

GOLDEN PHAROS BERHAD (Company No. 152205-W)
EXPLANATORY NOTES PURSUANT TO MFRS 134
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2012

1. Corporate information

Golden Pharos Berhad is a public limited liability company incorporated and domiciled in Malaysia, and is listed on Bursa Malaysia Securities Berhad.

2. First-time adoption of Malaysian Financial Reporting Standards ("MFRS")

These condensed consolidated interim financial statements, for the period ended 30 June 2012, have been prepared in accordance with MFRS 134 and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad. These condensed consolidated interim financial statements also comply with IAS 34 Interim Financial Reporting issued by the International Accounting Standards Board. For the periods up to and including the year ended 31 December 2011, the Group prepared its financial statements in accordance with Financial Reporting Standards in Malaysia ("FRS").

The consolidated financial statements of the Group for the year ended 31 December 2011 which were prepared under FRS are available upon request from the Company registered office at Level 18, The Garden North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur.

These condensed consolidated interim financial statements are the Group's first MFRS condensed consolidated interim financial statements for part of the period covered by the Group's first MFRS annual financial statements for the year ending 31 December 2012. MFRS 1 First-Time Adoption of Malaysian Financial Reporting Standards ("MFRS1") has been applied.

The explanatory notes attached to these condensed consolidated interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2011.

In preparing its opening MFRS Statement of Financial Position as at 1 January 2011 (which is also the date of transition), the Group has adjusted the amounts previously reported in financial statements prepared in accordance with FRS. The transition from FRS to MFRS has not had a material impact on the statement of cash flows.

3. Significant accounting policies and application of MFRS 1

The audited financial statements of the Group for the year ended 31 December 2011 were prepared in accordance with FRS. The significant accounting policies adopted in preparing these condensed consolidated interim financial statements are consistent with those of the audited financial statements for the year ended 31 December 2011 except as discussed below:

(a) Business combination

MFRS 1 provides the option to apply MFRS 3 Business Combinations, prospectively from the date of transition or from a specific date prior to the date of transition. This provides relief from full retrospective application of MFRS 3 which would require restatement of all business combinations prior to the date of transition.

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3. Significant accounting policies and application of MFRS 1 (continued)

(a) Business combination (continued)

Acquisition before date of transition

The Group has elected to apply MFRS 3 prospectively from the date of transition. In respect of acquisitions prior to the date of transition.

- (i) The classification of former business combinations under FRS is maintained;
- (ii) There is no re-measurement of original fair values determined at the time of business combination (date of acquisition); and
- (iii) The carrying amount of goodwill recognised under FRS is not adjusted.

(b) Property, plant and equipment

The Group has previously adopted the transitional provisions available on the first application of the MASB Approved Accounting Standard IAS 16 (Revised) Property, Plant and Equipment which was effective for periods ended on or after 1 September 1998. By virtue of this transitional provision, the Group had recorded leasehold land and freehold land at revalued amounts but had not adopted a policy of revaluation and continued to carry those buildings on the basis of their previous revaluations subject to continuity in its depreciation policy and requirement to write down the assets to their recoverable amounts for impairment adjustments.

Upon transition to MFRS, the Group has elected to measure all its property, plant and equipment using the cost model under MFRS 116 Property, Plant and Equipment. However, the carrying amount of revalued buildings, freehold land and leasehold land disclosed in these interim financial statements do not reflect the transition amount from FRS to MFRS as the Company is in the process of revaluation of its buildings, freehold land and leasehold land.

4. Changes in estimates

There were no significant changes in estimates that have had a material effect in the current interim results.

5. Seasonality of operations

During the quarter under review, the Group's principal business operations were not affected by any seasonal or cyclical factors.

6. Segment information

The Group is organised into business units based on their products and services, and has three operating segments as follows:

- (i) Harvesting, sawmilling and kiln drying of timber;
- (ii) Manufacturing - manufacturing and trading of glass.
- (iii) Others - include investment holding, marketing and distribution agent, and trading of doors, none of which are of a sufficient size to be reported separately.

There has been no material change in total assets and no differences in the basis of segmentation or in the basis of measurement of segment profit or loss as compared to the last annual financial statements except for information of the discontinued manufacturing segment has been disclosed in others segment in the current quarter as compared with previous years which disclosed in manufacturing segment.

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6. Segment information (continued)

RM'000	Harvesting, saw-milling & kiln drying	Manufacturing	Others	Consolidated
Results for 3 months ended 30 June 2012				
Operating revenue	8,468	8,005	24	16,497
Other operating income	302	96	61	459
Expenses	(5,407)	(7,632)	(1,351)	(14,390)
Profit/(loss) before taxation	3,363	469	(1,266)	2,566
Results for 3 months ended 30 June 2011				
Operating revenue	10,943	6,697	649	18,289
Other operating income	1,934	25	730	2,689
Expenses	(9,076)	(6,548)	(2,747)	(18,371)
Profit/(loss) before taxation	3,801	174	(1,368)	2,607
Results for 6 months ended 30 June 2012				
Operating revenue	14,764	14,333	41	29,138
Other operating income	307	138	134	579
Expenses	(12,568)	(13,758)	(2,581)	(28,907)
Profit/(loss) before taxation	2,503	713	(2,406)	810
Results for 6 months ended 30 June 2011				
Operating revenue	16,605	12,638	2,725	31,968
Other operating income	2,065	46	1,317	3,428
Expenses	(15,002)	(12,439)	(5,927)	(33,368)
Profit/(loss) before taxation	3,668	245	(1,885)	2,028

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7. Profit before taxation

Included in the profit before taxation are the following items:

	Current quarter		Cumulative quarter	
	3 months ended		6 months ended	
	30.06.2012	30.06.2011	30.06.2012	30.06.2011
	RM'000	RM'000	RM'000	RM'000
Interest income	(17)	(19)	(27)	(26)
Dividend income	(249)	(248)	(249)	(283)
Interest expenses	227	326	474	545
Depreciation of property, plant and equipment	832	848	1,681	1,689
Gain on disposal of property, plant and equipment	-	(12)	-	(33)
Property, plant and equipment written off	-	32	3	32
Gain on disposal of investment securities	-	(1,645)	-	(1,645)
Provision for impairment of receivables	2	-	2	-
Reversal of impairment of receivables	(31)	(13)	(31)	(143)
Net unrealised foreign exchange loss/(gain)	34	-	38	(11)
Reversal of provision for short term accumulating compensated absences	(1)	-	(18)	-
Provision for retirement benefit obligations	99	219	252	425

8. Income tax expense/(benefit)

	Current quarter		Cumulative quarter	
	3 months ended		6 months ended	
	30.06.2012	30.06.2011	30.06.2012	30.06.2011
	RM'000	RM'000	RM'000	RM'000
		(restated)		(restated)
Current taxation expense	15	275	25	279
Over provision of income tax	(31)	-	(72)	-
Deferred tax	1,086	(177)	417	(205)
(Over)/under provision of deferred tax	(883)	90	(511)	7
	187	188	(141)	81
Effective tax rate	7.3%	7.2%	-17.4%	4.0%

Income tax expense is recognised in each interim period based on the best estimate of the weighted average annual income tax rate expected for the full financial year. For the current financial period under review, the Group's effective tax rate was lower than the statutory tax rate due to deferred tax assets recognised from current year business losses mitigated by utilisation of unabsorbed business losses by a subsidiary.

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9. Earnings per share

Basic earnings per share amounts are calculated by dividing profit for the period, net of tax, attributable to owners of the parent by the weighted average number of ordinary shares outstanding during the period, excluding treasury shares held by the Company.

		Current quarter 3 months ended		Cumulative quarter 6 months ended	
		30.06.2012	30.06.2011 (restated)	30.06.2012	30.06.2011 (restated)
Profit attributable to owners of the parent	(RM'000)	2,379	2,419	951	1,947
Weighted average number of shares in issue	(' 000)	134,547	134,547	134,547	134,547
Basic earnings per share	(sen)	1.77	1.80	0.71	1.45

10. Property, plant and equipment

During the six month period ended 30 June 2012, the Group acquired property, plant and equipment at a cost of RM974,000 (30 June 2011: RM643,000). Property, plant and equipment with carrying amount of RM3,000 were written off by the Group during the six month period ended 30 June 2012 (30 June 2011: RM32,000). The amount written off is included in other operating expenses in the statement of comprehensive income.

There was no property, plant, and equipment disposed of by the Group during the six month period ended 30 June 2012 (30 June 2011: RM197,000 resulting in a gain on disposal of RM33,000 recognised in other operating income in the statement of comprehensive income).

11. Intangible assets

	Goodwill RM'000
Cost:	
At 1 January 2011/31 December 2011/30 June 2012	<u>185</u>
Accumulated impairment:	
At 1 January 2011/31 December 2011/30 June 2012	<u>(185)</u>
Net carrying amount:	
At 1 January 2011/31 December 2011/30 June 2012	<u>-</u>

Goodwill is tested for impairment annually (31 December) and when circumstances indicate that the carrying value may be impaired. The Group's impairment test for goodwill is based on value-in-use calculations using cash flow projections from financial budgets approved by management covering a five-year period. The key assumptions used to determine the recoverable amount for the different cash generating units were discussed in the annual financial statements for the year ended 31 December 2011.

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12. Fair value hierarchy

The Group uses the following hierarchy for determining the fair value of all financial instruments carried at fair value:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 - Inputs that are based on observable market data, either directly or indirectly

Level 3 - Inputs that are not based on observable market data

As at the reporting date, the Group held the following financial assets that are measured at fair value:

	Total	Level 1	Level 2	Level 3
	RM'000	RM'000	RM'000	RM'000
30 June 2012				
Available-for-sale financial assets				
Equity shares	6,750	6,750	-	-
31 December 2011				
Available-for-sale financial assets				
Equity shares	6,139	6,139	-	-
1 January 2011				
Available-for-sale financial assets				
Equity shares	8,156	8,156	-	-

No transfer between any levels of the fair value hierarchy took place during the current interim period and the comparative period. There were also no changes in the purpose of any financial assets that subsequently resulted in a different classification of that assets.

The Group does not hold credit enhancements or collateral to mitigate credit risk. The carrying amount of financial assets therefore represents the potential credit risk.

13. Cash and bank balances

Cash and bank balances comprised the following amounts:

	30.06.2012	31.12.2011	01.01.2011
	RM'000	RM'000	RM'000
Cash at banks and in hand	2,971	3,821	3,281
Short term deposits	1,916	1,504	1,973
	<u>4,887</u>	<u>5,325</u>	<u>5,254</u>
Bank overdraft	(3,549)	(6,788)	(6,063)
Total cash and bank balances	<u>1,338</u>	<u>(1,463)</u>	<u>(809)</u>

14. Share capital, share premium and treasury shares

There were no issuances, cancellation, repurchases, resale and repayments of debts and equity securities for the financial period ended 30 June 2012.

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15. Borrowings

	30.06.2012	31.12.2011	01.01.2011
	RM'000	RM'000	RM'000
Short-term borrowings:			
Secured	6,346	8,376	13,710
Long-term borrowings:			
Secured	422	400	426
	<u>6,768</u>	<u>8,776</u>	<u>14,136</u>

16. Dividends

There were no dividends declared by the Company during the financial period ended 30 June 2012 (30 June 2011: RM Nil).

17. Commitments

	30.06.2012	31.12.2011	01.01.2011
	RM'000	RM'000	RM'000
Capital expenditure			
Approved and contracted for:			
Plant and machinery	585	-	2,493
Motor vehicle	258	-	587
Approved but not contracted for:			
Plant and machinery	1,272	1,962	-
Motor vehicle	-	136	123
	<u>2,115</u>	<u>2,098</u>	<u>3,203</u>

18. Related party transactions

The following table provides information on the transactions which have been entered into with related parties during the six-month periods ended 30 June 2012 and 30 June 2011 as well as the balances with the related parties as at 30 June 2012 and 31 December 2011:

		Loan	Interest	Amount
		from related	on loan	owed to
		parties	from related	related
		RM'000	parties	parties
		RM'000	RM'000	RM'000
Entities with significant influence over the Group:				
Terengganu Incorporated Sdn. Bhd.	30.06.2012	-	225	13,365
	31.12.2011	9,300	(48)	13,322
Lembaga Tabung Amanah Warisan	30.06.2012	4,000	-	7,000
Negeri Terengganu	31.12.2011	-	-	3,000

19. Events after the reporting period

There were no material events after reporting period during the current quarter.

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20. Performance review

(a) Current Quarter vs Corresponding Quarter of Previous Period (2Q12 vs 2Q11)

The Group recorded profit before taxation of RM2.57 million in the current quarter as compared to profit before taxation of RM2.61 million in the previous period corresponding quarter. Marginal decrease in profit before taxation was mainly due to reduction in revenue by 10% or RM1.79 million. The performance review by segments is as follows:

Harvesting, saw-milling & kiln-drying Segment

The harvesting, saw-milling and kiln-drying segment registered a profit before taxation of RM3.36 million, decreased by 12% or RM0.44 million as compared to a profit before taxation of RM3.80 million registered in corresponding quarter of the previous period, mainly due to decrease in revenue and other operating income of RM2.48 million and RM1.63 million respectively. However, operating expenses reduced by RM3.67 million from RM9.08 million to RM5.41 million in the current period quarter.

(i) Operating revenue

The segment's operating revenue for the current quarter declined by 23% to RM8.47 million as compared to RM10.94 million in the previous period quarter. The decrease in revenue was mainly due to decrease in sales volume of sawn timber by 41% from 6,694 tonne to 3,938 tonne in the current period quarter. This was mainly due to the substantial reduction in export sales of sawn timber as a result of no export sales recorded in the current period quarter as compared to RM2.04 million in the previous period corresponding quarter.

(ii) Other operating income

Other operating income decreased by RM1.63 million or 85% from RM1.93 million to RM0.30 million in the current period quarter. The decreased was mainly due to no gain on disposal of investment securities during current quarter as compared with RM1.65 million recorded in the same quarter previous period.

(iii) Expenses

The segment recorded expenses of RM5.41 million in the current quarter as compared to RM9.08 million recorded in previous year's corresponding quarter, decreased by 40% or RM3.67 million. Reduction in expenses was mainly due to decrease in logging contract cost of RM1.27 million, timber premium cost of RM0.58 million, transportation cost of RM0.31 million and raw material cost of RM0.44 million.

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20. Performance review (continued)

(a) Current Quarter vs Corresponding Quarter of Previous Period (2Q12 vs 2Q11) (continued)

Manufacturing Segment

Manufacturing segment recorded profit before taxation of RM0.47 million, increased by RM0.30 million from RM0.17 million recorded in the previous period corresponding quarter. Higher profit before taxation in current quarter was mainly contributed by the improvement of the performance of the glass operations.

(i) Operating revenue

Increase in operating revenue was mainly due to increase in export sales during the quarter under review, which represent an increase of 16% from RM0.88 million registered in the previous year's corresponding quarter. Overall, the sales volume of glass increased by 25,857 units or 21% from 120,574 units in previous period quarter to 146,431 units in the quarter under review.

(ii) Other operating income

Other operating income increased by RM0.071 million or 284% from RM0.025 million to RM0.096 million in the current period quarter mainly due to increase in gain on foreign exchange by RM0.083 million.

(iii) Expenses

Expenses increased by RM1.08 million or 16% from RM6.55 million to RM7.63 million in current period quarter. Increase in operating expenses was mainly due to increase in manufacturing expenses such as raw material cost of RM0.89 million, labour cost of RM0.23 million and electricity and water costs of RM0.15 million. The increases were in line with the improvement of the performance of sales and production volume of glass.

Others Segment

The segment registered operating revenue of RM0.024 million, decreased by RM0.65 million or 96% as compared with RM0.65 million recorded in the previous period corresponding quarter. Decrease in the total revenue was mainly due to cessation of in-house doors operations of a subsidiary in previous period.

This segment shown a decrease in loss before taxation from RM1.37 million to RM1.27 million in the quarter under review which represents a decrease of 7% or RM0.10 million mainly due to reduction in expenses primarily due to cessation of in-house doors productions.

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20. Performance review (continued)

(b) Current Period-to-date vs Previous Period-to-date (FY2012 vs FY2011)

The Group's revenue for the period ended 30 June 2012 decreased by 9% to RM29.14 million from RM31.97 million achieved in the previous year's corresponding period. The Group registered profit before taxation of RM0.81 million, decreased by 60% from profit before taxation of RM2.03 million recorded during the period ended 30 June 2011.

Harvesting, saw-milling & kiln-drying Segment

The segment's profit dropped by 32% from RM3.67 million to RM2.50 million in the period under review mainly contributed by the decline in operating revenue and other operating income amounting to RM1.85 million and RM1.76 million respectively.

(i) Operating revenue

In the current period, the segment recorded an operating revenue of RM14.76 million, decreased by 11% as compared to RM16.61 million in the previous period. The decrease was mainly due to substantial reduction in export sales of sawn timber from RM2.04 million to RM0.17 million in the period under review, representing a decreased of 92% or RM1.87 million.

The main factor contributed to the decrease in operating revenue was the under performing of logging activities that in turn affected the sawmilling operations. During the period under review, internal logs extraction slightly dropped to 19,093 hoppus tonne from 19,720 hoppus tonne in the previous year's corresponding period.

(ii) Other operating income

The segment's other operating income reduced significantly from RM2.07 million to RM0.31 million in the current quarter, a drop of 85% primarily due to the gain on disposal of investment securities of RM1.65 million and reversal of impairment of receivables of RM0.10 million registered in the previous year's corresponding period.

(iii) Expenses

Expenses decreased by RM2.43 million or 16% from RM15.00 million to RM12.57 million in the current period. Decrease in expenses was mainly due to reduction in forestry expenses such as logging contract cost of RM2.04 million, premium cost of RM0.91 million and transport cost of RM0.48 million due to the under performing of logging activities.

Manufacturing Segment

In the current period, manufacturing segment registered profit before taxation of RM0.71 million, representing an increase of 184% from RM0.25 in the period ended 30 June 2011. Higher profit before tax recorded in the current period was mainly due to increase in revenue operating and other operating income by RM1.79 million.

(i) Operating revenue

Segment's operating revenue increased by 13% from RM12.64 million to RM14.33 million in the current period. Increase in operating revenue was mainly due to increase in export sales of glass from RM1.91 million to RM3.85 million in the current period primarily due to the sales of glass to Vietnam during the period under review.

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20. Performance review (continued)

(b) Current Period-to-date vs Previous Period-to-date (FY2012 vs FY2011) (continued)

Manufacturing Segment (continued)

(ii) Other operating income

Increase in other operating income was mainly due to increase in gain on foreign exchange by RM0.10 million to RM0.17 million in the period under review.

(iii) Expenses

Expenses increased from RM12.44 million to RM13.76 million in the current period, representing an increase of 11%. The main reason for the increase in operating expenses was mainly due to higher manufacturing cost such as raw material cost of RM0.58 million, direct labour cost of RM0.20 million and water and electricity costs of RM0.22 million.

Others Segment

Others segment recorded loss before taxation of RM2.41 million, increased by RM0.52 million or 28% as compared to loss before taxation of RM1.89 million in the same period previous year. The revenue recorded for the current period was RM0.04 million, a significant decreased from RM2.73 million recorded in the same period of the previous year. Other operating income for the segment also showed a major decreased to RM0.13 million from RM1.32 million registered in the previous year's corresponding period and expenses declined by RM3.35 million or 56%. Overall reduction in operating revenue, other operating income and expenses was mainly due to the cessation of in-house doors production.

21. Material change in performance of operating segments of current quarter compared with preceding quarter

	Current quarter 30 June 2012 RM'000	Immediate preceding quarter 31 March 2012 RM'000
Revenue	16,497	12,641
Profit/(loss) before taxation	2,566	(1,756)

The Group's revenue for the reporting quarter increased by RM3.86 million or 31% from the immediate preceding quarter. The Group registered profit before taxation of RM2.57 million as compared to loss before taxation of RM1.76 million in the immediate preceding quarter, recorded an increase in profitability by 246%. Better result of the Group's revenue and profitability for the current quarter was mainly due to the improvement of the performance of the harvesting, sawmilling and kiln-drying segments.

Harvesting, saw-milling & kiln-drying Segment

Harvesting, saw-milling & kiln-drying segment recorded profit before taxation of RM3.36 million as compared to loss before taxation of RM0.86 million in the immediate preceding quarter.

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21. Material change in performance of operating segments of current quarter compared with preceding quarter (continued)

Harvesting, saw-milling & kiln-drying Segment (continued)

(i) Operating revenue

Operating revenue increased by RM2.17 million or 34% from RM6.30 million in the immediate preceding quarter to RM8.47 million in the current quarter. The increase was in line with the increase in sales volume of sawn timber from 3,616 tonne in the immediate preceding quarter to 7,642 tonne in the quarter under review due to the improvement of the logging activities. Internal logs extraction increased by 352% to 15,640 hoppus tonne in the current quarter as compared to 3,454 hoppus tonne in the immediate preceding quarter.

(ii) Other operating income

Other operating income increased by RM0.297 million or 594% from RM0.005 million to RM0.302 million in the current quarter mainly due to dividend income from investment securities amounting to RM0.25 million.

(iii) Expenses

Overall expenses for the segment decreased by RM1.75 million or 24% from RM7.16 million to RM5.41 million in the current quarter. This was mainly due to a reduction in cost of sales in the current quarter as a result of the increase in the level of closing stocks of sawn timber.

Manufacturing Segment

Manufacturing segment registered profit before taxation of RM0.47 million in the current year quarter as compared with profit before taxation of RM0.25 million in the immediate preceding quarter.

(i) Operating revenue

Segment's operating revenue for the current quarter increased by RM1.68 million or 27% from RM6.33 million in the immediate preceding quarter to RM8.01 million in the current quarter. Increase in operating revenue was mainly due to the increase in sales volume of glasses to 146,431 units from 97,442 units recorded in the immediate preceding quarter.

(ii) Other operating income

Other operating income increased by RM0.06 million or 150% from RM0.04 million to RM0.10 million in the current quarter as a result of gain on foreign exchange of RM0.06 million.

(iii) Expenses

Expenses increased by RM1.5 million or 25% from RM6.13 million in the immediate preceding quarter to RM7.63 million in the current quarter mainly due to increase in manufacturing cost of RM1.34 million or 24%, in line with the increase in the glass production volume during the current quarter by 10,318 units.

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21. Material change in performance of operating segments of current quarter compared with preceding quarter (continued)

Others Segment

The segment shown slight increase in revenue from RM0.017 million in the immediate preceding quarter to RM0.024 million in the quarter under review mainly due to increase in sales volume of doors in the quarter under review. The loss before taxation for the segment in the quarter under review increased by 11% from RM1.14 million to RM1.27 million as compared to immediate preceding quarter mainly due to increase in administrative expenses such as bonus which increased by RM0.074 million and insurance which increased by RM0.092 million.

22. Commentary on prospect

Harvesting, sawmilling and kiln drying of timber

Internal logs production and mid-stream activities are expected to further improve in the coming quarters as the weather conditions improves. However, the sawmilling and kiln-drying segment will face challenges in the downturn of export demand and over supply in the market that could affect the selling price of the sawn timber.

Operationally, the segment will continue to face challenges such as reduction in annual coupe, ability to achieve optimum extraction yield per hectare, higher fuel cost, transport cost and other operational costs. However, with the continuous improvement initiatives by the management, the performance of the harvesting, sawmill and kiln drying segment is expected to improve.

Manufacturing

Price volatility and availability of raw materials will cause greater challenge to the Group. Competition remains stiff especially in the local market as the customers demand lower prices and high quality products.

With the continuous supply to the current secured projects from Government and Vietnam projects, the segment is thus, expected to remain profitable for the next quarter.

23. Changes in material litigation

There was no material litigation against the Group.

24. Dividend payable

There was no dividend paid by the Company during the financial period ended 30 June 2012 (30 June 2011: RM Nil).

25. Risks and policies of derivatives

The Group did not enter into any derivatives during the financial period ended 30 June 2012 or the previous financial year ended 31 December 2011.

26. Disclosure of gains/losses arising from fair value changes of financial liabilities

The Group did not have any financial liabilities measured at fair value through profit or loss as at 30 June 2012 and 31 December 2011.

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27. Breakdown of realised and unrealised losses

The breakdown of the accumulated losses of the Group as at 30 June 2012 and 31 December 2011 into realised and unrealised losses is presented in accordance with the directives issued by Bursa Malaysia Securities Berhad dated 25 March 2010 and 20 December 2010, 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.

	Current quarter ended	Previous financial year ended
	31.06.2012	31.12.2011
	RM'000	RM'000
Total accumulated losses of the Company and its subsidiaries		
- Realised	(76,302)	(77,157)
- Unrealised	6,948	6,850
	<u>(69,354)</u>	<u>(70,307)</u>
Less: Consolidation adjustments	57,300	57,302
Total Group accumulated losses as per financial statements	<u>(12,054)</u>	<u>(13,005)</u>

28. Auditors' report on preceding annual financial statements

The auditors' report on the financial statements for the year ended 31 December 2011 was not qualified.

29. Authorised for issue

The condensed consolidated interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 14 August 2012.

By order of the Board

Dato' Haji Zakaria bin Awang
Chief Executive Officer