



**PAOS HOLDINGS BERHAD (Company No. 452536-W)**  
**UNAUDITED INTERIM FINANCIAL REPORT**  
**FOR THE FOURTH QUARTER**  
**ENDED 31 MAY 2014**

**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 FOURTH QUARTER**  
**ENDED 31 MAY 2014**

**A7. Dividends Paid**

The first 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 was paid on 29 November 2013.

The second 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 was paid on 30 May 2014.

**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 31/05/2014 Total</b> RM'000
<b>Segment profit</b>	361	(538)	328	151
Included in the measure of segment profit are:				
Revenue from external customers	8,400	8,523	2,529	19,452
Depreciation and amortisation	183	30	558	771

**Reconciliation of reportable segment profit: -**

	<b>Current Quarter ended 31/05/2014</b> RM'000
<b>Profit</b>	
Total profit for reportable segments	151
Unallocated expenses	(85)
Finance costs	(6)
Interest income	11
Unallocated income	958
	-----
Consolidated profit before tax	1,029
	=====



**PAOS HOLDINGS BERHAD (Company No. 452536-W)**  
**UNAUDITED INTERIM FINANCIAL REPORT**  
**FOR THE FOURTH QUARTER**  
**ENDED 31 MAY 2014**

**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.

**A10. Capital Commitments**

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

	As at 31 May 2014 RM'000	As at 31 May 2013 RM'000
Property, plant and equipment		
- contracted	-	-
- not contracted	150	40
	-----	-----
Total	150	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 May 2014 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 FOURTH QUARTER**  
**ENDED 31 MAY 2014**

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

**B1. Review Of Performance**

	Individual quarter		Cumulative quarter	
	31.05.2014 RM'000	31.05.2013 RM'000	31.05.2014 RM'000	31.05.2013 RM'000
<b>Revenue</b>				
Manufacturing	8,400	9,467	29,285	34,247
Trading	8,523	45,247	129,725	231,866
Integrated hotel operation and property investment	<u>2,529</u>	<u>2,510</u>	<u>10,296</u>	<u>10,302</u>
<b>Group</b>	<u>19,452</u>	<u>57,224</u>	<u>169,306</u>	<u>276,415</u>
<b>Segment profit</b>				
Manufacturing	361	585	1,330	1,995
Trading	(538)	509	2,440	3,735
Integrated hotel operation and property investment	<u>328</u>	<u>388</u>	<u>1,882</u>	<u>1,866</u>
<b>Group</b>	<u>151</u>	<u>1,482</u>	<u>5,652</u>	<u>7,596</u>

**Quarterly Performance Review**

Revenue of the Group for the fourth financial quarter ended 31 May 2014 of RM19.45 million was 66.01% lower than the preceding corresponding financial quarter of RM57.22 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 67.17% to RM17.83 million from RM54.31 million in the preceding corresponding quarter.

Consequently, the Group reported a profit before taxation for the current quarter of RM1.03 million as compared to a profit before taxation of RM1.73 million in the preceding corresponding quarter.



**PAOS HOLDINGS BERHAD (Company No. 452536-W)**  
**UNAUDITED INTERIM FINANCIAL REPORT**  
**FOR THE FOURTH QUARTER**  
**ENDED 31 MAY 2014**

**Financial Year Performance Review**

**Manufacturing segment**

For the twelve months ended 31 May 2014, revenue decreased by 14.49% from RM34.25 million to RM29.28 million mainly due to lower palm oil prices while segment profit decreased from RM2.00 million to RM1.33 million as compared to the preceding year corresponding period in 2013, mainly due to higher manufacturing cost.

**Trading segment**

For the twelve months ended 31 May 2014, revenue decreased by 44.05% from RM231.87 million to RM129.73 million mainly due to decrease in export trading as compared to the preceding year corresponding period in 2013 while segment profit decreased from RM3.74 million to RM2.44 million.

**Integrated hotel operation and property investment segment**

For the twelve months ended 31 May 2014, 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 RM19.45 million compared to RM46.31 million recorded in the immediate preceding quarter.

The Group's profit before taxation for the current quarter was RM1.03 million compared to the profit before taxation of RM1.84 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 forthcoming financial year 2014/2015 will remain comparable to the current 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 FOURTH QUARTER**  
**ENDED 31 MAY 2014**

**B5 Taxation**

	Current Year		Preceding Year	
	Quarter ended 31.05.2014 RM'000	Year To Date ended 31.05.2014 RM'000	Quarter ended 31.05.2013 RM'000	Year-To-Date ended 31.05.2013 RM'000
Income tax				
- current year	(92)	1,896	597	1,648
- under/(over) provision	31	31	(138)	(138)
	(61)	1,927	459	1,510
Deferred tax				
- current year	571	571	738	738
- under provision	(4)	(4)	37	37
	567	567	775	775
Total	506	2,494	1,234	2,285

**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.



**PAOS HOLDINGS BERHAD (Company No. 452536-W)**  
**UNAUDITED INTERIM FINANCIAL REPORT**  
**FOR THE FOURTH QUARTER**  
**ENDED 31 MAY 2014**

**B9. Borrowings and Debt Securities**

Details of the Group's borrowings as at 31 May 2014 are as follows:

	RM'000
Short term borrowings: -	
Bank overdraft (unsecured)	<u>1,518</u>
Total borrowings	<u>1,518</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.

**B11. Material Litigation**

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

**B12. Dividends**

The Board of Directors does not recommend any dividend for the current quarter.

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

	As at 31 May 2014	As at 31 May 2013
	RM'000	RM'000
Total retained profits		
Realised	57,618	55,331
Unrealised	(1,464)	(757)
	-----	-----
	56,154	54,574
Less: Consolidation adjustments	(29,928)	(29,925)
	-----	-----
Total group retained profits as per consolidated accounts	<u>26,226</u>	<u>24,649</u>



**PAOS HOLDINGS BERHAD (Company No. 452536-W)**  
**UNAUDITED INTERIM FINANCIAL REPORT**  
**FOR THE FOURTH QUARTER**  
**ENDED 31 MAY 2014**

**B14. Earnings Per Share**

	Quarter Ended		Cumulative Quarter	
	Current	Preceding	Current	Preceding
	Quarter	Year	Year To	Year
	Ended	Corresponding	Date	Corresponding
	31.05.14	Quarter Ended	Ended	Year To Date Ended
		31.05.13	31.05.14	31.05.13
<b>Basic Earnings Per Share:</b>				
Net profit for the period (RM'000)	523	493	4,596	4,905
Weighted average number of ordinary shares ('000)	120,776	120,776	120,776	120,776
Basic Earnings Per Share (Sen)	<u>0.43</u>	<u>0.41</u>	<u>3.81</u>	<u>4.06</u>