of the Group**

There were no changes in the composition of the Group for the current quarter under review.

**A13. Changes in Contingent Liabilities Or Contingent Assets**

	As at 31 August 2013 RM'000	As at 31 May 2013 RM'000
Guarantees relating to borrowings of subsidiaries	52,700	97,700
	=====	=====



**PAOS HOLDINGS BERHAD (Company No. 452536-W)**  
**UNAUDITED INTERIM FINANCIAL REPORT**  
**FOR THE FIRST QUARTER**  
**ENDED 31 AUGUST 2013**

**Part B – Explanatory Notes Pursuant to Paragraph 9.22 of the Bursa Malaysia Securities Exchange Listing Requirements**

**B1. Review Of Performance**

	Individual quarter	
	31.08.2013	31.08.2012
	RM'000	RM'000
<b>Revenue</b>		
Manufacturing	7,394	8,166
Trading	46,416	67,518
Integrated hotel operation and property investment	<u>2,655</u>	<u>2,628</u>
<b>Group</b>	<u><u>56,465</u></u>	<u><u>78,312</u></u>
<b>Segment profit</b>		
Manufacturing	375	388
Trading	1,592	1,522
Integrated hotel operation and property investment	<u>533</u>	<u>553</u>
<b>Group</b>	<u><u>2,501</u></u>	<u><u>2,463</u></u>

**Quarterly Performance Review**

Revenue of the Group for the first financial quarter ended 31 August 2013 of RM56.46 million was 27.90% lower than the preceding corresponding financial quarter of RM78.31 million mainly due to lower sales from the trading segment.

In tandem with the decrease in sales volume, cost of sales of the Group for the current quarter have also decreased by 29.50% to RM52.65 million from RM74.68 million in the preceding corresponding quarter.

Consequently, the Group reported a profit before taxation for the current quarter of RM2.57 million as compared to a profit before taxation of RM2.06 million in the preceding corresponding quarter.



**PAOS HOLDINGS BERHAD (Company No. 452536-W)**  
**UNAUDITED INTERIM FINANCIAL REPORT**  
**FOR THE FIRST QUARTER**  
**ENDED 31 AUGUST 2013**

**Segment Performance Review**

**Manufacturing segment**

For the three months ended 31 August 2013, revenue decreased by 9.55% from RM8.17 million to RM7.39 million mainly due to lower palm oil prices. However, segment profit remained relatively unchanged with a slight decrease from RM0.39 million to RM0.38 million as compared to preceding corresponding period in 2013.

**Trading segment**

For the three months ended 31 August 2013, revenue decreased by 31.25% from RM67.52 million to RM46.42 million while segment profit increased from RM1.52 million to RM1.59 million as compared to the preceding year corresponding period in 2013.

The decrease in revenue was mainly due to decrease in export trading. However, segment profit has increased mainly due to better profit margin.

**Integrated hotel operation and property investment segment**

For the three months ended 31 August 2013, the performance of the integrated hotel operation and property investment segment remain quite consistent with that of the preceding year corresponding period in 2013.

***B2. Variation Of Current Quarter Results Compared With The Preceding Quarter***

Revenue for the current quarter was RM56.46 million compared to RM57.22 million recorded in the immediate preceding quarter.

The Group's profit before taxation for the current quarter was RM2.57 million compared to the profit before taxation of RM1.73 million for the preceding quarter.

***B3. Current Year Prospects***

Current economic challenges and the volatility of commodity prices and currency exchange rates are expected to continue to present challenging business conditions for the Group. However, the Group will keep pursuing its initiatives to further optimize its operations and mitigate as much as possible the impact of higher input costs.

The Board of Directors believes that the performance of the Group for the remaining financial year 2013/2014 will remain comparable to the previous year's performance despite the challenging business conditions.

***B4. Variance of Actual Profit from Profit Forecast or Profit Guarantee***

Not applicable to the Group as there was no profit forecast or profit guarantee.



**PAOS HOLDINGS BERHAD (Company No. 452536-W)**  
**UNAUDITED INTERIM FINANCIAL REPORT**  
**FOR THE FIRST QUARTER**  
**ENDED 31 AUGUST 2013**

**B5 Taxation**

	Current Year		Preceding Year	
	Quarter ended 31.08.2013 RM'000	Year To Date ended 31.08.2013 RM'000	Quarter ended 31.08.2012 RM'000	Year-To-Date ended 31.08.2012 RM'000
Income tax - current year	730	730	443	443
Total	730	730	443	443

**B6. Sale of Unquoted Investment and Properties**

There were no sales of unquoted investments or properties during the current quarter under review.

**B7. Quoted Securities**

There were no purchases or disposals of quoted securities by the Group during the quarter under review.

**B8. Status of Corporate Proposals**

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

**B9. Borrowings and Debt Securities**

Details of the Group's borrowings as at 31 August 2013 are as follows:

	RM'000
Short term borrowings: -	
Bank overdraft (unsecured)	<u>81</u>
Total borrowings	<u>81</u>

**B10. Financial Instruments With Off Balance Sheet Risk**

The Group does not have any financial instruments with off balance sheet risk as at the date of this report.



**PAOS HOLDINGS BERHAD (Company No. 452536-W)**  
**UNAUDITED INTERIM FINANCIAL REPORT**  
**FOR THE FIRST QUARTER**  
**ENDED 31 AUGUST 2013**

**B11. Material Litigation**

There is no material litigation for the Group as at the date of this report.

**B12. Dividends**

The Board of Directors has declared an interim dividend of 1.25 sen per ordinary share of RM0.50, tax exempt totalling RM1,509,700 in respect of the financial year ending 31 May 2014 and payable on 29 November 2013 to Depositors registered in the Record of Depositors at the close business on 15 November 2013.

**B13. Realised and Unrealised Profits / Losses**

	As at 31 August 2013 RM'000	As at 31 May 2013 RM'000
Total retained profits		
Realised	57,630	55,331
Unrealised	(1,219)	(757)
	-----	-----
	56,411	54,574
Less: Consolidation adjustments	(29,925)	(29,925)
	-----	-----
Total group retained profits as per consolidated accounts	<u>26,486</u>	<u>24,649</u>

**B14. Earnings Per Share**

	Quarter Ended		Cumulative Quarter	
	Current Quarter Ended 31.08.13	Preceding Year Corresponding Quarter Ended 31.08.12	Current Year To Date Ended 31.08.13	Preceding Year Corresponding Year To Date Ended 31.08.12
<b>Basic Earnings Per Share:</b>				
Net profit for the period (RM'000)	1,837	1,617	1,837	1,617
Weighted average number of ordinary shares ('000)	120,776	120,776	120,776	120,776
Basic Earnings Per Share (Sen)	<u>1.52</u>	<u>1.34</u>	<u>1.52</u>	<u>1.34</u>