

GOLDEN PHAROS BERHAD (Company No. 152205-W)
INTERIM FINANCIAL STATEMENTS

CONDENSED CONSOLIDATED INCOME STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2011

| | <u>Note</u> | Individual Quarter | | Cumulative Quarter | |
|---|-------------|---------------------------|------------------------------------|---------------------------|------------------------------------|
| | | 30.09.2011 RM'000 | 30.09.2010 RM'000 (restated) | 30.09.2011 RM'000 | 30.09.2010 RM'000 (restated) |
| Continuing Operations | | | | | |
| Revenue | 9 | 14,786 | 14,012 | 44,042 | 44,504 |
| Cost of sales | | <u>(11,622)</u> | <u>(12,993)</u> | <u>(35,614)</u> | <u>(37,947)</u> |
| Gross profit | | 3,164 | 1,019 | 8,428 | 6,557 |
| Other income | | 80 | 377 | 2,217 | 858 |
| Marketing expenses | | (374) | (335) | (1,008) | (997) |
| Administrative expenses | | (2,549) | (2,719) | (7,180) | (8,253) |
| Other expenses | | <u>(38)</u> | <u>(184)</u> | <u>(131)</u> | <u>(395)</u> |
| Operating profit/(loss) | 9 | 283 | (1,842) | 2,326 | (2,230) |
| Finance costs | | <u>(97)</u> | <u>(48)</u> | <u>(307)</u> | <u>(75)</u> |
| Profit/(loss) before taxation | | 186 | (1,890) | 2,019 | (2,305) |
| Income tax benefit/(expense) | 20 | <u>46</u> | <u>670</u> | <u>(35)</u> | <u>609</u> |
| Profit/(loss) for the period from continuing operations | | 232 | (1,220) | 1,984 | (1,696) |
| Discontinued operation | | | | | |
| Profit/(loss) for the period from a discontinued operation | 19 | 1,124 | (366) | 1,319 | (4,348) |
| Profit/(loss) for the period | | <u>1,356</u> | <u>(1,586)</u> | <u>3,303</u> | <u>(6,044)</u> |
| Attributable to: | | | | | |
| Owners of the parent | | <u>1,356</u> | <u>(1,586)</u> | <u>3,303</u> | <u>(6,044)</u> |
| Earnings/(loss) per share attributable to owners of the parent: | | | | | |
| - Basic, for earnings/(loss) from continuing operations (sen) | 28 | 0.17 | (0.91) | 1.47 | (1.26) |
| - Basic, for earnings/(loss) from discontinued operations (sen) | 28 | 0.84 | (0.27) | 0.98 | (3.23) |
| - Basic, for earnings/(loss) for the period | | <u>1.01</u> | <u>(1.18)</u> | <u>2.45</u> | <u>(4.49)</u> |

The condensed consolidated income statements should be read in conjunction with the audited financial statements for the year ended 31 December 2010 and the accompanying explanatory notes attached to the interim financial statements.

GOLDEN PHAROS BERHAD (Company No. 152205-W)
INTERIM FINANCIAL STATEMENTS

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 SEPTEMBER 2011

| | Individual Quarter | | Cumulative Quarter | |
|---|---------------------------|------------------------------------|---------------------------|------------------------------------|
| | 30.09.2011 RM'000 | 30.09.2010 RM'000 (restated) | 30.09.2011 RM'000 | 30.09.2010 RM'000 (restated) |
| Profit/(loss) for the period from continuing operations | 232 | (1,220) | 1,984 | (1,696) |
| Profit/(loss) for the period from a discontinued operation | 1,124 | (366) | 1,319 | (4,348) |
| Profit/(loss) for the period | <u>1,356</u> | <u>(1,586)</u> | <u>3,303</u> | <u>(6,044)</u> |
| Net (loss)/gain on available-for-sale (AFS) financial assets | | | | |
| - (Loss)/gain on fair value changes | (612) | 742 | (1,129) | 1,706 |
| - Deferred tax relating to AFS financial assets | - | (185) | 1,294 | (426) |
| - Transfer to profit or loss upon disposal | - | - | (1,637) | - |
| Total comprehensive income | <u>744</u> | <u>(1,029)</u> | <u>1,831</u> | <u>(4,764)</u> |
| Total comprehensive income attributable to: Owners of the parent | <u>744</u> | <u>(1,029)</u> | <u>1,831</u> | <u>(4,764)</u> |

The condensed consolidated statements of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2010 and the accompanying explanatory notes attached to the interim financial statements.

GOLDEN PHAROS BERHAD (Company No. 152205-W)
 INTERIM FINANCIAL STATEMENTS

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
 AS AT 30 SEPTEMBER 2011

| | <u>Note</u> | As at 30.09.2011 RM'000 | As at 31.12.2010 RM'000 |
|--|-------------|-------------------------------|-------------------------------|
| Assets | | | |
| Non-current assets | | | |
| Property, plant and equipment | | 46,344 | 48,273 |
| Available-for-sale investments | | 4,628 | 8,156 |
| Deferred tax assets | | 517 | - |
| | | <u>51,489</u> | <u>56,429</u> |
| Current assets | | | |
| Inventories | | 17,940 | 13,927 |
| Trade and other receivables | | 23,707 | 22,669 |
| Cash and bank balances | | 4,861 | 5,254 |
| Assets of disposal group classified as held for sale | | - | 74 |
| | | <u>46,508</u> | <u>41,924</u> |
| Total assets | | <u>97,997</u> | <u>98,353</u> |
| Equity and liabilities | | | |
| Equity attributable to owners of the parent | | | |
| Share capital | | 67,273 | 67,273 |
| Reserves | | (12,386) | (14,217) |
| Total equity | | <u>54,887</u> | <u>53,056</u> |
| Non-current liabilities | | | |
| Retirement benefit obligations | | 4,910 | 4,629 |
| Borrowings | 24 | 464 | 426 |
| Deferred tax liabilities | | - | 1,143 |
| | | <u>5,374</u> | <u>6,198</u> |
| Current liabilities | | | |
| Borrowings | 24 | 813 | 7,647 |
| Overdrafts | 24 | 8,157 | 6,063 |
| Trade and other payables | | 28,766 | 25,389 |
| | | <u>37,736</u> | <u>39,099</u> |
| Total liabilities | | <u>43,110</u> | <u>45,297</u> |
| Total equity and liabilities | | <u>97,997</u> | <u>98,353</u> |
| Net assets per share attributable to owners of the parent (RM) | | 0.41 | 0.39 |

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2010 and the accompanying explanatory notes attached to the interim financial statements.

GOLDEN PHAROS BERHAD (Company No. 152205-W)
INTERIM FINANCIAL STATEMENTS

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 SEPTEMBER 2011

| | ← | | Attributable to owners of the parent | | | | → | |
|---|---------------|---------------|--------------------------------------|---------------------|----------------------------|--|---------------|--|
| | Share Capital | Share Premium | Reserve Arising From Merger | Revaluation Reserve | Available For Sale Reserve | Retained Earnings / (Accumulated Losses) | Total Equity | |
| | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | |
| At 1 January 2011 | 67,273 | 625 | (22,718) | 18,508 | 3,884 | (14,516) | 53,056 | |
| Total comprehensive income for the period | - | - | - | - | (1,472) | 3,303 | 1,831 | |
| At 30 September 2011 | 67,273 | 625 | (22,718) | 18,508 | 2,412 | (11,213) | 54,887 | |
| At 1 January 2010 | 67,273 | 625 | (22,718) | 18,508 | - | 7,064 | 70,752 | |
| Effect arising from adoption of FRS 139 | - | - | - | - | 1,056 | - | 1,056 | |
| At 1 January 2010, as restated | 67,273 | 625 | (22,718) | 18,508 | 1,056 | 7,064 | 71,808 | |
| Total comprehensive income for the period | - | - | - | - | 1,280 | (6,044) | (4,764) | |
| At 30 September 2010 | 67,273 | 625 | (22,718) | 18,508 | 2,336 | 1,020 | 67,044 | |

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2010 and the accompanying explanatory notes attached to the interim financial statements.

**GOLDEN PHAROS BERHAD (Company No. 152205-W)
INTERIM FINANCIAL STATEMENTS**

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 SEPTEMBER 2011**

| | 30.09.2011 RM'000 | 30.09.2010 RM'000 |
|---|----------------------|----------------------|
| Operating activities | | |
| Profit/(loss) before tax from continuing operations | 2,019 | (2,305) |
| Profit/(loss) before tax from discontinued operation | 1,319 | (4,348) |
| Profit/(loss) before tax, net | <u>3,338</u> | <u>(6,653)</u> |
| Adjustments for: | | |
| Non-cash items | 3,039 | 4,610 |
| Non-operating items | (1,275) | (281) |
| Operating profit/(loss) before working capital changes | <u>5,102</u> | <u>(2,324)</u> |
| Net changes in current assets | (5,481) | (10,210) |
| Net changes in current liabilities | 746 | 3,352 |
| Cash generated from/(used in) operating activities | <u>367</u> | <u>(9,182)</u> |
| Interest paid | (690) | (517) |
| Taxation paid | (167) | (72) |
| Payment of retirement benefits | (365) | (939) |
| Net cash used in operating activities | <u>(855)</u> | <u>(10,710)</u> |
| Investing activities | | |
| Purchase of property, plant and equipment | (725) | (1,658) |
| Proceeds from disposal of property, plant and equipment | 196 | 491 |
| Proceeds from disposal of investment securities | 2,408 | - |
| Dividend received | 283 | 295 |
| Interest received | 41 | 27 |
| Net cash generated from/(used in) investing activities | <u>2,203</u> | <u>(845)</u> |
| Financing activities | | |
| Proceeds from borrowings | 5,118 | 16,204 |
| Repayments of borrowings | (8,946) | (13,645) |
| Interest paid | (7) | (8) |
| Net cash (used in)/generated from financing activities | <u>(3,835)</u> | <u>2,551</u> |
| Net decrease in cash and cash equivalents | (2,487) | (9,004) |
| Cash and cash equivalents at beginning of the period | (809) | 9,456 |
| Cash and cash equivalents at end of the period | <u>(3,296)</u> | <u>452</u> |

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

| | As at 30.09.2011 RM'000 | As at 30.09.2010 RM'000 |
|------------------------|-------------------------------|-------------------------------|
| Cash and bank balances | 4,861 | 5,448 |
| Overdrafts | (8,157) | (4,996) |
| | <u>(3,296)</u> | <u>452</u> |

The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the year ended 31 December 2010 and accompanying explanatory notes attached to the interim financial statements.

**GOLDEN PHAROS BERHAD (Company No. 152205-W)
INTERIM FINANCIAL STATEMENTS**

PART A - Explanatory Notes Pursuant to FRS 134

1. Basis of Preparation

The interim financial statements are unaudited and have been prepared in accordance with the requirements of FRS 134: Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the Group's audited financial statements for the year ended 31 December 2010. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2010.

2. Changes in Accounting Policies

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2010, except for the adoption of the following new Financial Reporting Standards (FRSs), Amendments to FRSs and Interpretations.

| <u>Description</u> | <u>Effective for annual periods beginning on or after</u> |
|--|---|
| FRS 1 First-time Adoption of Financial Reporting Standards | 1 July 2010 |
| FRS 3 Business Combinations (Revised) | 1 July 2010 |
| Amendments to FRS 2 Share-based Payment | 1 July 2010 |
| Amendments to FRS 5 Non-current Assets Held for Sale and Discontinued Operations | 1 July 2010 |
| Amendments to FRS 127 Consolidated and Separate Financial Statements | 1 July 2010 |
| Amendments to FRS 138 Intangible Assets | 1 July 2010 |
| Amendments to IC Interpretation 9 Reassessment of Embedded Derivatives | 1 July 2010 |
| IC Interpretation 12 Service Concession Arrangements | 1 July 2010 |
| IC Interpretation 15 Agreements for the Construction of Real Estate | 1 July 2010 |
| IC Interpretation 16 Hedges of a Net Investment in a Foreign Operation | 1 July 2010 |
| IC Interpretation 17 Distributions of Non-cash Assets to Owners | 1 July 2010 |
| Amendments to FRS 132: Classification of Rights Issues | 1 March 2010 |
| Amendments to FRS 1: Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters | 1 January 2011 |
| Amendments to FRS 7: Improving Disclosures about Financial Instruments | 1 January 2011 |

Except for the changes in accounting policies arising from the adoption of the revised FRS 3 and the amendments to FRS 127, as well as the new disclosures required under the Amendments to FRS 7, the directors expect that the adoption of the other standards and interpretations above will have no material impact on the financial statements in the period of initial application. The nature of the impending changes in accounting policy on adoption of the revised FRS 3 and the amendments to FRS 127 are described below.

PART A - Explanatory Notes Pursuant to FRS 134 (Cont'd.)

2. Changes in Accounting Policies (cont'd.)

Revised FRS 3 Business Combinations and Amendments to FRS 127 Consolidated and Separate Financial Statements

The revised standards are effective for annual periods beginning on or after 1 July 2010. The revised FRS 3 introduces a number of changes in the accounting for business combinations occurring after 1 July 2010. These changes will impact the amount of goodwill recognised, the reported results in the period that an acquisition occurs, and future reported results. The Amendments to FRS 127 require that a change in the ownership interest of a subsidiary (without loss of control) is accounted for as an equity transaction. Therefore, such transactions will no longer give rise to goodwill, nor will they give rise to a gain or loss. Furthermore, the amended standard changes the accounting for losses incurred by the subsidiary as well as the loss of control of a subsidiary. Other consequential amendments have been made to FRS 107 Statement of Cash Flows, FRS 112 Income Taxes, FRS 121 The Effects of Changes in Foreign Exchange Rates, FRS 128 Investments in Associates and FRS 131 Interests in Joint Ventures. The changes from revised FRS 3 and Amendments to FRS 127 will affect future acquisitions or loss of control and transactions with minority interests.

3. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the year ended 31 December 2010 was not subject to any qualification.

4. Comments About Seasonal or Cyclical Factors

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

5. Unusual Items Due to their Nature, Size or Incidence

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the financial period to date.

6. Changes in Estimates

There were no significant changes in estimates of amounts reported in the current financial period ended 30 September 2011.

7. Debt and Equity Securities

There were no issuance of debt and equity securities, share buy backs, share cancellations, shares held as treasury shares and resale of treasury shares for the financial period ended 30 September 2011.

8. Dividends Paid

There were no dividends paid by the Company during the financial period ended 30 September 2011.

GOLDEN PHAROS BERHAD (Company No. 152205-W)
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PART A - Explanatory Notes Pursuant to FRS 134 (Cont'd.)

9. Segmental Information

The analysis by activities of the Group for the financial period ended 30 September 2011 was as follows:-

| Segment Revenue | Individual Quarter | | Cumulative Quarter | |
|--|----------------------|------------------------------------|----------------------|------------------------------------|
| | 30.09.2011 RM'000 | 30.09.2010 RM'000 (restated) | 30.09.2011 RM'000 | 30.09.2010 RM'000 (restated) |
| Revenue from continuing operations: | | | | |
| Harvesting, saw-milling & kiln drying | 13,174 | 11,686 | 39,720 | 42,275 |
| Manufacturing | 6,545 | 6,412 | 19,296 | 18,270 |
| Others | 716 | 749 | 2,817 | 2,258 |
| | <u>20,435</u> | <u>18,847</u> | <u>61,833</u> | <u>62,803</u> |
| Inter group eliminations | (5,649) | (4,835) | (17,791) | (18,299) |
| Total revenue from continuing operations | <u>14,786</u> | <u>14,012</u> | <u>44,042</u> | <u>44,504</u> |
| Revenue from discontinued operation | 61 | 3,223 | 2,773 | 9,326 |
| Total | <u><u>14,847</u></u> | <u><u>17,235</u></u> | <u><u>46,815</u></u> | <u><u>53,830</u></u> |

Segment Results

| | | | | |
|--|---------------------|-----------------------|---------------------|-----------------------|
| Results from continuing operations: | | | | |
| Harvesting, saw-milling & kiln drying | 644 | (504) | 3,824 | 1,396 |
| Manufacturing | 155 | (155) | 48 | (109) |
| Others | (269) | (534) | (110) | (19,144) |
| | <u>530</u> | <u>(1,193)</u> | <u>3,762</u> | <u>(17,857)</u> |
| Eliminations | (247) | (649) | (1,436) | 15,627 |
| Total results from continuing operations | <u>283</u> | <u>(1,842)</u> | <u>2,326</u> | <u>(2,230)</u> |
| Results from discontinued operation | 1,299 | (196) | 1,851 | (3,870) |
| Total | <u><u>1,582</u></u> | <u><u>(2,038)</u></u> | <u><u>4,177</u></u> | <u><u>(6,100)</u></u> |

10. Carrying Amount of Revalued Assets

The Group did not carry out any revaluation on its property, plant and equipment in the financial period to date. The valuations of property, plant and equipment have been brought forward without amendment from the financial statements for the year ended 31 December 2010.

11. Changes in Composition of the Group

There were no changes in the composition of the Group for the current quarter and financial period ended 30 September 2011.

12. Changes in Contingent Liabilities or Contingent Assets

There were no changes in contingent liabilities or contingent assets since the last annual balance sheet as at 31 December 2010.

13. Significant Event

There was no material significant event during the period under review other than as disclosed in Note 19.

PART B - Explanatory Notes Pursuant to Appendix 9B
of the Listing Requirements of Bursa Malaysia Securities Berhad

14. Subsequent Events

There were no material events subsequent to the end of the period reported which are likely to affect substantially the results of the operations of the Group for the financial period ended 30 September 2011.

15. Performance Review

The Group revenue for the period ended 30 September 2011 of RM44.04 million decreased by 1.04% or RM0.46 million against the previous corresponding period ended 30 September 2010. The decrease in revenue was mainly due to drop in sales volume and substantial reduction of high value species harvested during the period.

However, internal logs extraction increased by 23% from 27,836 hoppus tonne in the previous corresponding period to 34,173 hoppus tonne in the period under review. Higher production volume of logs translated into lower cost per unit logs produced, resulting increased in profit margin and profit before tax.

The Group's registered profit for the period ended 30 September 2011 of RM3.30 million compared to loss for the period of RM6.04 million reported in the corresponding quarter of 2010. The significant improvement is mainly due to the cessation of an under performing subsidiary as disclosed in Note 19 and gain on disposal of quoted securities as mentioned in Note 22.

16. Comment on Material Change in results against preceding quarter

The Group's revenue for the quarter under review decreased by RM2.86 million or 16% from the preceding quarter. In terms of profitability, the Group recorded profit before taxation of RM186 thousand which represents a decrease of RM2.87 million as compared to profit before taxation of RM3.06 million in the preceding quarter. Lower revenue recorded during the quarter under review was mainly due to the decrease in revenue from harvesting, saw-milling and kiln-drying segment by 25% from RM17.59 million to RM13.18 million.

17. Commentary on Prospects

The prospects of timber industry is expected to remain positive due to current high demand of wood based products. The Group will continue its efforts to implement and monitor management action plan to ensure that targeted profit will be achieved.

Barring unforeseen circumstances, the Group expects its results to be better than the financial year 2010.

18. Profit Forecast or Profit Guarantee

There was no profit forecast nor profit guarantee issued for the period ended 30 September 2011.

19. Discontinued Operation

During the prior year, the Company has announced the decision to shut-down the operation of one of its wholly-owned subsidiary, Golden Pharos Doors Sdn. Bhd. ("GPD") which has been under performing for the last three years. GPD had in April 2011, ceased its in-house door production and re-engineered its business operations into a trading hub with effect from the same date.

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INTERIM FINANCIAL STATEMENTS**

**PART B - Explanatory Notes Pursuant to Appendix 9B
of the Listing Requirements of Bursa Malaysia Securities Berhad (Cont'd.)**

19. Discontinued Operation (cont'd.)

The revenue, results and cash flows of GPD were as follows:

| | Individual Quarter | | Cumulative Quarter | |
|--|----------------------|----------------------|----------------------|----------------------|
| | 30.09.2011 RM'000 | 30.09.2010 RM'000 | 30.09.2011 RM'000 | 30.09.2010 RM'000 |
| Revenue | 61 | 3,223 | 2,773 | 9,326 |
| Profit/(loss) before tax | 1,124 | (366) | 1,319 | (4,348) |
| Income tax expense | - | - | - | - |
| Profit/(loss) for the period from discontinued operation | 1,124 | (366) | 1,319 | (4,348) |
| Cash flows from operating activities | (717) | (2,635) | (3,201) | (6,814) |
| Cash flows from investing activities | - | - | 1 | 48 |
| Cash flows from financing activities | (1,452) | 362 | (6,369) | 1,803 |
| Total cash flows | (2,169) | (2,273) | (9,569) | (4,963) |

20. Income Tax (Benefit)/Expense

| | Individual Quarter | | Cumulative Quarter | |
|--------------------------------------|----------------------|----------------------|----------------------|----------------------|
| | 30.09.2011 RM'000 | 30.09.2010 RM'000 | 30.09.2011 RM'000 | 30.09.2010 RM'000 |
| Current taxation expenses | 118 | (131) | 397 | 21 |
| Under/(over) provision of income tax | 4 | (557) | 4 | (557) |
| Deferred tax | (31) | 91 | (236) | 70 |
| Over provision of deferred tax | (137) | (73) | (130) | (143) |
| | (46) | (670) | 35 | (609) |
| Effective tax rate | 3.4% | -42.2% | -1.1% | -10.1% |

For the current financial period under review, the Group's effective tax rate was lower than the statutory tax rate due to reversal of deferred tax in prior years in certain subsidiaries and utilisation of unabsorbed business losses.

21. Sale of Unquoted Investments And/Or Properties

There were no sale of unquoted investments and properties except for the disposal of a building in Feb 2011 which resulted in a profit on the disposal of RM0.01 million.

GOLDEN PHAROS BERHAD (Company No. 152205-W)
 INTERIM FINANCIAL STATEMENTS

PART B - Explanatory Notes Pursuant to Appendix 9B
of the Listing Requirements of Bursa Malaysia Securities Berhad (Cont'd.)

22. Quoted Securities

a) Details of disposals of quoted securities are as follows:

| | Individual Quarter | | Cumulative Quarter | |
|--|--------------------|------------|--------------------|------------|
| | 30.09.2011 | 30.09.2010 | 30.09.2011 | 30.09.2010 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Included within available-for sale financial assets: | | | | |
| - Sales proceeds | - | - | 2,408 | - |
| - Gain on disposal | - | - | 1,645 | - |

b) Investments in quoted securities as at 30 September 2011 were as follows:-

| | RM' 000 |
|---|---------|
| i) At cost | 1,228 |
| ii) At carrying value/book value | 4,628 |
| iii) At market value at end of reporting period | 4,628 |

23. Status of Corporate Proposals Announced

The corporate restructuring exercise was completed on 30 April 2008 except for the proposed ESOS.

24. Borrowings

Details of the Group's borrowings as at 30 September 2011 are as follows:-
 (Including overdrafts)

| | RM' 000 |
|---|---------|
| a) Unsecured | - |
| Secured | 9,434 |
| | 9,434 |
| b) Short term borrowings (due within 12 months) | 8,970 |
| Long term borrowings (due after 12 months) | 464 |
| | 9,434 |

c) There were no Group borrowings denominated in foreign currencies as at 30 September 2011.

25. Off Balance Sheet Financial Instruments

The Group did not enter into any contract involving off balance sheet financial instruments during the financial period ended 30 September 2011.

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**PART B - Explanatory Notes Pursuant to Appendix 9B
of the Listing Requirements of Bursa Malaysia Securities Berhad (Cont'd.)**

26. Changes in Material Litigation

There were no changes in material litigation, including the status of pending material litigation since the last annual balance sheet date of 31 December 2010.

27. Dividend

The Board of Directors does not recommend any payment of dividend for the period ended 30 September 2011.

28. Basic Earnings/(Loss) per Share

Basic earnings/(loss) per share is calculated by dividing profit/(loss) for the period attributable to owners of the parent by the weighted average number of ordinary shares in issue during the period.

| | | Individual Quarter | | Cumulative Quarter | |
|--|----------|--------------------|------------|--------------------|------------|
| | | 30.09.2011 | 30.09.2010 | 30.09.2011 | 30.09.2010 |
| Profit/(loss) from continuing operations attributable to owners of the parent | (RM'000) | 232 | (1,220) | 1,984 | (1,696) |
| Profit/(loss) from discontinued operation attributable to owners of the parent | (RM'000) | 1,124 | (366) | 1,319 | (4,348) |
| Profit/(loss) attributable to owners of the parent | (RM'000) | 1,356 | (1,586) | 3,303 | (6,044) |
| Weighted average number of shares in issue | (' 000) | 134,547 | 134,547 | 134,547 | 134,547 |
| Basic earnings/(loss) per share for: | | | | | |
| Profit/(loss) from continuing operations | (sen) | 0.17 | (0.91) | 1.47 | (1.26) |
| Profit/(loss) from discontinued operation | (sen) | 0.84 | (0.27) | 0.98 | (3.23) |
| Profit/(loss) for the period | (sen) | 1.01 | (1.18) | 2.45 | (4.49) |

29. Realised and Unrealised Profit or Loss Disclosure

| | As at 30.09.2011 RM'000 | As at 31.12.2010 RM'000 |
|---|-------------------------------|-------------------------------|
| Total (accumulated losses)/retained profits of the Company and subsidiaries | | |
| - Realised | (17,899) | (20,837) |
| - Unrealised | 6,686 | 6,321 |
| Total Group accumulated losses as per consolidated accounts | (11,213) | (14,516) |

**GOLDEN PHAROS BERHAD (Company No. 152205-W)
INTERIM FINANCIAL STATEMENTS**

**PART B - Explanatory Notes Pursuant to Appendix 9B
of the Listing Requirements of Bursa Malaysia Securities Berhad (Cont'd.)**

30. Authorisation for Issue

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 17 November 2011.

31. Limited Review by External Auditors

The Group's quarterly results for the 3rd Quarter period ended 30 September 2011 have been reviewed by our external auditors in accordance with FRS 134 and Appendix 9B of Main Market listing requirements of Bursa Malaysia Securities Berhad.

The limited review by our external auditors has been performed since the 3rd quarter period ended 30 September 2006.

By order of the Board

Dato' Zakaria bin Awang
Chief Executive Officer