

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 2024

	Note	Current quarter		Cumulative quarter	
		3 months ended		3 months ended	
		31.03.2024	31.03.2023	31.03.2024	31.03.2023
		Unaudited	Unaudited	Unaudited	Unaudited
		RM'000	RM'000	RM'000	RM'000
Revenue		7,916	8,436	7,916	8,436
Cost of sales		<u>(7,702)</u>	<u>(7,531)</u>	<u>(7,702)</u>	<u>(7,531)</u>
Gross profit		214	905	214	905
Other operating income		190	217	190	217
Administrative expenses		(3,917)	(3,828)	(3,917)	(3,828)
Other operating expenses		<u>(367)</u>	<u>(321)</u>	<u>(367)</u>	<u>(321)</u>
Operating loss		(3,880)	(3,027)	(3,880)	(3,027)
Finance costs		<u>(111)</u>	<u>(156)</u>	<u>(111)</u>	<u>(156)</u>
Loss before tax	10	(3,991)	(3,183)	(3,991)	(3,183)
Income tax benefit/(expense)	11	<u>249</u>	<u>(138)</u>	<u>249</u>	<u>(138)</u>
Loss for the year, net of tax		<u>(3,742)</u>	<u>(3,321)</u>	<u>(3,742)</u>	<u>(3,321)</u>
Loss for the period attributable to:					
Owners of the parent		<u>(3,742)</u>	<u>(3,321)</u>	<u>(3,742)</u>	<u>(3,321)</u>
Loss per share attributable to owners of the parent (sen per share)					
- Basic	12	<u>(2.71)</u>	<u>(2.41)</u>	<u>(2.71)</u>	<u>(2.41)</u>
- Diluted	12	<u>(2.71)</u>	<u>(2.32)</u>	<u>(2.71)</u>	<u>(2.32)</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 2023 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 YEAR ENDED 31 MARCH 2024 (CONTINUED)

	Current quarter		Cumulative quarter	
	3 months ended		3 months ended	
	31.03.2024	31.03.2023	31.03.2024	31.03.2023
	Unaudited	Unaudited	Unaudited	Unaudited
Note	RM'000	RM'000	RM'000	RM'000
Loss for the year, net of tax	(3,742)	(3,321)	(3,742)	(3,321)
Other comprehensive income				
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:				
Net gain/(loss) on fair value changes of fair value through other comprehensive income ("FVTOCI") financial assets				
	318	(85)	318	(85)
Other comprehensive income/(loss) for the period, net of tax	318	(85)	318	(85)
Total comprehensive loss for the period, net of tax	(3,424)	(3,406)	(3,424)	(3,406)
Total comprehensive loss for the period, net of tax attributable to:				
Owners of the parent	(3,424)	(3,406)	(3,424)	(3,406)

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 2023 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 2024

		31.03.2024	31.12.2023
	Note	Unaudited RM'000	Audited RM'000
Assets			
Non-current assets			
Property, plant and equipment	14	15,181	15,690
Right-of-use assets		23,134	23,307
Investment properties		18,523	18,666
Biological assets		2,202	2,107
Intangible assets		1,258	661
Goodwill	15	-	-
Investment in associates		3,883	3,883
Deferred tax assets		595	97
Investment securities	16	1,513	1,192
		<u>66,289</u>	<u>65,603</u>
Current assets			
Inventories		10,596	9,124
Trade and other receivables		16,841	17,407
Tax recoverable		1,520	980
Cash and bank balances	17	29,017	40,836
		<u>57,974</u>	<u>68,347</u>
Total assets		<u>124,263</u>	<u>133,950</u>
Equity and liabilities			
Equity			
Share capital	18	79,744	79,744
Retained earnings		25,973	29,715
Other reserves		(19,044)	(19,362)
Total equity		<u>86,673</u>	<u>90,097</u>
Non-current liabilities			
Retirement benefit obligations		7,585	7,695
Borrowings	19	7,427	6,805
Lease liabilities		71	41
		<u>15,083</u>	<u>14,541</u>
Current liabilities			
Retirement benefit obligations		479	549
Borrowings	19	1,758	2,238
Lease liabilities		27	27
Trade and other payables		20,243	26,498
		<u>22,507</u>	<u>29,312</u>
Total liabilities		<u>37,590</u>	<u>43,853</u>
Total equity and liabilities		<u>124,263</u>	<u>133,950</u>
Net assets per share attributable to owners of the parent ("RM")		0.63	0.65

These condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2023 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 2024

	Attributable to owners of the parent								
	Non-distributable	Distributable	Non-distributable						
	Equity, total	Share capital	Total retained earnings	Other reserves, total	Equity contribution from owners	Capital redemption reserve	Fair value adjustment reserve	Reserve arising from merger	Employee share option reserve
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Opening balance at 1 January 2024	90,097	79,744	29,715	(19,362)	1,262	2,000	94	(22,718)	-
Loss for the year	(3,742)	-	(3,742)	-	-	-	-	-	-
Other comprehensive income									
- Net gain on fair value changes of FVTOCI financial assets	318	-	-	318	-	-	318	-	-
Total comprehensive (loss)/income	(3,424)	-	(3,742)	318	-	-	318	-	-
Closing balance at 31 March 2024	86,673	79,744	25,973	(19,044)	1,262	2,000	412	(22,718)	-
Opening balance at 1 January 2023	77,927	81,664	16,946	(20,683)	1,262	-	102	(22,718)	671
Loss for the year	(3,321)	-	(3,321)	-	-	-	-	-	-
Other comprehensive income									
- Net loss on fair value changes of FVTOCI financial assets	(85)	-	-	(85)	-	-	(85)	-	-
Total comprehensive loss	(3,406)	-	(3,321)	(85)	-	-	(85)	-	-
Transaction with owners									
- Share-based payment under the LTIF	220	-	-	220	-	-	-	-	220
Closing balance at 31 March 2023	74,741	81,664	13,625	(20,548)	1,262	-	17	(22,718)	891

These condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2023 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 2024

	Note	3 months ended	
		31.03.2024 Unaudited RM'000	31.03.2023 Unaudited RM'000
Operating activities			
Loss before tax		(3,991)	(3,183)
<u>Adjustments for:</u>			
Interest income	10	(80)	(16)
Dividend income	10	(5)	(5)
Interest expenses	10	111	156
Loss/(gain) on disposal of property, plant and equipment	10	1	(11)
Gain on derecognition of Right-of-use assets	10	(9)	-
Depreciation of:			
- Property, plant and equipment	10	491	460
- Investment properties	10	142	103
- Right-of-use assets	10	219	216
Reversal of allowance for impairment of trade and other receivables	10	(18)	(10)
Amortisation of intangible assets	10	182	536
Share-based payment under the LTIP:			
- Grant of ESOS	10	-	220
Provision for retirement benefits	10	186	177
Total adjustments		1,220	1,826
Operating cash flows before changes in working capital		(2,771)	(1,357)
<u>Changes in working capital</u>			
Increase in inventory		(1,472)	(2,467)
Decrease in trade and other receivables		583	1,032
Increase/(decrease) in trade and other payables		621	(2,682)
Total changes in working capital		(268)	(4,117)
Interest paid		(111)	(156)
Income taxes paid		(788)	(673)
Retirement benefits paid		(366)	(752)
Total changes in working capital		(1,265)	(1,581)
Net cash flows used in operating activities		(4,304)	(7,055)
Investing activities			
Purchase of property, plant and equipment	14	(95)	(411)
Proceeds from disposal of property, plant and equipment		112	19
Cost incurred on biological assets		(95)	(83)
Dividend received		5	5
Addition of intangible assets		(779)	(386)
Interest received		79	16
Net cash flows used in investing activities		(773)	(840)

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 2024 (CONTINUED)

	Note	3 months ended	
		31.03.2024	31.03.2023
		Unaudited	Unaudited
		RM'000	RM'000
Financing activities			
Dividend paid		(6,876)	-
Contractual lease payment		(7)	(7)
Repayment of borrowings,net		141	(134)
Net cash flows used in financing activities		(6,742)	(141)
Net decrease in cash and cash equivalents		(11,819)	(8,036)
Cash and cash equivalents at 1 January		27,534	22,146
Cash and cash equivalents at 31 March		15,715	14,110

These condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the year ended 31 December 2023 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 2024

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 the requirement of the Companies Act 2016 in Malaysia 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 2023 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 2023, 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 2024, the Group adopted the following new and amended MFRSs and IC Interpretation mandatory for annual periods beginning on or after 1 January 2024:

Description	Effective for annual periods beginning on or after
Amendments to MFRS 16 Lease: Lease liability in a sale and leaseback	1 January 2024
Amendments to MFRS 101 Classification of Liabilities as Current or Non Current	1 January 2024
Amendments to MFRS 107 and MFRS 7 Supplier Finance Arrangements	1 January 2024
Amendments to MFRS 101 Non-current Liabilities with Covenants	1 January 2024

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

4. Standards issued but not yet effective

As at the date of authorisation of this financial statement, the following standards and interpretation are issued but not yet effective to the Group.

Description	Effective for annual periods beginning on or after
Amendments to MFRS 121 Lack of Exchangeability	1 January 2025
Amendments to MFRS 10 and MFRS 128 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

The initial application of the standards and interpretations is not expected to any material financial impact to the financial statements.

GOLDEN PHAROS BERHAD (Company No. 1986011003051)
EXPLANATORY NOTES PURSUANT TO MFRS 134
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2024

5. Changes in estimates

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

6. 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.

7. Unusual items due to their nature, size or incidence

There were no items affecting assets, liabilities, equity, net income or cash flows that are unusual because of their nature, size and incidence in the current quarter.

8. Changes in the composition of the Group

There was no material changes in the composition of the Group during the current quarter and financial period under review.

9. Segment information

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

- (i) Harvesting, forest plantation, sawmilling, 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, forest plantation, sawmilling, sales of logs and logging compartment RM'000	Manufacturing RM'000	Others RM'000	Consolidated RM'000
Results for 3 months ended 31 March 2024				
Operating revenue	2,765	5,099	52	7,916
Other operating income	218	(31)	3	190
Expenses	(5,018)	(5,970)	(1,109)	(12,097)
Loss before tax	(2,035)	(902)	(1,054)	(3,991)
Results for 3 months ended 31 March 2023				
Operating revenue	3,539	4,868	29	8,436
Other operating income	197	11	9	217
Expenses	(5,471)	(5,437)	(928)	(11,836)
Loss before tax	(1,735)	(558)	(890)	(3,183)

GOLDEN PHAROS BERHAD (Company No. 1986011003051)
EXPLANATORY NOTES PURSUANT TO MFRS 134
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2024

10. Loss before tax

Included in the loss before taxation are the following items:

	Current quarter		Cumulative quarter	
	3 months ended		3 months ended	
	31.03.2024	31.03.2023	31.03.2024	31.03.2023
	RM'000	RM'000	RM'000	RM'000
Interest income	(80)	(16)	(80)	(16)
Dividend income	(5)	(5)	(5)	(5)
Interest expenses	111	156	111	156
Loss/(gain) on disposal of property, plant and equipment	1	(11)	1	(11)
Gain on derecognition of Right-of-use assets	(9)	-	(9)	-
Depreciation of:				
- Property, plant and equipment	491	460	491	460
- Investment properties	142	103	142	103
- Right-of-use assets	219	216	219	216
Reversal of allowance for impairment of trade and other receivables	(18)	(10)	(18)	(10)
Amortisation of intangible assets	182	536	182	536
Share-based payment under the LTIP:				
- Grant of ESOS	-	220	-	220
Provision for retirement benefits	186	177	186	177

11. Income tax (benefit)/expense

	Current quarter		Cumulative quarter	
	3 months ended		3 months ended	
	31.03.2024	31.03.2023	31.03.2024	31.03.2023
	RM'000	RM'000	RM'000	RM'000
Current income tax	249	5	249	5
Deferred income tax	(501)	(293)	(501)	(293)
Underprovision of deferred tax in respect of previous years	3	426	3	426
	(249)	138	(249)	138
Effective tax rate	6.2%	-4.3%	6.2%	-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 2024

12. Loss per share

Basic loss per share amounts are calculated by dividing loss for the year, 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	
		31.03.2024	31.03.2023	31.03.2024	31.03.2023
Profit net of tax attributable to owners of the parent used in the computation of earnings per share	(RM'000)	<u>(3,742)</u>	<u>(3,321)</u>	<u>(3,742)</u>	<u>(3,321)</u>
Weighted average number of ordinary shares in issue	(' 000)	<u>138,238</u>	<u>138,079</u>	<u>138,238</u>	<u>138,079</u>
Effect of dilution					
- Employee Share Option Scheme ("ESOS")	(' 000)	<u>-</u>	<u>5,357</u>	<u>-</u>	<u>5,357</u>
Weighted average number of ordinary shares for diluted loss per share	(' 000)	<u>138,238</u>	<u>143,436</u>	<u>138,238</u>	<u>143,436</u>
Profit per share					
Basic	(sen)	<u>(2.71)</u>	<u>(2.41)</u>	<u>(2.71)</u>	<u>(2.41)</u>
Diluted	(sen)	<u>(2.71)</u>	<u>(2.32)</u>	<u>(2.71)</u>	<u>(2.32)</u>

13. Valuation of property, plant and equipment and investment properties

There were no valuation of property, plant and equipment and investment properties in the current quarter and financial period under review as the Group has not adopted a revaluation model on its property, plant and equipment and investment properties.

14. Property, plant and equipment

During the three-month period ended 31 March 2024, the Group has acquired property, plant and equipment at a cost of RM95,000 (31 March 2023: RM411,000). As at 31 March 2024, the total depreciation charged for the property, plant and equipment was RM491,000 (31 March 2023: RM460,000). There were no property, plant and equipment written off by the Group during financial year ended 31 March 2024 and 31 March 2023.

The Group has also disposed assets with carrying amount of RM113,000 during the financial year ended 31 March 2024 (31 March 2023: RM8,000), resulting in a loss of disposal of RM1,000 (31 March 2023: RM11,000) recognised and included in other income in the statement of profit and loss and other comprehensive income.

GOLDEN PHAROS BERHAD (Company No. 1986011003051)
EXPLANATORY NOTES PURSUANT TO MFRS 134
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2024

15. Goodwill

	Goodwill RM'000
Cost:	
At 1 January 2023/31 December 2023/31 March 2024	<u>613</u>
Accumulated impairment:	
At 1 January 2023/31 December 2023/31 March 2024	<u>(613)</u>
Net carrying amount:	
At 1 January 2023/31 December 2023/31 March 2024	<u>-</u>

16. 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

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
31 March 2024				
Fair value through other comprehensive income financial assets				
Quoted investment securities:				
Equity instrument	<u>1,513</u>	<u>1,513</u>	<u>-</u>	<u>-</u>
31 December 2023				
Fair value through other comprehensive income financial assets				
Quoted investment securities:				
Equity instrument	<u>1,192</u>	<u>1,192</u>	<u>-</u>	<u>-</u>

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.

GOLDEN PHAROS BERHAD (Company No. 1986011003051)
EXPLANATORY NOTES PURSUANT TO MFRS 134
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2024

17. Cash and bank balances

Cash and bank balances comprised the following amounts:

	31.03.2024	31.12.2023
	RM'000	RM'000
Cash at banks and in hand	15,715	27,534
Deposits in licensed banks	13,302	13,302
	<u>29,017</u>	<u>40,836</u>
Less:		
Deposits in licensed banks	(13,302)	(13,302)
Total cash and cash equivalents	<u><u>15,715</u></u>	<u><u>27,534</u></u>

18. Share capital

There were no issuances, cancellation, repurchases, resale and repayments of debts and equity securities for the financial period ended 31 March 2023.

19. Borrowings

	31.03.2024	31.12.2023
	RM'000	RM'000
Current		
Secured	1,758	2,238
Non-current		
Secured	7,427	6,805
Total borrowings	<u><u>9,185</u></u>	<u><u>9,043</u></u>

20. Dividend proposed or declared

There was no dividend declared by the Company during the financial period ended 31 March 2024 (31 March 2023: RM Nil).

GOLDEN PHAROS BERHAD (Company No. 1986011003051)
EXPLANATORY NOTES PURSUANT TO MFRS 134
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2024

21. Commitments

	31.03.2024	31.12.2023
	RM'000	RM'000
Capital expenditure		
Approved and contracted for:		
Plant and machinery	35	-
Motor vehicles	-	-
Office equipment	6	-
Building and renovation	-	-
Approved but not contracted for:		
Plant and machinery	7,130	7,165
Motor vehicles	1,853	1,853
Office equipment	498	504
Building and renovation	2,534	2,534
	<u>12,056</u>	<u>12,056</u>

22. Related party transactions

The following table provides information on the transactions which have been entered into with related parties during the financial year ended 31 March 2024 and 31 December 2023 as well as the balances with the related parties as at 31 March 2024 and 31 December 2023:

		Management fee RM'000
Entities with significant influence over the Group:		
Holding company		
Terengganu Incorporated Sdn. Bhd. ("TISB")	31.03.2024	1
	31.12.2023	<u>9</u>

23. Material subsequent events

There was no material subsequent events to the end of the current quarter up to date of the interim financial report.

**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 2024**

24. Performance review

(a) Current Quarter vs Corresponding Quarter of Previous Period (1Q2024 vs 1Q2023)

The Group registered a revenue of RM7.92 million in the current quarter ended 31 March 2024 ("1Q2024") as compared to RM8.44 million reported in the previous year's corresponding quarter ("1Q2023"). Consequently, the Group recorded a loss before tax of RM3.99 million, 25% increased from RM3.18 million in 1Q2023.

Harvesting, forest plantation, sawmilling, sales of logs and logging compartment

The segment's operating revenue of RM2.77 million in 1Q2024 was lower than RM3.54 million reported in 1Q2023. Accordingly, the segment posted a loss before tax of RM2.04 million as compared to RM1.74 million recorded in the preceding year's corresponding quarter.

During the quarter under review, the segment faced delays in obtaining logging licenses and only operated using licenses carried forward from 2023. This situation has resulted in lower logs supply to the mills which led to the decrease in sales of sawn timber by 18%.

Manufacturing segment

Meanwhile, the manufacturing segment, which includes the Group's glass, veneer, and woodchip activities, reported a loss before tax of RM0.90 million in the quarter under review, increased by 62% as compared to a loss of RM0.56 million in 1Q2023, despite the increase in revenue in 1Q2024.

This unfavourable performance was in line with the lower logs supply to veneer processing mill that could result in operating below capacity.

Other segment

Other segment which refers to the investment holding and rental activity of the Group, recorded an increase in loss before tax from RM0.89 million in 1Q2023 to RM1.05 million, primarily contributed by the increase in segment's administrative expenses during the quarter under review.

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 2024

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

	Current quarter 31.03.2024 RM'000	Immediate preceding quarter 31.12.2024 RM'000
Revenue	7,916	52,417
(Loss)/profit before taxation	(3,991)	30,367

The Group's revenue for the quarter under review was RM7.92 million, decreased by 85% from RM52.42 million revenue reported in the quarter ended 31 December 2023 ("4Q2023"). Accordingly, the Group's profit before tax turned into loss before tax of RM3.99 million in the quarter under review.

During the quarter under review, the harvesting, forest plantation, sawmilling, sales of logs and logging compartment's segment posted a loss before tax of RM2.04 million with a revenue of RM2.77 million. There were significant reductions in profit and revenue, by 119% and 94% respectively, as compared with the preceding quarter's profit before tax of RM35.99 million and revenue of RM47.26 million. The major contribution to the reduced revenue and profitability was the absence of revenue from the tender of logging compartment for 1Q2024 compared with RM42.68 million recorded in the preceding quarter.

In contrast, the manufacturing segment showed a favourable results whereby loss before tax decreased to RM0.90 million as compared to RM1.60 million in the preceding quarter. This situation was primarily contributed by the saving in the segment's operating expenses during 1Q2024.

Other segments recorded an increase in revenue by 73% due to grace period granted on tenancy of 1 unit of the Group's land. There was a decreased in loss, primarily contributed by the decrease in the segment's administrative expenses by 57%.

26. Commentary on prospect

To address the challenges faced by the Group's harvesting operation, the Board has taken proactive approach by establishing an Executive Committee ("EXCO") with effect from 5 September 2022. The EXCO was established as an intermediary between the Board, Board Committees and the Management with the primary mandate of ensuring all the Board decisions and instructions to the Management are implemented smoothly and efficiently.

Since its inception, the EXCO has made significant strides towards enhancing the Group's operation and performance. Thus, the EXCO's functions has been expanded to include the Group's manufacturing operations. This move underscores the Board's commitment in improving corporate governance and operational efficiency by strengthening decision-making processes and ensuring effective implementation to achieve sustainable growth and deliver long-term value to the stakeholders.

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26. Commentary on prospect (Continued)

The Group's growth strategy entails a keen focus on several key drivers. First, the Group is increasing its upstream logging and harvesting activities, with the ultimate aim of securing a steady supply of logs to the timber-based subsidiaries. The Group has engaged and offered new and more attractive terms to logging contractors in order to secure their services in FY2024. The Group is also enhancing the capacity of its midstream sawmilling, downstream timber and also its glass operations, a move that is aimed at improving the results and performance further.

The strengthening of the harvesting activity through enhancing tree marking process, prioritising high value compartments species, improvement of felling technique and initiative in data collection of timber inventory will become the Group's continuous efforts and actions to enhance its logging yield and efficiency.

Moving forward, with the positive results in FY2023 from the action plans taken, the Board is cautiously optimistic that the Group will continue to achieve positive momentum and prospects for the year 2024 onwards.

27. Changes in contingent liabilities and contingent assets

There was no contingent liabilities or contingent assets during the financial period ended 31 March 2024 and the previous financial year ended 31 December 2023.

28. Changes in material litigation

There was no material litigation against the Group.

29. Dividend payable

Please refer to Note 20 for details.

30. Risks and policies of derivatives

The Group did not enter into any derivative during the financial period ended 31 March 2024 or the previous financial year ended 31 December 2023.

31. 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 2024 and 31 December 2023.

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32. Auditors' report on preceding annual financial statements

The auditors' report on the financial statements for the year ended 31 December 2023 was not qualified.

33. 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 28 May 2024.

By order of the Board

Mohd Roslan bin Mamat
Acting Chief Executive Officer