

GOLDEN PHAROS BERHAD (Company No. 1986011003051)
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2021

	Note	Current quarter 3 months ended		Cumulative quarter 3 months ended	
		31.03.2021	31.03.2020	31.03.2021	31.03.2020
		Unaudited RM'000	Unaudited RM'000	Unaudited RM'000	Unaudited RM'000
Revenue		12,324	5,825	12,324	5,825
Cost of sales		<u>(10,117)</u>	<u>(6,250)</u>	<u>(10,117)</u>	<u>(6,250)</u>
Gross profit/(loss)		2,207	(425)	2,207	(425)
Other operating income		183	105	183	105
Administrative expenses		(3,271)	(2,822)	(3,271)	(2,822)
Other operating expenses		<u>(311)</u>	<u>(334)</u>	<u>(311)</u>	<u>(334)</u>
Operating loss		(1,192)	(3,476)	(1,192)	(3,476)
Finance costs		<u>(169)</u>	<u>(265)</u>	<u>(169)</u>	<u>(265)</u>
Loss before tax	7	(1,361)	(3,741)	(1,361)	(3,741)
Income tax benefit	8	<u>27</u>	<u>161</u>	<u>27</u>	<u>161</u>
Loss for the period, net of tax		<u>(1,334)</u>	<u>(3,580)</u>	<u>(1,334)</u>	<u>(3,580)</u>
Loss for the period attributable to:					
Owners of the parent		<u>(1,334)</u>	<u>(3,580)</u>	<u>(1,334)</u>	<u>(3,580)</u>
Loss per share attributable to owners of the parent (sen per share)					
- Basic	9	<u>(0.98)</u>	<u>(2.64)</u>	<u>(0.98)</u>	<u>(2.64)</u>

These condensed consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2020 and the accompanying explanatory notes attached to these interim financial statements.

GOLDEN PHAROS BERHAD (Company No. 1986011003051)
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2021 (CONTINUED)

	Current quarter		Cumulative quarter	
	3 months ended		3 months ended	
	31.03.2021	31.03.2020	31.03.2021	31.03.2020
	Unaudited	Unaudited	Unaudited	Unaudited
<u>Note</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Loss for the period, net of tax	<u>(1,334)</u>	<u>(3,580)</u>	<u>(1,334)</u>	<u>(3,580)</u>
Other comprehensive income				
Other comprehensive income to be reclassified to profit or loss in subsequent periods:				
Net loss on fair value changes of fair value through other comprehensive income ("FVTOCI") financial assets	<u>(217)</u>	<u>(894)</u>	<u>(217)</u>	<u>(894)</u>
Other comprehensive loss for the period, net of tax	<u>(217)</u>	<u>(894)</u>	<u>(217)</u>	<u>(894)</u>
Total comprehensive loss for the period, net of tax	<u>(1,551)</u>	<u>(4,474)</u>	<u>(1,551)</u>	<u>(4,474)</u>
Total comprehensive loss for the period, net of tax attributable to:				
Owners of the parent	<u>(1,551)</u>	<u>(4,474)</u>	<u>(1,551)</u>	<u>(4,474)</u>

These condensed consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2020 and the accompanying explanatory notes attached to these interim financial statements.

GOLDEN PHAROS BERHAD (Company No. 1986011003051)
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2021

	Note	31.03.2021 Unaudited RM'000	31.12.2020 Audited RM'000
Assets			
Non-current assets			
Property, plant and equipment	10	13,369	13,696
Right-of-use assets		25,651	25,839
Investment properties		19,773	18,119
Intangible assets		1,659	1,155
Goodwill	11	-	-
Investment in associates		3,571	3,571
Deferred tax assets		901	798
Investment securities	12	1,042	2,010
		<u>65,966</u>	<u>65,188</u>
Current assets			
Inventories		7,260	6,762
Trade and other receivables		13,998	13,289
Tax recoverable		3,048	3,149
Cash and bank balances	13	10,659	13,137
		<u>34,965</u>	<u>36,337</u>
Non-current assets held for sale		10	20
		<u>34,975</u>	<u>36,357</u>
Total assets		<u>100,941</u>	<u>101,545</u>
Equity and liabilities			
Equity			
Share capital	14	80,697	80,447
Retained earnings		6,770	8,243
Other reserves		(20,308)	(20,298)
Total equity		<u>67,159</u>	<u>68,392</u>
Non-current liabilities			
Retirement benefit obligations		7,497	7,014
Borrowings	15	9,728	10,241
Lease liabilities		19	1
		<u>17,244</u>	<u>17,256</u>
Current liabilities			
Retirement benefit obligations		262	702
Borrowings	15	2,477	1,832
Lease liabilities		29	24
Trade and other payables		13,770	13,339
		<u>16,538</u>	<u>15,897</u>
Total liabilities		<u>33,782</u>	<u>33,153</u>
Total equity and liabilities		<u>100,941</u>	<u>101,545</u>
Net assets per share attributable to owners of the parent ("RM")		0.49	0.50

These condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2020 and the accompanying explanatory notes attached to these interim financial statements.

**GOLDEN PHAROS BERHAD (Company No. 1986011003051)
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2021**

	Attributable to owners of the parent							
	Non-distributable				Distributable			
	Equity, total	Share capital	Total retained earnings	Other reserves, total	Fair value reserve	Equity contribution from owners	Reserve arising from merger	Employee share option reserve
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
Opening balance at 1 January 2021	68,392	80,447	8,243	(20,298)	477	1,262	(22,718)	681
Loss for the period	(1,334)	-	(1,334)	-	-	-	-	-
Other comprehensive income								
- Net loss on fair value changes of FVTOCI financial assets	(217)	-	-	(217)	(217)	-	-	-
Total comprehensive loss	(1,551)	-	(1,334)	(217)	(217)	-	-	-
Transfer to retained earnings from fair value reserve upon disposal of FVTOCI financial assets	-	-	(139)	139	139	-	-	-
<u>Transaction with owners</u>								
- Share-based payment under the LTIP: Grant of ESOS	68	-	-	68	-	-	-	68
- Issuance of ordinary shares: Exercise of ESGS	250	250	-	-	-	-	-	-
Closing balance at 31 March 2021	67,159	80,697	6,770	(20,308)	399	1,262	(22,718)	749
Opening balance at 1 January 2020	62,896	68,447	14,936	(20,487)	714	1,262	(22,718)	255
Loss for the period	(3,580)	-	(3,580)	-	-	-	-	-
Other comprehensive income								
- Net loss on fair value changes of FVTOCI financial assets	(894)	-	-	(894)	(894)	-	-	-
Total comprehensive loss	(4,474)	-	(3,580)	(894)	(894)	-	-	-
<u>Transaction with owners</u>								
- Share-based payment under the LTIP: Grant of ESOS	33	-	-	33	-	-	-	33
Closing balance at 31 March 2020	58,455	68,447	11,356	(21,348)	(180)	1,262	(22,718)	288

These condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2020 and the accompanying explanatory notes attached to these interim financial statements.

GOLDEN PHAROS BERHAD (Company No. 1986011003051)
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2021

	Note	3 months ended	
		31.03.2021 Unaudited RM'000	31.03.2020 Unaudited RM'000
Operating activities			
Loss before tax		(1,361)	(3,741)
<u>Adjustments for:</u>			
Interest income	7	(13)	(11)
Interest expenses	7	169	265
Gain on disposal of property, plant and equipment	7	-	(22)
Gain on disposal of non-current assets held-for-sale	7	(32)	-
Depreciation of:			
- Property, plant and equipment	7	529	564
- Investment properties	7	114	120
- Right-of-use assets	7	218	194
Property, plant and equipment written off	7	1	1
Amortisation of intangible assets	7	396	-
Share-based payment under the LTIP:			
- Grant of ESOS	7	68	33
- Exercise of ESGS	7	250	-
Provision for retirement benefits	7	190	172
Total adjustments		<u>1,890</u>	<u>1,316</u>
Operating cash flows before changes in working capital		529	(2,425)
<u>Changes in working capital</u>			
Increase in inventory		(498)	(1,906)
(Increase)/decrease in trade and other receivables		(709)	366
Increase in trade and other payables		434	47
Total changes in working capital		<u>(773)</u>	<u>(1,493)</u>
Interest paid		(169)	(265)
Income taxes paid		(115)	(442)
Retirement benefits paid		(147)	(198)
Total changes in working capital		<u>(431)</u>	<u>(905)</u>
Net cash flows used in operating activities		<u>(675)</u>	<u>(4,823)</u>
Investing activities			
Purchase of property, plant and equipment	10	(101)	(45)
Purchase of investment properties		(1,768)	-
Proceeds from disposal of property, plant and equipment		-	22
Proceeds from disposal of non-current assets held-for-sale		42	-
Proceeds from disposal of investment securities		891	-
Addition of intangible assets		(900)	(815)
Interest received		13	11
Net cash flows used in investing activities		<u>(1,823)</u>	<u>(827)</u>
Financing activities			
Contractual lease payment		(7)	(7)
Drawdown of borrowings		344	(176)
Repayment of borrowings		(569)	(232)
Net cash flows used in financing activities		<u>(232)</u>	<u>(415)</u>
Net decrease in cash and cash equivalents		(2,730)	(6,065)
Cash and cash equivalents at 1 January		11,993	19,646
Cash and cash equivalents at 31 March		<u>9,263</u>	<u>13,581</u>

These condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the year ended 31 December 2020 and the accompanying explanatory notes attached to these interim financial statements.

**GOLDEN PHAROS BERHAD (Company No. 1986011003051)
EXPLANATORY NOTES PURSUANT TO MFRS 134
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2021**

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. Basis of preparation

The condensed financial statements are unaudited and have been prepared in accordance with IAS 34, MFRS 134, *Interim Financial Reporting* and paragraph 9.22 of Bursa Malaysia Securities Berhad's Main Market Listing Requirements. They should also be read in conjunction with the financial statements of the Group for the year ended 31 December 2020 and the accompanying notes attached to the unaudited condensed consolidated financial statements.

3. Significant accounting policies

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2020, except for the adoption of the following new and amended MFRSs and IC Interpretation which are applicable to its financial statements and are relevant to its operations:-

On 1 January 2021, the Group adopted the following new and amended MFRSs and IC Interpretation mandatory for annual periods beginning on or after 1 January 2021:

Description	Effective for annual periods beginning on or after
Amendments to MFRS 9: <i>Financial Instruments</i> , MFRS 139: <i>Financial Instruments: Recognition and Measurements</i> and MFRS 7: <i>Financial Instruments: Disclosure - Interest Rate Benchmark Reform - Phase 2</i>	1 January 2021
Amendment to MFRS 16: <i>Leases - Covid-19-Related Rent Concessions beyond 30 June 2021</i>	1 April 2021
Amendments to MFRSs contained in the document entitled "Annual Improvements to MFRS Standards 2018–2020"	1 January 2022
Amendments to MFRS 3: <i>Business Combinations - Reference to the Conceptual Framework</i>	1 January 2022
Amendments to MFRS 116: <i>Property, Plant and Equipment - Property, Plant and Equipment - Proceeds before Intended Use</i>	1 January 2022
Amendments to MFRS 137: <i>Provisions, Contingent Liabilities and Contingent Assets - Onerous Contracts - Cost of Fulfilling a Contract</i>	1 January 2022
MFRS 17: <i>Insurance Contracts</i>	1 January 2023
Amendments to MFRS 17: <i>Insurance Contracts</i>	1 January 2023
Amendments to MFRS 101: <i>Presentation of Financial Statements - Classification of Liabilities as Current or Non-current</i>	1 January 2023
Amendments to MFRS 101: <i>Presentation of Financial Statements - Disclosure of Accounting policies</i>	1 January 2023
Amendments to MFRS 108: <i>Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates</i>	1 January 2023
Amendments to MFRS 10 and MFRS 128: <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Deferred

The initial application of the abovementioned standards and interpretations did not have any material impact to the financial statements of the Group.

GOLDEN PHAROS BERHAD (Company No. 1986011003051)
EXPLANATORY NOTES PURSUANT TO MFRS 134
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2021

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 adversely affected by the seasonal and cyclical factors such as rainy season.

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, kiln drying of timber, and sales of logs and logging compartments;
- (ii) Manufacturing: manufacturing and trading of glass, veneer and woodchips;
- (iii) Others: including investment holding, rental of properties, none of which are of a sufficient size to be reported separately.

	Harvesting, sawmilling and kiln drying RM'000	Manufacturing RM'000	Others RM'000	Consolidated RM'000
Results for 3 months ended 31 March 2021				
Operating revenue	6,785	5,487	52	12,324
Other operating income	134	39	10	183
Expenses	(7,711)	(5,158)	(999)	(13,868)
(Loss)/profit before taxation	(792)	368	(937)	(1,361)
Results for 3 months ended 31 March 2020				
Operating revenue	1,800	3,982	43	5,825
Other operating income	49	56	-	105
Expenses	(4,253)	(4,674)	(744)	(9,671)
Loss before taxation	(2,404)	(636)	(701)	(3,741)

GOLDEN PHAROS BERHAD (Company No. 1986011003051)
EXPLANATORY NOTES PURSUANT TO MFRS 134
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2021

7. Loss before tax

Included in the loss before taxation are the following items:

	Current quarter		Cumulative quarter	
	3 months ended		3 months ended	
	31.03.2021	31.03.2020	31.03.2021	31.03.2020
	RM'000	RM'000	RM'000	RM'000
Interest income	(13)	(11)	(13)	(11)
Interest expenses	169	265	169	265
Gain on disposal of property, plant and equipment	-	(22)	-	(22)
Gain on disposal of non-current assets held-for-sale	(32)	-	(32)	-
Depreciation of:				
- Property, plant and equipment	529	564	529	564
- Investment properties	114	120	114	120
- Right-of-use assets	218	194	218	194
Property, plant and equipment written off	1	1	1	1
Amortisation of intangible assets	396	-	396	-
Share-based payment under the LTIP:				
- Grant of ESOS	68	33	68	33
- Exercise of ESGS	250	-	250	-
Provision for retirement benefits	190	172	190	172

8. Income tax benefit

	Current quarter		Cumulative quarter	
	3 months ended		3 months ended	
	31.03.2021	31.03.2020	31.03.2021	31.03.2020
	RM'000	RM'000	RM'000	RM'000
Current income tax	216	34	216	34
Deferred income tax	(134)	(330)	(134)	(330)
Over provision of deferred tax in respect of previous years	(109)	135	(109)	135
	(27)	(161)	(27)	(161)
Effective tax rate	2.0%	4.3%	2.0%	4.3%

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 statutory tax rate due to reversal temporary differences.

GOLDEN PHAROS BERHAD (Company No. 1986011003051)
EXPLANATORY NOTES PURSUANT TO MFRS 134
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2021

9. Loss per share

Basic (loss)/earnings per share amounts are calculated by dividing (loss)/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.

		Current quarter		Cumulative quarter	
		3 months ended		3 months ended	
		31.03.2021	31.03.2020	31.03.2021	31.03.2020
Loss net of tax attributable to owners of the parent used in the computation of earnings per share	(RM'000)	<u>(1,334)</u>	<u>(3,580)</u>	<u>(1,334)</u>	<u>(3,580)</u>
Weighted average number of ordinary shares in issue	(' 000)	<u>136,177</u>	<u>135,645</u>	<u>136,177</u>	<u>135,645</u>
Basic loss per share	(sen)	<u>(0.98)</u>	<u>(2.64)</u>	<u>(0.98)</u>	<u>(2.64)</u>

10. Property, plant and equipment

During the three-month period ended 31 March 2021, the Group has acquired property, plant and equipment at a cost of RM101,000 (31 March 2020: RM45,000). As at 31 March 2021, the total depreciation charged for the property, plant and equipment was RM529,000 (31 March 2020: RM564,000). Property, plant and equipment with the carrying amount of RM1,000 were written off by the Group during three-month period ended 31 March 2021 (31 March 2020: RM1,000). This has been included in other operating expenses in the statement of profit and loss and other comprehensive income.

There were no disposal of property, plant and equipment during the three-month period ended 31 March 2021 (31 March 2020: gain on disposal of RM22,000).

11. Goodwill

	Goodwill
	RM'000
Cost:	
At 1 January 2020/31 December 2020/31 March 2021	<u>613</u>
Accumulated impairment:	
At 1 January 2020/31 December 2020/31 March 2021	<u>(613)</u>
Net carrying amount:	
At 1 January 2020/31 December 2020/31 March 2021	<u>-</u>

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 (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

**GOLDEN PHAROS BERHAD (Company No. 1986011003051)
EXPLANATORY NOTES PURSUANT TO MFRS 134
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2021**

12. Fair value hierarchy (continued)

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

	Total RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000
31 March 2021				
Fair value through other comprehensive income financial assets				
Equity shares	1,042	1,042	-	-
31 December 2020				
Fair value through other comprehensive income financial assets				
Equity shares	2,010	2,010	-	-

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:

	31.03.2021 RM'000	31.12.2020 RM'000
Cash at banks and in hand	4,156	6,633
Deposits in licensed banks	6,503	6,504
	<u>10,659</u>	<u>13,137</u>
Less:		
Bank overdraft	(607)	(355)
Deposits in licensed banks	(789)	(789)
Total cash and cash equivalents	<u>9,263</u>	<u>11,993</u>

14. Share capital

During the financial period ended 31 March 2021, the Company issued 1,063,720 ordinary shares at no cost pursuant to the Company's Executive Share Grant Scheme ("ESGS") at exercise price of RM0.235 per ordinary share.

	Group and RM '000
Issued and fully paid:	
Ordinary shares	
At 1 January 2021	68,447
Issuance of shares arising from exercise of ESGS	250
At 31 March 2021	<u>68,697</u>

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EXPLANATORY NOTES PURSUANT TO MFRS 134
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2021

15. Borrowings

	31.03.2021	31.12.2020
	RM'000	RM'000
Current		
Secured	2,477	1,832
Non-current		
Secured	9,728	10,241
Total borrowings	<u>12,205</u>	<u>12,073</u>

16. Dividend

There was no dividend declared by the Company during the financial period ended 31 March 2021 (31 March 2020: RMNil).

17. Commitments

	31.03.2021	31.12.2020
	RM'000	RM'000
Capital expenditure		
Approved and contracted for:		
Plant and machinery	-	-
Motor vehicles	116	-
Office equipment	25	-
Building and renovation	64	-
Approved but not contracted for:		
Plant and machinery	2,903	2,903
Motor vehicles	1,034	1,150
Office equipment	197	222
Building and renovation	6,128	6,192
	<u>10,467</u>	<u>10,467</u>

18. Related party transactions

The following table provides information on the transactions which have been entered into with related parties during the three-month periods ended 31 March 2021 and 31 December 2020 as well as the balances with the related parties as at 31 March 2021 and 31 December 2020:

		Amounts owed to related parties RM'000
A corporate shareholder		
Lembaga Tabung Amanah Warisan	31.03.2021	640
Negeri Terengganu ("LTAWNT")	31.12.2020	<u>640</u>

**GOLDEN PHAROS BERHAD (Company No. 1986011003051)
EXPLANATORY NOTES PURSUANT TO BURSA MALAYSIA LISTING
REQUIREMENT: CHAPTER 9, APPENDIX 9B, PART A
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2021**

20. Performance review

(a) Current Quarter vs Corresponding Quarter of Previous Period (1Q2021 vs 1Q2020)

The Group registered a revenue of RM12.32 million in the current quarter ended 31 March 2021 ("1Q2021"), improved by 112% from RM5.83 million reported in the previous year's corresponding quarter ("1Q2020"). Consequently, the Group recorded a lower loss before tax of RM1.36 million as compared with loss before tax of RM3.74 million in 1Q2020.

The improved result was primarily driven by the favourable performance of both harvesting and manufacturing segments of the Group.

Harvesting, sawmilling and kiln drying segment

During the quarter under review, the financial performance of harvesting, sawmilling and kiln drying segment improved notably with the increase in revenue by 277% to RM6.79 million as compared to RM1.80 million reported in the previous corresponding quarter as compared to RM1.80 million reported in the previous corresponding quarter.

Accordingly, the segment's heavy loss incurred in 1Q2020 reduced substantially from RM2.40 million to a loss before tax of RM0.79 million in 1Q2021.

The main factor contributing to this favourable performance was due to better logs extraction during the current quarter. Logs extraction improved to 5,523 hoppus tonne from 3,448 hoppus tonne logs extracted during 1Q2020. As a result, sawn timber output and sales improved dramatically from the disrupted operations during the same period in the previous year.

Manufacturing segment

Similarly, the manufacturing segment of the Group showed a remarkable improvements in performance during the current quarter, whereby it reported profit before tax of RM0.37 million as compared to loss before tax of RM0.64 million in 1Q2020 as a result of revenue increase by 38%.

This favourable performance was due to the factory can operate as usual, unlike in the same period last year where the operations had disrupted due to Movement Control Order ("MCO") enforced by the government.

Other segment

Other segment which refers to the investment holding and rental activity of the Group, has recorded a slight increase in revenue as a result of additional rental from newly acquired office lot by the Group. However, due to the increase in segment's administrative expenses, the loss before tax for the segment has increased by 34% during the period under review.

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

	Current quarter 31.03.2021 RM'000	Immediate preceding quarter 31.12.2020 RM'000
Revenue	12,324	15,702
Loss before taxation	(1,361)	(3,293)

GOLDEN PHAROS BERHAD (Company No. 1986011003051)
EXPLANATORY NOTES PURSUANT TO BURSA MALAYSIA LISTING
REQUIREMENT: CHAPTER 9, APPENDIX 9B, PART A
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2021

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

Despite the reduction in the Group's revenue by 22% in 1Q2021, the Group's loss before tax has reduced to RM1.36 million in 1Q2021 from RM3.29 million loss before tax reported in the immediate preceding quarter ("4Q2020"). The reduction in loss was primarily contributed by the major reduction in the Group's operating expenses.

During the quarter under review, the harvesting, sawmilling and kiln drying segment posted a loss before tax of RM0.79 million with a revenue of RM6.76 million. As compared against the preceding quarter's loss before tax of RM0.53 million, there was a slight increase in loss as a result of revenue reduction by 35% in the current quarter.

Meanwhile, the manufacturing segment's loss position in 4Q2020 has turned into profit before tax of RM0.37 million in the current quarter. The major reduction in segment's operating expenses has contributed to this favourable result.

Other segment also reported better results in the current quarter whereby the segment's loss before tax has slightly reduced from RM1.00 million reported in 4Q2020.

22. Commentary on prospect

The imposition of total lockdown by the Government for 2 weeks effective 1 June 2021 to 14 June 2021, which allows only essential businesses to operate will adversely impact the Group's financial performance in next quarter as a result of non-operating during the lockdown period.

In addition, the management foresee the delay in new licenses issuance as result of MCO and lockdown. This situation will certainly affect the Group's ability to harvest and distribute logs to the factories as planned.

Going forward, the Group will stay vigilant and take appropriate, timely measures to minimise the financial impact whilst remaining committed to its medium to longer-term strategies and action plans.

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 31 March 2021 (31 March 2020: RMNil).

25. Risks and policies of derivatives

The Group did not enter into any derivative during the financial period ended 31 March 2021 or the previous financial year ended 31 December 2020.

26. Disclosure of losses/gains 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 31 March 2021 and 31 December 2020.

27. Auditors' report on preceding annual financial statements

The auditors' report on the financial statements for the year ended 31 December 2020 was not qualified.

**GOLDEN PHAROS BERHAD (Company No. 1986011003051)
EXPLANATORY NOTES PURSUANT TO BURSA MALAYSIA LISTING
REQUIREMENT: CHAPTER 9, APPENDIX 9B, PART A
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2021**

28. 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 17 June 2021.

By order of the Board

Dato' Ahmad Nadzarudin bin Abdul Razak
Chief Executive Officer