



Borneo Oil Berhad

Level 11(A), Main Office Tower,
Financial Park Labuan, Jalan Merdeka,
87000 W.P. Labuan, Malaysia.

BORNEO IL

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Dato' Suhaili Bin Abdul Rahman	(Chairman – Independent Non-Executive Director)
Abd. Hamid Bin Ibrahim	(Non-Independent & Non-Executive Director)
Teo Kiew Leong	(Executive Director)
John Lee Yan Hong @ John Lee	(Independent Non-Executive Director)
Tan Kok Chor	(Independent Non-Executive Director)
Michael Moo Kai Wah	(Independent Non-Executive Director)

AUDIT COMMITTEE

Tan Kok Chor (Independent Non-Executive Director - Chairman)
John Lee Yan Hong @ John Lee (Independent Non-Executive Director)
Michael Moo Kai Wah (Independent Non-Executive Director)

COMPANY SECRETARIES

Chin Siew Kim (L.S. 000982)
Chin Chee Kee (MIA 3040)

REGISTERED OFFICE

Level 11(A), Main Office Tower,
Financial Park Labuan,
Jalan Merdeka,
87000 W.P. Labuan.
Tel : 087-410509
Fax : 087-410515

REGISTRAR

Labuan Corporate Services Sdn Bhd
Level 11(A) , Main Office Tower,
Financial Park Labuan,
Jalan Merdeka,
87000, W.P. Labuan.
Tel : 087-410748
Fax : 087-410515

AUDITORS

STYL Associates (AF-1929)
Chartered Accountants
107-B, Jalan Aminuddin Baki,
Taman Tun Dr. Ismail,
60000 Kuala Lumpur.

PRINCIPAL BANKERS

Alliance Bank Malaysia Berhad (88103-W)
Hong Leong Bank Berhad (97141-X)
HSBC Bank Malaysia Berhad (127776-V)
Malayan Banking Berhad (3813-K)
RHB Bank Berhad (6171-M)

SOLICITORS

Jie Nyuk Choo & Co.
J. Ambrose & Partners
S. Vanugopal & Partners

STOCK EXCHANGE LISTING

2nd Board of Bursa Malaysia Securities Berhad
Stock Name : BORN OIL
Stock Code : 7036



NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the 25 th Annual General Meeting of BORNEO OIL BERHAD (Co. No. 121919-H) will be held at Level 11(A) Main Office Tower, Financial Park Labuan, Jalan Merdeka, 87000, W.P. Labuan, on 31st July 2009, Friday at 8.30 a.m. for the following purposes:-

AGENDA

ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 31st January 2009 together with the Reports of the Directors and the Auditors thereon; **(Resolution 1)**
2. To approve the payment of Directors' fees for the financial year ended 31st January 2009; **(Resolution 2)**
3. To re-elect the following Directors who retire pursuant to Article 96 of the Company's Articles of Association, and being eligible, offer themselves for re-election;
 - (i) Dato Suhaili Bin Abdul Rahman **(Resolution 3)**
 - (ii) Encik Abd. Hamid Bin Ibrahim **(Resolution 4)**
4. To re-appoint Messrs STYL Associates as Auditors of the Company until the conclusion of the next Annual General Meeting and to authorize the Directors to fix their remuneration. **(Resolution 5)**
5. **As Special Business:**

To consider and, if thought fit, to pass the following resolutions as Ordinary Resolutions:-

ORDINARY RESOLUTION 1

- AUTHORITY TO DIRECTORS TO ALLOT AND ISSUE SHARES

"That pursuant to Section 132D of the Companies Act, 1965, the Directors be and are hereby empowered to issue and allot shares in the Company, at any time and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, provided always that the aggregate number of shares issued pursuant to this resolution in any one financial year does not exceed 10% of the issued share capital of the Company for the time being and the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad and that such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company ." **(Resolution 6)**

ORDINARY RESOLUTION 2

- PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY

"That, subject to the Companies Act, 1965 ("the Act"), rules, regulations and orders made pursuant to the Act, provisions of the Company's Memorandum and Articles of Association and the requirements of Bursa Malaysia Securities Berhad ("BURSA") and any other relevant authority the Directors of the Company be and are hereby authorized to make purchases of ordinary shares of RM1.00 each in the Company's issued and paid-up share capital through BURSA subject further to the following:-

- (a) the maximum number of ordinary shares of RM1.00 each in Bornoil ("Shares") which may be purchased or held by the Company shall be equivalent to ten per centum (10%) of the issued and paid-up share capital for the time being of the Company, subject to a restriction that the issued and paid-up share capital of Bornoil does not fall below RM40 million pursuant to the repurchase of Shares, which is the requirement for a company listed on the second Board of BURSA;
- (b) the maximum fund to be allocated by the Company for the purpose of purchasing the Shares as permitted by the Listing Requirements of BURSA shall not exceed the total retained profits and share premium account of the Company. The share premium of the Company as at 31 January 2009 is RM24,164,992;
- (c) the authority conferred by this resolution will commence immediately upon passing of this Ordinary resolution and will continue to be in force until:-
 - (i) the conclusion of the first annual general meeting (AGM) of the Company following the general meeting at which such resolution was passed at which time it shall lapse unless by ordinary resolution passed at the meeting, the authority is renewed, either unconditionally or subject to conditions;
 - (ii) the expiration of the period within which the next AGM after that date is required by law to be held; or
 - (iii) revoked or varied by ordinary resolution passed by the shareholders in general meeting,

whichever occur first, but not so as to prejudice the completion of purchase(s) by the Company before the aforesaid expiry date and, in any event, in accordance with the provisions of the guidelines issued by BURSA and any prevailing laws, rules, regulations, orders, guidelines and requirements issued by any relevant authorities; and

NOTICE OF ANNUAL GENERAL MEETING (cont'd)

- (d) Upon completion of the purchase(s) of the Shares by the Company, the Directors of the Company be and are hereby authorized to deal with the Shares in the following manner:-
- (i) cancel the Shares so purchased ; or
 - (ii) retain the Shares so purchased as treasury shares; or
 - (iii) retain part of the Shares so purchased as treasury shares and cancel the remainder;

the treasury shares of which may be distributed as dividends to shareholders, and/or resold on BURSA, and/or subsequently cancelled and in any other manner as prescribed by the Act, rules, regulations and orders made pursuant to the Act and the requirements of BURSA and any other relevant authority for the time being in force.

AND THAT the Directors of the Company be and are hereby authorized to take all such steps as are necessary or expedient to implement or to effect the purchase(s) of the shares.” **(Resolution 7)**

6. To transact any other business of the Company for which due notice shall have been given.

By Order of the Board

CHIN SIEW KIM (L.S. 000982)
CHIN CHEE KEE, J.P. (MIA 3040)
Company Secretaries

Labuan F.T.
Dated : 9th July 2009

NOTES :-

1. A member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote instead of him. A proxy may but need not be a member of the Company.

A member of the Company who is an authorized nominee as defined under the Securities Industry (Central Depository) Act 1991, is to appoint at least one(1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.

2. Where a member appoints two or more proxies, the appointment shall be invalid unless he specifies the proportion of his shareholdings to be represented by each proxy.
3. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorized in writing or, if the appointer is a corporation / company, either under its common seal or under the hand of an officer or its attorney duly authorized.
4. The instrument appointing a proxy together with the power of attorney (if any) under which it is signed or a certified copy thereof shall be deposited at the Registered Office at Level 11(A), Main Office Tower, Financial Park Labuan, Jalan Merdeka, 87000, W.P. Labuan not less than forty-eight (48) hours before the time appointed for holding the meeting or at any adjournment thereof.
5. **Explanatory Notes to Special Business:-**

Resolution pursuant to Section 132D of the Companies Act, 1965

Ordinary Resolution 6 proposed, if passed, will give the Directors of the Company, from the date of the above General Meeting, authority to allot and issue ordinary shares from the unissued capital of the Company being for such purposes as the Directors consider would be in the interest of the Company. This would avoid any delay and costs in convening a general meeting to specifically approve such an issue of shares. This authority will, unless revoked or varied by the Company in General Meeting, expire at the next Annual General Meeting.

Resolution pursuant to Proposed Renewal of Share Buy-Back Authority

The proposed adoption of the Ordinary Resolution No. 2 is to renew the authority granted by the shareholders of the Company at the Extraordinary General Meeting held on 31st July 2008 . The proposed renewal will allow the Board of Directors to exercise the power of the Company to purchase not more than 10% of the issued and paid-up share capital of the Company any time within the time period stipulated in the Listing Requirements of Bursa Malaysia Securities Berhad.

DIRECTOR'S PROFILE

Dato Suhaili Bin Abdul Rahman

Chairman, Independent Non-Executive Director

Dato Suhaili Bin Abdul Rahman, aged 48, is Borneo Oil Berhad's Chairman and he also holds presidential posts in various government organizations. Dato Suhaili holds an MBA from University of Hull (UK) and is currently pursuing a PHD from University Kebangsaan Malaysia.

He is also a member of the Fellowship of the Institute of Professional Finance Managers (UK). He is the Chairman of Labuan Corporation and Labuan Tourism Council. Prior to 1993, he was working in Siemens AG and was posted to Indonesia, Brunei and East Malaysia.

Dato is also a patron of various social organizations such as the Labuan Special Olympics Association, Scouts Association Of Malaysia, Labuan and the Senior Citizen Association of Labuan.

Abd Hamid Bin Ibrahim

Non-Independent & Non-Executive Director

Abd Hamid Bin Ibrahim, aged 61, is a Non-Independent & Non-Executive Director of Borneo Oil Berhad. In addition, he is also the Chief Executive Officer of Borneo Oil & Gas Corporation Sdn Bhd and Borneo Energy Sdn Bhd, both wholly owned subsidiaries of Borneo Oil Berhad. He is responsible for the entire operation and performance of the companies.

With a M. Eng. in Petroleum Engineering from Heriott Watt University and an alumni of the Wharton Advanced Management Program, he has some 33 years experience in the Oil and Gas Industry, mainly with the PETRONAS Group. He joined PETRONAS in 1976 and retired in 2003, having served in the exploration & production, petrochemicals and gas sectors. He was the MD/CEO of several PETRONAS subsidiaries for the last 12 years of his service, the last being as MD/CEO of PETRONAS Gas Berhad.

Currently, he is the director of two public listed companies, namely Muhibbah Engineering (Malaysia) Berhad and Borneo Oil Berhad.

He is also active in three NGOs, namely in cancer research (CARIF), the Malaysian Oil & Gas Services Council (MOSGC) and the RESOURCE magazine of the Malaysian Petroleum Club.

Raymond Teo Kiew Leong

Executive Director

Raymond Teo Kiew Leong, aged 44, obtained his college education at Graphic Design & Photography, Regent Fine Art & Design Academy, Kuala Lumpur. He has been with the Group since 1986.

Through his commitment and dedication, he progressed to become the head of the Graphic Department. With his active involvement and contribution in restaurant development, he was subsequently promoted as the Regional General Manager in 2003, to implement the same concept in Sarawak and West Malaysia. He has worked closely with Marketing, Operations, Processing and Distribution within the Group towards achieving the Company's goals and aspirations.

In June 2005, he was appointed as a General Manager for SB Franchise Management Sdn Bhd to oversee all existing franchised restaurants and new development of Sugar Bun of franchised restaurants locally and also overseas.

He is now an Executive Director in Borneo Oil Berhad responsible for the overall running of the Group's fast food, restaurant and franchising division.

DIRECTOR'S PROFILE (cont'd)

John Lee Yan Hong @ John Lee

Independent Non-Executive Director

John Lee Yan Hong @ John Lee, aged 39, obtained his Diploma in Music Production and Engineering at the Fullsail Centre of Arts in Orlando, USA in 1993. Throughout his career, he has garnered vast experience in the music and entertainment industry. Having joined the Southern Pacific Hotel Group in 1991, he immediately made an impact on the industry by introducing creative events to assist the Parkroyal Chain of hotels. The hotel transformed and became known for its continuous party-fever events.

Having spent nearly a decade in various Asian Clubs and resorts, he then joined ASTRO as Hitz FM's Music Director/ Announcer in 1996. In 2001 he was commissioned by Warner Music Asia as a music producer.

John Lee Yan Hong @ John Lee is currently an independent Non-Executive Director of the Company.

Tan Kok Chor

Independent Non-Executive Director

Tan Kok Chor, aged 59, was appointed to the Board of Borneo Oil Berhad on 21st August 2001. He has more than 5 years experience in legal line which involved litigation, conveyancing and preparing legal documentation and related matters. He is also a very experienced businessman involved in property investment. He holds various directorships in several other private limited companies, incorporated in Malaysia.

Michael Moo Kai Wah

Independent Non-Executive Director

Michael Moo Kai Wah, aged 57, is a Non-Executive Director appointed to the Board of Borneo Oil Berhad on 15th January 2008. He obtained his college education at the University of Huddersfield, United Kingdom in 1977 and obtained a Higher National Diploma in Business Studies. He is currently a member of the Financial Planning Association of Malaysia.

He had more than 10 years working experience in the United Kingdom and in Malaysia in accounting, tax, audit and secretarial matters.

Currently he was a Consultant on unit trusts. He is also actively involved in the various activities of private social clubs, golf clubs, societies and associations in Sabah and holding in various capacities both as a Committee member and Manager.

CHAIRMAN'S STATEMENT

On behalf of the Board of Directors, I am pleased to present the Annual Reports of Borneo Oil Berhad for the financial year ended 31st January 2009.

Despite the global economic crisis that had caused severe negative impact to the world economy as well as the domestic political uncertainty that prevailed during the year, the Group managed to weather through such ordeal. Although the Group continued to incur a loss, comparatively, it was much lower than that of the previous year.

The Group's main business in fast-food operations and franchising performed remarkably well. This was primarily due to the strength of our franchise system coupled with the well established "SugarBun" trade mark. In fact, despite the said economic uncertainty, our franchising business, particularly in East Malaysia continues to be in demand and remains on a very much upward trend. A total of nine outlets were franchised out during the year besides three new outlets were opened. On the international front, a team was sent to USA in early 2009 to conduct a market survey of our products and the results were encouraging. If all plans go well, at least an outlet will be opened soon in USA and this is expected to spear head our growth in USA and other regions in the future.

As for our property and related business division, the Group had embarked on various expansion and improvement programmes. This includes the setting up of the latest SugarBun Café and a new fifty four rooms budget hotel called the Rainforest Lodge. This complements well with the existing Waikiki Apartments that mainly cater for the tourist and expatriate markets. Major improvements were also made to the existing BB Café Bar and BBQ garden which have since received good response from the public.

With these added on, the prospect for the Beach Street and Tanjung Aru projects in Kota Kinabalu for the coming years are optimistic against the continued weak market situation. This is enhanced by the strategic locations of both projects and the influx of tourists into Sabah where tourism is still and expected to be an area of major growth within the state's economy.

Apart from the above, the Group had invested into various landed properties with a view of further developing tourist related projects and at the same time ventured into oil palm planting so as to provide the Group with a steady source of income in the long term.

The Group's entry into the oil, gas and energy related businesses were however not timely. The global economic upheaval that soon prevailed and continued after our entry into this sector did not favour well for our investment. The Board had in view of this development reviewed the various plans in hand and decided to consolidate the position and slow down until market conditions improve.

On behalf of the Board of Directors, I would like to express our deep gratitude and thanks to all our valued shareholders, financiers, franchisees, customers and the relevant government, authorities for their support. We also would like to take this opportunity to thank our management and staff for their contribution and loyalty to the Group. And together, we look forward for a better year ahead.

Thank you.

STATEMENT ON CORPORATE GOVERNANCE

The Board of Directors of Borneo Oil Berhad fully appreciates the importance of adopting and exercising high standards of good corporate governance in the conduct of enhancing the Group's businesses through transparency, accountability and corporate governance with the objective of realizing shareholders' value whilst taking into account the interests of other stakeholders.

The Board continues to apply the principles and extent of compliance with the Best Practices in Corporate Governance as set out in the Malaysian Code On Corporate Governance pursuant to Paragraph 15.26 of the Listing Requirements of Bursa Malaysia Securities Berhad for the financial year ended 31 January 2009.

The Company ensure its continued growth and success by maintaining the trust and confidence of shareholders, employees, customers and other parties with whom it interacts and does business, as well as the communities in which it operates.

A. BOARD OF DIRECTORS

Board's Responsibilities

The Board has the overall responsibility for leading and controlling the Group, focusing mainly on the Group's strategic business plans, financial performance, critical business issues, risk management, systems of internal control and overseeing the investments and operations of the Group. Generally, the Board must ensure that the Group is being managed and its business conducted in accordance with high standards of accountability and transparency.

Board Composition and balance

The Board currently comprises of Six (6) members, of which one (1) is executive Director; Four (4) are Independent Non-Executive Directors and one (1) Non-Independent and Non-Executive Director. This fulfills the prescribed requirements for one-third (1/3) of the membership of the Board to be Independent Board members.

The Board's composition is reviewed on a regular basis. The Board comprises members from diverse professional backgrounds with a wide range of business and financial experience relevant to lead and manage the Group. The Board is responsible for the Group's overall strategy and objectives, its major capital expenditure projects and the consideration of significant financial matters.

Board Meetings

During the financial year under review, the Board conducted meetings to review and discuss on the Group's financial results, corporate development, strategic decisions, business plan, operational issue and compliance matters and also to approve on the quarterly reports and annual financial statements. At every meeting, Board papers were delivered in advance to facilitate informed decision making. The Board also discussed reports from Audit Committee and proposals by the Management that require the Board's approval. All directors fulfilled the requirements of the Articles of Association in respect of board meeting attendance.

The summary of attendance of each director at the board meetings held during the financial year is as follows:-

Names Of Directors	No. of meetings attended
Dato Suhaili Bin Abdul Rahman	4
Abd Hamid Bin Ibrahim	4
Teo Kiew Leong	8
John Lee Yan Hong @ John Lee	4
Tan Kok Chor	8
Michael Moo Kai Wah	8

The Board has also delegated certain responsibilities to the Board Audit Committee, which operates within clearly defined terms of reference. The Chairman of this Committee reports the outcome of committee meetings to the board and such reports are incorporated as part of the minutes of the board meetings.

STATEMENT ON CORPORATE GOVERNANCE (cont'd)

Retirement and Re-election of Directors

In accordance with the Company's Articles of Association, any Director so appointed shall hold office only until the next following Annual General Meeting and shall then be eligible for re-election.

In addition at every succeeding Annual General Meeting, one-third (1/3) of the Directors or, if their number is not a multiple of three(3), the number nearest to, but not exceeding one-third (1/3), shall retire from office. All Directors shall retire from office once at least in every three (3) years and can offer himself for re-election at the Annual General Meeting.

Directors' Training

Recognizing the demands of their role as Directors, the Directors of the Company continue to equip themselves with the relevant professional advancement particularly in the corporate regulatory developments and current developments of the industry. All Directors had attended and successfully completed the Mandatory Accreditation programme as prescribed by Bursa Securities and they were also informed and encouraged to attend the professional programmes organized by various professional bodies.

Providing Information to the Board

The Board has a formal schedule of matters reserved specifically for the Board's consideration in ensuring the effectiveness of its decisions. The Board is supplied with information in a timely manner and appropriate quality to enable them to discharge their duties and due notice is given to Directors with regard to issues to be discussed. All resolutions are recorded and thereafter circulated to the Directors for comments before minutes of proceedings are finalized and confirmed.

All directors have full and unrestricted access to the advice and services of the Company Secretaries and the external Auditors at all times in the discharge of their duties and responsibilities. Where necessary, the Directors, whether collectively as a Board or in their individual capacity are empowered to seek independent professional advice and services in furtherance of their duties.

Audit Committee

The Audit Committee currently comprises of three(3) independent Non-Executive Directors. They meet regularly at least four(4) times in a year. The function and activities carried out by the Audit Committee during the year under review are contained in the Audit Committee Report.

B. DIRECTORS' REMUNERATION

The aggregate of remuneration received by the Directors of the Group categorized into appropriate components for the financial year ended 31 January 2009 are as follows:-

Remuneration	Executive Directors (RM)	Non-Executive Directors (RM)
- Fees	126,000	557,200
- Salaries & Other Emoluments	-	-

The number of Directors whose total remuneration falls within the respective bands for the financial year ended 31 January 2009 are as follows :-

Range of Remuneration	Number of Directors Executive Directors	Number of Directors Non-Executive Directors
Below RM50,000	2	2
RM50,001 to RM100,000	1	-
RM100,001 to RM150,000	-	-
RM150,001 to RM200,000	-	2

STATEMENT ON CORPORATE GOVERNANCE (cont'd)

C. SHAREHOLDERS

Relationship with Shareholders and Investors

The Board acknowledged the need for shareholders and investors to be informed of all material business matters affecting the Group. The timely release of the financial results on a quarterly basis provide the shareholders with an overview of the Group's performance and operations. In addition, to ensure that shareholders and investors are well informed of major developments of the Group, information is disseminated to shareholders and investors through various disclosures and announcements to Bursa Malaysia Securities Berhad as well as through the annual report and where appropriate, circulars and press releases. However, any information that may be regarded as undisclosed material information about the Group will be safeguarded.

The Annual General Meeting (AGM) is the principal forum for dialogue with shareholders. The Company values feedback from its shareholders and encourages them to actively participate in discussion and deliberations. Members of the Board and Senior Management are present and available to respond to shareholders' questions during the meeting. Item of special business included in the notice of the meeting will be accompanied by a full explanation of the effects of a proposed resolution.

D. ACCOUNTABILITY AND AUDIT

(a) Financial Reporting

The Board acknowledges and accepts full responsibility for preparing a balanced and comprehensive assessment of the Group's operation and prospects each time it releases its quarterly reports and annual financial statements to shareholders. On this matter, the Board is assisted by the Audit Committee, whose terms and reference are defined in the Audit Committee Report published in this Annual Report.

(b) Internal Control

The Statement on Internal Control as set out in pages 14 to 15 of this Annual Report provides an overview of the Group's approach in maintaining a sound system of internal control to safeguard shareholders' investment and the Group's assets.

(c) Relationship with Auditors

The Board on its own and through the Audit Committee has a formal and transparent management for maintaining appropriate relationship with the External Auditors. There is a formal and transparent arrangement in the review of the External Auditors' audit plan, report, internal control issues and procedures. Representatives from the External Auditors were also invited to attend every Audit Committee Meeting.

(d) Audit Committee

The Audit Committee Report for the financial year is provided in pages 11 to 13 of this Annual Report.

COMPLIANCE TO THE CODE

The Board of Directors of Borneo Oil Group is of the opinion that the Group is in compliance with the Principles of and best practices in corporate governance throughout the financial year ended 31 January 2009.

AUDIT COMMITTEE REPORT

TERMS OF REFERENCE

The Board of Directors of Borneo Oil Berhad is pleased to present the Audit Committee report for the financial year ended 31st January 2009. The Audit Committee was established in July 1999 to act as a Committee for the Board of Directors.

COMPOSITION OF MEMBERS

Members	No. of meetings Attended
1. Tan Kok Chor Independent Non Executive Director (Chairman)	4/ 4
2. John Lee Yan Hong @ John Lee Independent Non Executive Director	1/ 4
3. Michael Moo Kai Wah Independent Non Executive Director	4/ 4

OBJECTIVES

The principal objectives of the Audit Committee are :-

1. to assist the Board of Directors in fulfilling its fiduciary responsibilities by ensuring that the results of internal and external audit findings are fully considered and properly resolved.
2. to ensure compliance with Paragraph 15, Part C of the Bursa Malaysia Securities Berhad ("BURSA") Listing Requirements.
3. to ensure the independence of the External Auditors, the integrity of management and the adequacy of disclosures to shareholders.

COMPOSITION

The Board shall elect an Audit Committee, comprising no fewer than 3(three) members of whom the majority must be Independent Directors. The Chairman of the Audit Committee shall be appointed by the Board.

MEETINGS OF THE AUDIT COMMITTEE

1. The Audit Committee is to meet not less than four (4) times in a year.
2. The quorum for each meeting shall be two(2) members of the Audit Committee, both of whom shall be Independent Directors.
3. The Audit Committee may regulate its own procedures in respect of the convening of meetings, the notice to be given of such meetings, the voting and proceedings thereof, the keeping of minutes and the custody, production and inspection of such minutes.
4. The Chairman of the Audit Committee shall submit a report of each meeting to the Board.
5. Other members of senior management, employees, head of internal audit or representative of the external auditors may also attend the meetings upon invitation by the Audit Committee and any questions raised shall be decided by a majority of votes of the members present, and in the case of equality of votes, the Chairman of the Audit Committee shall have a second or casting vote. The Company Secretary is the Secretary to the Audit Committee.

AUDIT COMMITTEE REPORT (cont'd)

AUTHORITY

The Audit Committee is authorized by the Board:-

1. To investigate any matters within its terms of reference;
2. To have the resources which are required to perform its duties;
3. To have full and unlimited/unrestricted access to any information and documents/resources pertaining to the listed issuer;
4. To have direct communication channels with the external auditors and person(s) carrying out the internal audit function or activity (if any);
5. To be able to obtain independent professional or other advice and to invite outsiders with relevant experience to attend, if necessary;
6. To be able to convene meetings with the External Auditors, the internal Auditor or both, excluding the attendance of other directors and employees of the company, whenever deemed necessary.
7. To be able to promptly report such matter to Bursa Malaysia Securities Berhad where the Audit Committee is of the view that the matter reported by it to the Board has not been satisfactorily resolved resulting in a breach of the Listing Requirements.

DUTIES AND RESPONSIBILITIES

Pursuant to Para 15.13 of the Bursa Securities Listing Requirements, the Audit Committee amongst others, shall review, appraise and report to the Board on:-

1. The appointment of the External Auditors, their audit fees and in the event of their resignation or dismissal with full explanatory statements.
2. The adequacy of the scope, functions, competency and resources of the internal audit function and results of the internal audit procedures.
3. The quality and effectiveness of the entire accounting and internal control system of the Group.
4. The adequacy of the audit effort by both the External and Internal Auditors.
5. The adequacy of the disclosures of information essential to give a true and fair presentation of the financial affairs of the Group.
6. Any material discoveries of adjustments made by the External or Internal Auditors.
7. The quarterly results and yearly financial statements, prior to the approval by the Board, focusing particularly on:-
 - (a) changes in major accounting policies and their implementation and the effects of such changes;
 - (b) the going concern assumptions,
 - (c) significant and unusual events; and
 - (d) compliance with accounting standards, Bursa Securities Listing requirements and other legal requirements.
8. Any related party transactions and conflict of interest situation that may arise, including any transactions, procedures or course of conduct that raises questions of management integrity.
9. The assistance given by the employees to the External Auditors.
10. Verification and allocation of employees' share option scheme ("ESOS") to be in compliance with the criteria as stipulated in the by-laws of ESOS of the Company.
11. Any such other functions as may be agreed to by the Audit Committee and the Board.

AUDIT COMMITTEE REPORT (cont'd)

SUMMARY OF ACTIVITIES

The Audit Committee has during the financial year ended 31st January 2009 discharged the following functions:-

- Reviewed the unaudited quarterly results and financial statements of the Company and its subsidiaries and other general announcements to be released to Bursa Securities to ensure compliance with the relevant Listing Requirements, the provisions of the Companies Act, 1965 and applicable accounting standards in Malaysia;
- Reviewed the financial statements of the Group and Company for the financial year ended 31 st January 2009 with the External Auditors and discussed before it was approved by the Board;
- Reviewed and evaluated External Auditors' scope of work, proposed audit fee, audit reports and audit plan for the financial year;
- Reviewed and discussed recent developments on accounting and auditing standards issued by the Malaysian Accounting Standards Board;
- Deliberated on the Group's financial performance, business development , management and corporate issues and recommended for approvals any key business strategies and actions that may affect the Group.
- Reviewed the Internal Audit report pertaining to the state of internal control of the operating units within the Group and appraised the adequacy and effectiveness of the management's response in resolving the audit issues reported.

STATEMENT ON INTERNAL CONTROL

Introduction

The Board of Directors of Borneo Oil Berhad is pleased to provide the Statement on Internal Control pursuant to paragraph 15.27 (b) of the Listing Requirements of Bursa Malaysia Securities Berhad.

The Board recognizes and adopts the Malaysian Code on Corporate Governance and accepts its responsibility in ensuing and maintaining a sound system of internal control to safeguard shareholders' investment and the Company's assets.

The Board acknowledges its ultimate responsibilities in reviewing the adequacy and the integrity of internal control systems and management information systems of Borneo Oil Berhad, including systems for compliance with applicable laws, regulations, rules, directives and guidelines as well as identifying principal risks and ensures the implementation of appropriate systems to manage the risks. The Group's internal control system is designed to manage rather than eliminate risk of failure to achieve business objectives and can only provide reasonable assurance and not absolute assurance against material misstatement or loss.

During the year under review, Borneo Oil Berhad and its subsidiaries ("Group") continued to enhance its system of internal control and risk management in order to better quantify its compliance with the Malaysian Code on Corporate Governance and Bursa Securities Listing Requirements.

The Board believes that the Group's system of internal control, financial or otherwise, should provide reasonable assurance regarding the achievement of objectives of ensuring effectiveness and efficiency of operations, reliability and transparency of financial information and compliance with laws and regulations.

The Group's system of internal control can be summarised as follows:

1. Internal Audit and Risk Management

The Board acknowledges that all areas of the Group's business activities involve some degree of risk and is committed to ensure that there is effective risk management to manage risks within defined parameters and standards. The process is done on an ongoing process which is undertaken at each level of operations. Emphasis is placed on reviewing and updating the process for identifying and evaluating the significant risks affecting the business, and policies and procedures by which these risks are managed.

Management is responsible for identification and evaluation of significant risks applicable to their areas of business, together with the design and operation of suitable internal controls. These risks are assessed on a continual basis and may be associated with a variety internal and external sources including control breakdown, disruption in information systems, competition, natural catastrophe and regulatory requirements.

The Board will pursue its ongoing process of identifying, assessing and managing key business, operational and financial risks faced by its business units concerned as well as regularly reviewing planned strategies to determine whether risks are mitigated and well-managed, and to ensure compliance with the guidelines issued by the relevant authorities.

2. Authorisation Procedures

The Group has a clear definition of authorisation procedures and a clear line of accountability, with strict authorization, approval and control procedures within which senior management operates. Responsibility levels are communicated throughout the Group which set out, among others, authorization levels, segregation of duties and other control procedures.

3. Authority Levels

The Group has delegated certain authority limits to the directors for which decisions were made on significant transactions. The approval of capital and revenue proposals above certain limit is reserved for decisions by the Board. Other investment decisions are delegated for approval in accordance with authority limits. Comprehensive appraisal and monitoring procedures are applied to all major investment decisions.

The authority of Directors is required for decisions on key treasury matters including financing of corporate and investment funding requirements, interest rate risk management, investments, insurance and designation of authorized signatories.

STATEMENT ON INTERNAL CONTROL (cont'd)

4. Financial Performance

Interim financial results are reviewed by the Audit Committee and approved by the Board upon recommendation of the Audit Committee before release to Bursa Securities. The full year financial results and analyses of the Group's state of affairs are disclosed to shareholders after review and audit by the external auditors.

5. Internal Compliance

The Group monitors compliance with its internal financial controls through management reviews and reports which are internally reviewed by key personnel. Updates of internal policies and procedures are undertaken to reflect changing risks or resolve operational deficiencies. Internal audit visits are systematically arranged over specific periods to monitor and scrutinize compliance with procedures and assess the integrity of financial information provided.

In addition to the risk management and internal audit function, the Board has put in place an organizational structure with clearly defined lines of responsibility and delegation of authority, allowing internal checks and balances. The Group has also developed and made available to employees an Employee Handbook that highlights policies with respect to health and safety, training, entitlements, benefits and serious misconduct.

Regular Board meetings are held to discuss and decide on policies and major business matters, while the management Committees' discussions, briefings and meetings are held from time to time to:

- (i) Monitor and assess the business performance;
- (ii) Manage the operational controls;
- (iii) identify, discuss and resolve financial and key management issues;
- (iv) Review the risks and controls of the businesses;
- (v) Deliberate on the investment proposals;
- (vi) Discuss appropriate tax planning measure and plans;
- (vii) Consider issues of corporate governance and business practices, and
- (viii) Review and evaluate the information technology requirements and systems support of the various subsidiaries.

The proceedings of these meetings are minuted or documented in reports, memorandums and proposals submitted to the Board of the Company.

The Board's conclusion

The Board consistently believe that by maintaining a balanced achievement of its business objectives and operational efficiency it will bring about a better and more effective performance and results of the Group. As such, the Board is of the view that the system of internal controls being instituted throughout the financial year 2009 is sound and effective. Reviews of all the control procedures will be continuously carried out to ensure the ongoing effectiveness and adequacy of the systems of internal control, so as to safeguard shareholders' investment and the Group's interest and assets. No major internal control weaknesses were identified during the year under review nor have any of the reported weaknesses resulted in any material losses or contingencies requiring disclosure in the Group's Annual Report.

The Board of Directors of Borneo Oil Berhad

Date : 23rd June 2009.

STATEMENT ON DIRECTORS' RESPONSIBILITY

(Pursuant to Paragraph 15.27(a) of the Listing Requirements of Bursa Malaysia Securities Berhad).

The Directors are pleased to announce and consider that in preparing the financial statements of the Group and of the Company for the financial year ended 31 January 2009, the Board has :-

- adopted and implemented appropriate accounting policies which have been consistently applied and supported by reasonable and prudent judgements and estimates;
- ensured that all applicable approved accounting standards, the Listing Requirements of Bursa Malaysia Securities Berhad and other statutory requirements in Malaysia have been complied with; and
- confirmed that the financial statements have been prepared on a going concern basis.

The Directors are responsible for ensuring that the Company and its subsidiaries keep proper accounting records and other registers which disclose with reasonable accuracy at any time the financial position of the Group and the Company and which enable them to ensure that the financial statements comply with the provisions of the Companies Act, 1965.

In addition, the Directors are also responsible for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

This Statement was made in accordance with the Board of Directors resolution dated 23rd June 2009.

BORNEO IL

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DIRECTORS' REPORT

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 31 January 2009.

PRINCIPAL ACTIVITIES

The Company's principal activities are investment holding and provision of corporate and management services to the Group. All other operational activities of the Group are undertaken by respective subsidiaries and are disclosed in Note 4 to the financial statements.

There have been no significant changes in the nature of these activities during the financial year.

FINANCIAL RESULTS

	GROUP RM	COMPANY RM
Net loss for the year	(14,366,046)	(4,697,669)
Attributable to:		
Equity holders of the Company	(14,366,046)	(4,697,669)
Minority interest	-	-
	<u>(14,366,046)</u>	<u>(4,697,669)</u>

DIVIDENDS

No dividends have been paid or declared by the Company since the end of the previous financial year.

The Directors do not recommend the payment of any dividend for the current year.

ISSUE OF SHARES AND DEBENTURES

No shares or debentures were issued during the financial year.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than those disclosed in the financial statements.

EMPLOYEE SHARE OPTIONS SCHEME ("ESOS")

The Company's ESOS is governed by the by-laws approved by the shareholders at an Extraordinary General Meeting held on 3 October 2006. The ESOS was implemented on 13 October 2006 and is to be in force for a period of 5 years from the date of implementation.

The main features of the ESOS and the movements in the share options for the year ended 31 January 2009 are disclosed in Note 13 to the financial statements.

DIRECTORS' REPORT (cont'd)

INFORMATION ON THE FINANCIAL STATEMENTS

Before the income statements and balance sheets of the Group and of the Company were made out, the Directors took reasonable steps:

- a. to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and have satisfied themselves that all known bad debts have been written off and that adequate allowance had been made for doubtful debts; and
- b. to ensure that any current assets which were unlikely to be realised in the ordinary course of business including their values as shown in the accounting records of the Group and of the Company have been written down to an amount which they might be expected so to realise.

At the date of this report, the Directors are not aware of any circumstances:

- a. which would render the amount written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or
- b. which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or
- c. which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

No contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of the Group or of the Company to meet their obligations as and when they fall due.

At the date of this report, there does not exist:

- a. any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liability of any other person; or
- b. any contingent liability of the Group or of the Company which has arisen since the end of the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no Director has received or become entitled to receive any benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by Directors as shown in the financial statements) by reason of a contract made by the Company or a related company with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest except as recorded and disclosed in the notes to the financial statements.

During and at the end of the financial year, no arrangement subsisted to which the Company or its related companies was a party, whereby Directors of the Company might acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

DIRECTORS' REPORT (cont'd)

DIRECTORS OF THE COMPANY

Directors who served on the Board of the Company since the date of the last report are as follows:

DATO' SUHAILI BIN ABDUL RAHMAN
 ABD. HAMID BIN IBRAHIM
 JOHN LEE YAN HONG @ JOHN LEE
 TAN KOK CHOR
 TEO KIEW LEONG
 MICHAEL MOO KAI WAH

In accordance with Article 96 of the Company's Article of Association, Dato' Suhaili Bin Abdul Rahman and Abd. Hamid Bin Ibrahim retires at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election.

DIRECTORS' INTERESTS

The shareholding in the Company of those who were Directors at the end of the financial year, as recorded in the Register of Directors' Shareholding kept by the Company under Section 134 of the Companies Act, 1965, were as follows:

Direct holdings	Number of Ordinary Shares of RM1 Each			Balance at 31.01.2009
	Balance at 01.02.2008	Bought	Sold	
Directors				
Dato' Suhaili Bin Abdul Rahman	6,815,000	-	(2,788,100)	4,026,900
Abd. Hamid Bin Ibrahim	2,012,500	-	(2,012,500)	-

No other Directors held any interest in the shares of the Company at the end of the financial year.

WARRANT A

The Company's warrants were allotted on 19 November 2002 and listed on the Bursa Malaysia Securities Berhad on 25 November 2002. Each warrant entitles the holder the right to subscribe for one new ordinary share of RM1 each in the Company at an exercise price of RM1 per share within ten years from the date of issue. The exercise price of the warrants is subject to adjustments from time to time in accordance with the conditions stipulated in the Deed Poll dated 3 October 2002.

The number of warrants issued at the date of allotment was 32,947,200. The warrants will expire on 18 November 2012. The movement of warrants during the financial year is as follows:

	Number of Warrants	
	2009	2008
At beginning of year	11,847,200	11,847,200
Exercised during the financial year	-	-
At end of year	11,847,200	11,847,200

WARRANT B

The Company's issued new warrants via a Renounceable Rights Issue of 53,458,666 new warrants 2008/2018 on the basis of one (1) new warrant for every three (3) existing shares held were listed on the Bursa Malaysia Securities Berhad on 5 March 2008. The issue price is at RM0.05 each. The exercise price of the warrants is subject to adjustments from time to time in accordance with the conditions stipulated in the Deed Poll dated 18 January 2008.

The issue date for 53,458,666 Rights Issue of warrants was 29 February 2008. The warrants will expire on 28 February 2018. The exercise period for the warrants 2008/2018 is ten (10) years commencing from and inclusive of the date of issue of the Warrants 2008/2018. Warrants 2008/2018 which are not exercise during the exercise period shall thereafter lapse and cease to be valid.

DIRECTORS' REPORT (cont'd)

OTHER STATUTORY INFORMATION

At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements of the Group and of the Company misleading.

In the opinion of the Directors:

- a. the results of the operations of the Group and of the Company for the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and
- b. there has not arisen in the interval between the end of the financial year and the date of this report, any such item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

SIGNIFICANT EVENTS DURING THE YEAR

The significant events during the year are disclosed in Note 30 to the financial statements.

SUBSEQUENT EVENT

The subsequent event is disclosed in Note 31 to the financial statements.

AUDITORS

Messrs. STYL Associates have indicated their willingness to continue in office.

Signed on behalf of the Board in accordance with a resolution of the Directors,

MICHAEL MOO KAI WAH

JOHN LEE YAN HONG @ JOHN LEE

KOTA KINABALU

DATE: 25 May 2009

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF BORNEO OIL BERHAD

Report on the Financial Statements

We have audited the accompanying financial statements of BORNEO OIL BERHAD which comprise the balance sheets of the Group and of the Company as at 31 January 2009, the income statements, statements of changes in equity and cash flow of the Group and of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory notes.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with Financial Reporting Standards and the Companies Act 1965 in Malaysia. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Financial Reporting Standards and the Companies Act 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 January 2009 and of their financial performance and cash flows for the financial year then ended.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 1965 in Malaysia, we also report the following:

- a) in our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiary companies have been properly kept in accordance with the provisions of the Act.
- b) we have considered the accounts and the auditors' reports of all subsidiary companies of which we have not acted as auditors, which are indicated in Note 4 to the financial statements.
- c) we are satisfied that the accounts of the subsidiary companies that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.
- d) the audit reports on the accounts of the subsidiary companies did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

STYL ASSOCIATES
CHARTERED ACCOUNTANTS
FIRM NO: AF-1929

KUALA LUMPUR
DATE: 25 May 2009

YEO ENG HUI
APPROVED COMPANY AUDITOR
TREASURY APPROVAL NO.1723/9/10(J)

BALANCE SHEETS

AS AT 31 JANUARY 2009

	Note	GROUP		COMPANY	
		2009 RM	2008 RM	2009 RM	2008 RM
ASSETS					
Non-current assets					
Property, plant and equipment	3	17,875,317	19,877,987	282,718	367,924
Investment in subsidiary companies	4	-	-	200,000	200,000
Investment properties	5	32,273,821	32,961,990	-	-
Prepaid lease payments	6	44,260,638	21,677,268	-	-
Development expenditure	7	1,926,887	2,299,322	-	-
Intangible assets	8	526,829	1,023,492	500,000	1,000,000
Total non-current assets		96,863,492	77,840,059	982,718	1,567,924
Current assets					
Inventories	9	1,741,501	1,774,186	-	-
Trade receivables	10	3,823,663	7,791,148	-	69,226
Other receivables	11	21,715,101	28,026,131	149,157,688	129,998,378
Cash and cash equivalents	12	5,428,952	26,157,434	2,136,132	24,695,535
Total current assets		32,709,217	63,748,899	151,293,820	154,763,139
Total assets		129,572,709	141,588,958	152,276,538	156,331,063
EQUITY AND LIABILITIES					
Equity attributable to equity holders of the Company					
Share capital	13	160,376,000	160,376,000	160,376,000	160,376,000
Reserves	14	(70,333,460)	(58,640,347)	(11,237,995)	(9,213,259)
Shareholders' equity		90,042,540	101,735,653	149,138,005	151,162,741
Non-current liabilities					
Long term borrowings	15	20,242,641	24,662,252	137,580	2,021,835
Deferred taxation	16	43,700	-	-	-
Total non-current liabilities		20,286,341	24,662,252	137,580	2,021,835
Current liabilities					
Trade payables	18	1,150,841	1,292,983	-	-
Other payables	19	6,597,225	4,272,822	2,961,537	1,004,967
Short term borrowings	15	11,423,759	9,565,268	39,416	2,141,520
Provision for taxation		72,003	59,980	-	-
Total current liabilities		19,243,828	15,191,053	3,000,953	3,146,487
Total liabilities		39,530,169	39,853,305	3,138,533	5,168,322
Total equity and liabilities		129,572,709	141,588,958	152,276,538	156,331,063

The accompanying Notes form an integral part of the Financial Statements.

INCOME STATEMENTS

FOR THE YEAR ENDED 31 JANUARY 2009

	Note	GROUP		COMPANY	
		2009 RM	2008 RM	2009 RM	2008 RM
Revenue	20	19,599,792	15,419,022	348,000	39,000
Cost of sales		(10,245,995)	(7,042,583)	-	-
Gross profit		9,353,797	8,376,439	348,000	39,000
Other income		2,445,884	591,494	137,767	42,955
Administrative expenses		(23,543,777)	(24,484,484)	(5,183,436)	(3,714,418)
Finance costs		(2,553,013)	(4,359,633)	-	(826,547)
Loss before taxation	21	(14,297,109)	(19,876,184)	(4,697,669)	(4,459,010)
Taxation	22	(68,937)	1,461	-	-
Loss for the year		(14,366,046)	(19,874,723)	(4,697,669)	(4,459,010)
Attributable to:					
Equity holders of the Company		(14,366,046)	(19,874,723)		
Minority interest		-	-		
Loss for the year		(14,366,046)	(19,874,723)		
Loss per share attributable to ordinary equity holders of the Company					
- Basic (sen)	23	(9.0)	(16.1)		

The accompanying Notes form an integral part of the Financial Statements.

STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 JANUARY 2009

	Attributable to equity holders of the Company						Total Equity RM
	Share Capital RM	Share Premium RM	Warrants Reserves RM	Capital Reserve RM	ESOS Reserves RM	Accumulated Loss RM	
GROUP							
Balance at 1 February 2007	117,669,000	20,503,921	-	15,000	-	(62,991,333)	75,196,588
Issuance of shares	42,707,000	1,938,280	-	-	-	-	44,645,280
Loss for the year	-	-	-	-	-	(19,874,723)	(19,874,723)
Employee's share option scheme: - shares issued	-	1,722,791	-	-	45,717	-	1,768,508
Balance at 31 January 2008	160,376,000	24,164,992	-	15,000	45,717	(82,866,056)	101,735,653
Issuance of warrants	-	-	2,672,933	-	-	-	2,672,933
Loss for the year	-	-	-	-	-	(14,366,046)	(14,366,046)
Balance at 31 January 2009	160,376,000	24,164,992	2,672,933	15,000	45,717	(97,232,102)	90,042,540

	Non distributable			Distributable		Total Shareholders' Equity RM
	Share Capital RM	Share Premium RM	ESOS Reserves RM	Warrants Reserves RM	Accumulated Loss RM	
COMPANY						
Balance at 1 February 2007	117,669,000	20,503,921	-	-	(28,964,958)	109,207,963
Issuance of shares	42,707,000	1,938,280	-	-	-	44,645,280
Loss for the year	-	-	-	-	(4,459,010)	(4,459,010)
Employee's share option scheme: - shares issued	-	1,722,791	45,717	-	-	1,768,508
Balance at 31 January 2008	160,376,000	24,164,992	45,717	-	(33,423,968)	151,162,741
Issuance of warrants	-	-	-	2,672,933	-	2,672,933
Loss for the year	-	-	-	-	(4,697,669)	(4,697,669)
Balance at 31 January 2009	160,376,000	24,164,992	45,717	2,672,933	(38,121,637)	149,138,005

The accompanying Notes form an integral part of the Financial Statements.

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 JANUARY 2009

	Note	2009 RM	2008 RM
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before taxation		(14,297,109)	(19,876,184)
Adjustments for:			
Allowance for doubtful debts		4,761,175	293,031
Allowance for doubtful debts written back		(140,505)	(354,042)
Amortisation of intangible assets		500,000	500,000
Amortisation of investment properties		820,945	698,336
Amortisation of prepaid lease rental		1,619,263	1,891,865
Bad debts written off		448,005	483,328
Depreciation		3,678,551	4,260,701
Development expenditure written off		421,885	-
Gain on disposal of investment properties		(775,692)	-
Gain on disposal of property, plant and equipment		(1,072,462)	(110,858)
Interest expenses		2,553,013	4,359,633
Interest income		(134,555)	(43,141)
Property, plant and equipment written off		913,123	467,404
Share-based compensation	24	-	1,768,508
Operating loss before working capital changes		(704,363)	(5,661,419)
Inventories		32,685	(361,199)
Receivables		5,329,244	(2,548,141)
Payables		2,227,511	1,479,741
Cash generated from/(used in) operations		6,885,077	(7,091,018)
Tax paid		(837)	-
Interest paid		(388,275)	(4,359,633)
Development cost		(49,450)	(2,192,319)
Net cash from/(used in) operating activities		6,446,515	(13,642,970)
CASH FLOWS FROM INVESTING ACTIVITIES			
Net cash outflow arising from acquisition of subsidiary company	4(a)	(180,368)	-
Purchase of property, plant and equipment	3	(5,003,028)	(4,763,508)
Purchase of investment properties	5	(9,881,280)	-
Proceeds from disposal of property, plant and equipment		3,433,348	232,320
Proceeds from disposal of investment properties		10,576,394	-
Purchase of prepaid lease rental		(24,202,633)	(1,130,608)
Interest received		134,555	43,141
Net cash used in investing activities		(25,123,012)	(5,618,655)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issuance of shares, net of related expenses		-	44,645,280
Proceeds from issuance of warrants		2,672,933	-
Repayment of finance lease and hire purchase payables		(1,274,333)	(31,866)
Repayment of term loans		(3,450,585)	(11,923,601)
Net cash (used in)/from financing activities		(2,051,985)	32,689,813
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(20,728,482)	13,428,188
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		26,157,434	12,729,246
CASH AND CASH EQUIVALENTS AT END OF YEAR	12	5,428,952	26,157,434

The accompanying Notes form an integral part of the Financial Statements.

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 JANUARY 2009

	Note	2009 RM	2008 RM
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before taxation		(4,697,669)	(4,459,010)
Adjustments for:			
Amortisation of intangible assets		500,000	500,000
Allowance for doubtful debts		3,024,151	-
Bad debts written off		307,500	-
Depreciation		125,905	121,835
Interest expenses		-	826,547
Interest income		(134,362)	(42,955)
Share-based compensation	24	-	1,768,508
Operating loss before working capital changes		(874,475)	(1,285,075)
Receivables		(22,421,735)	(28,965,395)
Payables		1,956,570	(1,240,882)
Net cash used in operations		(21,339,640)	(31,491,352)
Interest paid		-	(826,547)
Net cash used in operating activities		(21,339,640)	(32,317,899)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	3	(40,699)	(333,260)
Interest received		134,362	42,955
Net cash from/(used in) investing activities		93,663	(290,305)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issuance of shares, net of related expenses		-	44,645,280
Proceeds from issuance of warrants		2,672,933	-
Repayment of hire purchase payables		(1,260,683)	(6,374)
Repayment of term loans		(2,725,676)	(722,957)
Net cash (used in)/from financing activities		(1,313,426)	43,915,949
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(22,559,403)	11,307,745
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		24,695,535	13,387,790
CASH AND CASH EQUIVALENTS AT END OF YEAR	12	2,136,132	24,695,535

The accompanying Notes form an integral part of the Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JANUARY 2009

1. CORPORATE INFORMATION

The Company's principal activities are investment holding and provision of corporate and management services to the Group. All other operational activities of the Group are undertaken by respective subsidiaries and are disclosed in Note 4 to the financial statements.

There have been no significant changes in the nature of these activities during the financial year.

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Second Board of Bursa Malaysia Securities Berhad.

The registered office of the Company is located at Level 11(A) Main Office Tower, Financial Park Labuan, Jalan Merdeka, 87000 Wilayah Persekutuan Labuan.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 25 May 2009.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of accounting

The financial statements of the Group and of the Company have been prepared under the historical cost convention modified to include the revaluation of certain property, plant and equipment and investment properties and in compliance with the provisions of the Companies Act, 1965 and Financial Reporting Standards ("FRSs") issued by Malaysian Accounting Standards Board ("MASB").

In the current financial year, the Group and the Company had adopted all of the revised FRSs issued by MASB that are relevant to its operations and effective beginning 1 February 2008, which are as follows:

FRS 107	Cash Flow Statements	FRS 111	Construction Contracts
FRS 112	Income Taxes		
FRS 118	Revenue		
FRS 119	Employee Benefits		
FRS 120	Accounting for Government Grants and Disclosure of Government Assistance		
FRS 121	The Effects of Changes in Foreign Exchange Rates – Net Investment in a Foreign Operation (amendment)		
FRS 126	Accounting and Reporting by Retirement Benefits Plan		
FRS 129	Financial Reporting in Hyperinflationary Economies		
FRS 134	Interim Financial Reporting		
FRS 137	Provisions, Contingent Liabilities and Contingent Assets		

The adoption of the abovenamed revised FRSs did not result in substantial changes to the Group's accounting policies and does not have any financial effect on the loss after taxation of the Group and of the Company for the current and prior financial year.

Accounting Standards Issued but not yet Effective

The new and relevant standards that have been issued but not yet effective for the Group's current financial year where the Group has not early adopted, are as follows:

		Effective for beginning on or after
FRS 4	Insurance Contracts	1 January 2010
FRS 7	Financial Instruments: Disclosures	1 January 2010
FRS 8	Operating Segments	1 July 2009
FRS 139	Financial Instruments: Recognition and Measurement	1 January 2010

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JANUARY 2009 (cont'd)

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(b) Basis of consolidation

(i) Subsidiary companies

The consolidated financial statements include the financial statements of the Company and all its subsidiary companies. Subsidiary companies are those companies in which the Group has a long term equity interest and where it has power to exercise control over the financial and operating policies so as to obtain benefits therefrom.

Subsidiary companies are consolidated using the acquisition method of accounting. Under the acquisition method of accounting, the results of subsidiary companies acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate. The assets and liabilities of a subsidiary are measured at their fair values at the date of acquisition and these values are reflected in the consolidated balance sheet. The difference between the cost of an acquisition and the fair value of the acquisition is included in the consolidated balance sheet as goodwill or negative goodwill arising on consolidation.

Intragroup transactions, balances and resulting unrealised gains are eliminated on consolidation and the consolidated financial statements reflect external transactions only. Unrealised losses are eliminated on consolidation unless costs cannot be recovered.

The gain or loss on disposal of a subsidiary company is the difference between the net disposal proceeds and the Group's share of its net assets together with any unamortised balance of goodwill and exchange differences which were not previously recognised in the consolidated income statement.

Minority interest is measured at the minorities share of post-acquisition fair values of the identifiable assets and liabilities of the acquiree.

(c) Property, plant and equipment and depreciation

Property, plant and equipment are stated at cost or valuation less accumulated depreciation and impairment losses. The policy for recognition and measurement of impairment losses is in accordance with Note 2(m).

Property, plant and equipment are depreciated on the reducing-balance and straight-line methods at rates based on their estimated useful lives. The principal annual rates used are as follows:

	Rate
Machinery and equipment	10- 25 %
Furniture, fixture and fittings	5- 20 %
Motor vehicles	10- 20 %

Upon the disposal of an item of property, plant and equipment, the difference between the net disposal proceeds and the carrying amount is recognised in the income statement and the unutilised portion of the revaluation surplus on that item is taken directly to accumulated losses.

(d) Goodwill

Goodwill acquired in a business combination is initially measured at cost being the excess of the cost of business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities. Following the initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is not amortised but instead, it is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. Gains or losses on the disposal of an entity include the carrying amount of goodwill relating to entity sold.

(e) Investment in subsidiary companies

Investments in subsidiary companies are stated at cost less impairment losses. The policy for recognition and measurement of impairment losses is in accordance with Note 2(m).

On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is recognised in the income statement.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JANUARY 2009 (cont'd)

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(f) Investment properties

Investment properties consist of investments in land and buildings that are not substantially occupied for use by, or in the operations, of the Group.

Investment properties are treated as long-term investments and are stated at valuation. Revaluations are based on valuations by an independent valuer at least once every 5 years. An increase in carrying amount arising from revaluation of investment properties is credited to equity as a revaluation surplus; any decrease is first offset against any unutilised revaluation surplus on an earlier valuation in respect of the same investment property and is thereafter recognised as an expense. A revaluation increase is recognised as income to the extent that it reverses a revaluation decrease of the same property previously recognised as an expense.

Upon disposal of an investment property, the difference between net disposal proceeds and the carrying amount is recognised in the income statement and the unutilised portion of the revaluation surplus is taken directly to retained profits.

Freehold land is not depreciated. Freehold condominiums are amortised at rate of 2%. Leasehold land is amortised over the period of the respective leases which ranges from 30 to 99 years.

(g) Inventories

Inventories are stated at the lower of cost (determined on the weighted average basis) and net realisable value. Net realisable value represents the estimated selling price less all estimated costs to completion and costs to be incurred in marketing, selling and distribution.

(h) Cash flow statement

The Group and the Company adopt the indirect method in the preparation of the cash flow statements.

Cash equivalents are short term, highly liquid investments with maturities of three months or less from the date of acquisition and are readily convertible to cash with insignificant risk of change in value.

(i) Hire purchase and finance lease

A lease is recognised as a finance lease if it transfers substantially to the Group all the risks and rewards incident to ownership. All other leases are classified as operating leases.

(i) Finance leases

Assets acquired by way of hire purchase or finance leases are stated at an amount equal to the lower of their fair values and the present value of the minimum lease payments at the inception of the leases, less accumulated depreciation and impairment losses. The corresponding liability is included in the balance sheet as borrowings. In calculating the present value of the minimum lease payments, the discount factor used is the interest rate implicit in the lease, when it is practicable to determine, otherwise, the Company's incremental borrowing rate is used.

Lease payments are apportioned between the finance costs and the reduction of the outstanding liability. Finance costs, which represent the difference between the total leasing commitments and the fair value of the assets acquired, are charged to the income statement over the term of the relevant lease so as to produce a constant periodic rate of charge on the remaining balance of the obligations for each accounting period.

The depreciation policy for leased assets is consistent with that for depreciable property, plant and equipment as described in Note 2(c).

(ii) Operating leases

Operating lease payments are charged to the income statement on a straight-line basis over the term of the relevant lease.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JANUARY 2009 (cont'd)

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(j) Patents and rights

Patents and rights are recognised as intangible assets if it is probable that the future economic benefits that are attributable to such assets will flow to the enterprise and the costs of such assets can be measured reliably.

Rights acquired for the use of certain brand names and trademarks are stated at cost less accumulated amortisation and impairment losses. Amortisation is charged to the income statement on a straight-line basis over the estimated useful life of 10 years. The policy for the recognition and measurement of impairment losses is in accordance with Note 2(m).

(k) Prepaid lease payments

Prepaid lease payments are amortised on a straight-line basis over the term of respective leases which ranges from 11 to 63 years.

(l) Deferred exploration and development expenditure

Exploration and evaluation expenditures are accumulated for each area of interest and deferred as an asset when the costs are expected to be recouped through exploitation or by sale, or where activities in the area of interest have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves and active and significant operations in or in relation to the area are continuing.

Deferred exploration and development expenditures are amortised over the economic lives of the related areas of interest from the date of commencement of production. Amortisation is determined on a production output basis.

The net carrying value of each area of interest is reviewed regularly and, to the extent this value exceeds its recoverable value, that excess is provided for or written off in the year in which this is determined.

(m) Impairment of assets

At each balance sheet date, the Group reviews the carrying amounts of its assets, other than inventories, deferred tax assets and financial assets, to determine whether there is any indication of impairment. If any such indication exists, impairment is measured by comparing the carrying values of assets with their recoverable amounts. Recoverable amount is the higher of net selling price and value in use, which is measured by reference to discounted future cash flows. Recoverable amounts are estimated for individual assets or, if it is not possible, for the cash-generating unit to which the assets belong.

An impairment loss is recognised as an expense in the income statement immediately, unless the asset is carried at a revalued amount. Any impairment loss of a revalued asset is treated as a revaluation decrease to the extent of any available previously recognised revaluation surplus for the same asset. Reversal of impairment losses recognised in prior years is recorded when the impairment losses recognised for the asset no longer exist or have decreased.

(n) Related parties

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party, to the extent that it prevents the other party from fully pursuing its own separate interest, in making financial and operating decisions.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JANUARY 2009 (cont'd)

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(o) Foreign currency transactions

Transactions in foreign currencies are initially recorded in Ringgit Malaysia at rates of exchange ruling at the date of transactions. At each balance sheet, foreign currency monetary items are translated into Ringgit Malaysia at exchange rates ruling on that date, unless hedged by forward foreign exchange contracts, in which case the rates specified in such forward contracts are used. Non-monetary items initially denominated in foreign currencies, which are carried at historical cost are translated using the historical rate as of the date of acquisition and non-monetary items which are carried at fair value are translated using the exchange rate that existed when the values were determined. All exchange rate differences are taken to the income statement.

The principal exchange rates for every unit of foreign currency ruling at balance sheet date used are as follows:

Foreign currency	2009	2008
1 US Dollar	RM3.60	RM3.20
1 Singapore Dollar	RM2.40	RM2.30
1 Brunei Dollar	RM2.24	RM2.30

(p) Provisions for liabilities

Provisions for liabilities are recognised when the Group has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

(q) Revenue recognition

Revenue of the Group is recognised when it is probable that the economic benefits associated with the transaction will flow to the enterprise and the amount of the revenue can be measured reliably.

(i) Sales of goods

Revenue relating to sales of goods is recognised net of sales tax and discounts upon transfer of risks and rewards.

(ii) Revenue from fast food and restaurant operations

Revenue from fast food and restaurant operations are recognised at point of sales, net of service tax and discounts.

(iii) Franchisee fees income

Franchisee fees income is recognised on an accrual basis in accordance with the substance of the relevant agreements.

(iv) Rental income

Rental income is recognised on the accrual basis in accordance with the substance of the relevant agreements.

(v) Management income

Management fee is recognised on the accrual basis.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JANUARY 2009 (cont'd)

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(r) Income tax

Income tax on the income statement for the year comprises current and deferred tax. Current tax is the expected amount of income taxes payable in respect of the taxable profit for the year and is measured using the tax rates that have been enacted at the balance sheet date.

Deferred tax is recognised for, using the liability method, on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts in the financial statements. In principal, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. Deferred tax is not recognised if the temporary difference arises from goodwill or negative goodwill or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax is measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantially enacted at the balance sheet date. Deferred tax is recognised in the income statement, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also charged or credited directly in equity, or when it arises from a business combination that is an acquisition, in which case the deferred tax is included in the resulting goodwill or negative goodwill.

(s) Employee benefits

(i) Short term benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the year in which employees of the Group and of the Company rendered the associated services. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences, and short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

(ii) Defined contribution plans

As required by law, companies in Malaysia make contributions to the state pension scheme, the Employees Provident Fund ("EPF"). Such contributions are recognised as an expense in the income statement as incurred.

(iii) Share-based compensation

The Group's Employees' Share Option Scheme, an equity-settled, share-based compensation plan, allows the Group's employees to exercise the options granted to acquire ordinary shares of the Company. The fair value of the share options granted in exchange for the employee services received are recognised as an expense in the income statement over the vesting periods of the grant with a corresponding increase in equity.

The total amount to be expensed over the vesting period is determined by reference to the fair value of the share options granted, excluding the impact of any non-market vesting conditions. The equity amount is recognised in the share option reserve until the option is exercised, upon which it will be transferred directly to share premium, or until the option expires, upon which it will be transferred directly to retained earnings.

The proceeds received net of any directly attributable costs are credited to share capital (nominal value) and share premium when the options are exercised.

Details of the Group's Employees' Share Option Scheme are set out in Note 13 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JANUARY 2009 (cont'd)

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(t) Financial instruments

Financial instruments are recognised in the balance sheet when the Group has become a party to the contractual provisions of the instrument.

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual agreement. Interest, dividends, gains and losses relating to a financial instrument classified as a liability, are reported as expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity.

Financial instruments are offset when the Group has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

Financial instruments recognised in the balance sheet are disclosed in the individual policy statement associated with each item.

(i) Other non-current investments

Non-current investments other than investments in subsidiaries, associated companies and joint ventures are stated at cost less impairment losses. The policy for recognition and measurement of impairment losses is in accordance with Note 2(m).

On disposal of an investment, the difference between net disposal proceeds and its carrying amount is recognised in the income statement.

(ii) Receivables

Receivables are carried at anticipated realisable values. Bad debts are written off when identified. An estimate is made for doubtful debts based on a review of all outstanding amounts at the balance sheet date.

(iii) Payables

Payables are stated at cost which is the fair value of the consideration to be paid in the future for goods and services received.

(iv) Interest-bearing borrowings

Interest-bearing bank loans are recorded at the face value of the loan amounts.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised as an expense in the income statement in the period in which they are incurred.

(v) Equity instruments

Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are approved for payment.

The transaction costs of an equity transaction are accounted for as deduction from equity, net of tax. Equity transaction costs comprise only those incremental external costs directly attributable to the equity transaction which would otherwise have been avoided.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JANUARY 2009 (cont'd)

3. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment consist of the following:

GROUP COST	Balance at 01.02.2008 RM	Additions RM	Disposals/ Written off RM	Balance at 31.01.2009 RM
Machinery and equipment	20,101,776	233,314	(5,258,560)	15,076,530
Furniture, fixture and fittings	25,377,666	4,769,714	(11,122,603)	19,024,777
Motor vehicles	2,280,267	-	(65,079)	2,215,188
	47,759,709	5,003,028	(16,446,242)	36,316,495
ACCUMULATED DEPRECIATION	Balance at 01.02.2008 RM	Charge for the year RM	Disposals/ Written off RM	Balance at 31.01.2009 RM
Machinery and equipment	11,972,258	996,816	(4,199,512)	8,769,562
Furniture, fixture and fittings	14,180,100	2,450,456	(8,891,058)	7,739,498
Motor vehicles	1,729,364	231,279	(28,525)	1,932,118
	27,881,722	3,678,551	(13,119,095)	18,441,178
COST	Balance at 01.02.2007 RM	Additions RM	Disposals/ Written off RM	Balance at 31.01.2008 RM
Machinery and equipment	20,293,433	222,745	(414,402)	20,101,776
Furniture, fixture and fittings	23,949,469	4,224,763	(2,796,566)	25,377,666
Motor vehicles	1,968,611	316,000	(4,344)	2,280,267
	46,211,513	4,763,508	(3,215,312)	47,759,709
ACCUMULATED DEPRECIATION	Balance at 01.02.2007 RM	Charge for the year RM	Disposals/ Written off RM	Balance at 31.01.2008 RM
Machinery and equipment	10,611,952	1,633,635	(273,329)	11,972,258
Furniture, fixture and fittings	14,138,063	2,391,026	(2,348,989)	14,180,100
Motor vehicles	1,497,452	236,040	(4,128)	1,729,364
	26,247,467	4,260,701	(2,626,446)	27,881,722
NET BOOK VALUE			2009 RM	2008 RM
Machinery and equipment			6,306,968	8,129,518
Furniture, fixture and fittings			11,285,279	11,197,566
Motor vehicles			283,070	550,903
			17,875,317	19,877,987

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JANUARY 2009 (cont'd)

3. PROPERTY, PLANT AND EQUIPMENT (cont'd)

COMPANY COST	Balance at 01.02.2008 RM	Additions RM	Disposals RM	Balance at 31.01.2009 RM
Furniture, fixture and fittings	17,260	-	-	17,260
Motor vehicles	600,544	-	-	600,544
Office equipment	-	40,699	-	40,699
	617,804	40,699	-	658,503
ACCUMULATED DEPRECIATION	Balance at 01.02.2008 RM	Charge for the year RM	Disposals RM	Balance at 31.01.2009 RM
Furniture, fixture and fittings	1,726	1,726	-	3,452
Motor vehicles	248,154	120,109	-	368,263
Office equipment	-	4,070	-	4,070
	249,880	125,905	-	375,785
COST	Balance at 01.02.2007 RM	Additions RM	Disposals RM	Balance at 31.01.2008 RM
Furniture, fixture and fittings	-	17,260	-	17,260
Motor vehicles	284,544	316,000	-	600,544
	284,544	333,260	-	617,804
ACCUMULATED DEPRECIATION	Balance at 01.02.2007 RM	Charge for the year RM	Disposals RM	Balance at 31.01.2008 RM
Furniture, fixture and fittings	-	1,726	-	1,726
Motor vehicles	128,045	120,109	-	248,154
	128,045	121,835	-	249,880
NET BOOK VALUE			2009 RM	2008 RM
Furniture, fixture and fittings			13,808	15,534
Motor vehicles			232,281	352,390
Office equipment			36,629	-
			282,718	367,924

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JANUARY 2009 (cont'd)

3. PROPERTY, PLANT AND EQUIPMENT (cont'd)

(a) The net book values of property, plant and equipment under hire purchase arrangements are as follows:

	GROUP		COMPANY	
	2009 RM	2008 RM	2009 RM	2008 RM
Machinery and equipment	-	734,074	-	-
Motor vehicles	46,424	118,299	42,682	99,590
	<u>46,424</u>	<u>852,373</u>	<u>42,682</u>	<u>99,590</u>

(b) Included in property, plant and equipment of the Group and of the Company are the costs of the following fully depreciated assets which are still in use:

	GROUP		COMPANY	
	2009 RM	2008 RM	2009 RM	2008 RM
Machinery and equipment	870,431	3,206,959	-	-
Furniture, fixture and fittings	423,597	1,804,348	-	-
Motor vehicles	61,486	61,486	-	-
	<u>1,355,514</u>	<u>5,072,793</u>	<u>-</u>	<u>-</u>

4. INVESTMENT IN SUBSIDIARY COMPANIES

	COMPANY	
	2009 RM	2008 RM
Unquoted shares, at cost	200,000	200,000

Details of the subsidiary companies are as follows:

NAME OF COMPANY	% EQUITY HELD		COUNTRY OF INCORPORATION	PRINCIPAL ACTIVITIES
	2009	2008		
Borneo Oil & Gas Corporation Sdn. Bhd.	100	100	Malaysia	Oil, gas and energy and its related businesses.
SB Partners Sdn. Bhd.	100	100	Malaysia	Investment holding.
Subsidiaries of Borneo Oil & Gas Corporation Sdn. Bhd.				
Borneo Energy Sdn. Bhd.	100	100	Malaysia	Oil, gas and energy and its related businesses.
Borneo Oil (Indonesia) Limited * @	100	100	Wilayah Persekutuan Labuan, Malaysia	Oil, gas and energy and its related businesses.
Borneo Oil (Thailand) Limited * @ #	100	100	Wilayah Persekutuan Labuan, Malaysia	Oil, gas and energy related businesses.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JANUARY 2009 (cont'd)

4. INVESTMENT IN SUBSIDIARY COMPANIES (cont'd)

NAME OF COMPANY	% EQUITY HELD		COUNTRY OF INCORPORATION	PRINCIPAL ACTIVITIES
	2009	2008		
Subsidiaries of SB Partners Sdn. Bhd.				
SB Franchise Management Sdn. Bhd.	100	100	Malaysia	Provision of management and marketing services.
SB Resorts Sdn. Bhd.	100	100	Malaysia	Provision of management services, catering services, operations of cafe cum entertainment and rental of equipment.
Subsidiaries of SB Franchise Management Sdn. Bhd.				
Bonushopping Sdn. Bhd.	100	100	Malaysia	Dormant.
Sugar Bun Fast Food Centre Sdn. Bhd.	100	100	Malaysia	Investment holding and operating of fast food restaurants. Ceased operations in November 2008.
Applebee's Bakery Sdn. Bhd.	100	100	Malaysia	Dormant.
L & V Trading Sdn. Bhd.	100	100	Malaysia	Food processing and sales and distribution of equipment and spare parts.
FB Food Enterprise Sdn. Bhd.	100	100	Malaysia	Investment properties. Ceased business operations during the year.
Subsidiaries of SB Resorts Sdn. Bhd.				
SB Lifestyle Sdn. Bhd.	100	100	Malaysia	Investment properties.
The Borneo Bar Sdn. Bhd.	100	100	Malaysia	Dormant.
SB Rainforest Travel & Tours Sdn. Bhd.* (Formerly Known as Gayana Travel & Tours Sdn. Bhd.)	100	-	Malaysia	Have not commenced business operations yet.
Subsidiary of Sugar Bun Fast Food Centre Sdn. Bhd.				
Strawberry Foods Sdn. Bhd.	100	100	Malaysia	Investment holding.
Subsidiary of Strawberry Foods Sdn. Bhd.				
Strawberry Baking System Sdn. Bhd.	100	100	Malaysia	Dormant.

* Not audited by STYL Associates

@ Shares of subsidiary companies's results are consolidated based on management accounts as at 31 December 2008.

Borneo Oil (Thailand) Ltd was deregistered on 23 April 2009 (Note 31).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JANUARY 2009 (cont'd)

4. INVESTMENT IN SUBSIDIARY COMPANIES (cont'd)

a) The Group acquired a 100% equity interest in SB Rainforest Travel & Tours Sdn. Bhd. (Formerly Known as Gayana Travel & Tours Sdn. Bhd.) for a total cash consideration of RM180,368.

(i) The acquisition had the following effects on the Group's financial results for the year.

	GROUP	
	2009 RM	2008 RM
Revenue	-	-
Loss from operations	303	-
Loss for the year	303	-

ii) The acquisition had the following effects on the financial position of the Group as at the end of the year:

	GROUP	
	2009 RM	2008 RM
Other receivables and deposits	194,778	-
Other payables and accruals	(17,747)	-
Net assets acquired	177,031	-
Goodwill on consolidation	3,337	-
Total purchase consideration	180,368	-
Less: Cash and bank balances	-	-
Gain on acquisition to the Group	180,368	-

(iii) Cash inflow arising on acquisition:

	GROUP	
	2009 RM	2008 RM
Cash consideration	180,368	-
Cash and cash equivalents of subsidiary acquired	-	-
Net cash outflow to the Group	180,368	-

5. INVESTMENT PROPERTIES

GROUP COST	Balance at 01.02.2008 RM	Additions RM	Disposals/ Written off RM	Balance at 31.01.2009 RM
Freehold land	1,712,000	-	-	1,712,000
Long term leasehold land and buildings	15,853,480	6,381,280	(10,219,208)	12,015,552
Short term leasehold land	5,255,000	3,500,000	-	8,755,000
Freehold condominium	12,834,390	-	(215,098)	12,619,292
	35,654,870	9,881,280	(10,434,306)	35,101,844

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JANUARY 2009 (cont'd)

5. INVESTMENT PROPERTIES (cont'd)

ACCUMULATED DEPRECIATION	Balance at 01.02.2008 RM	Charge for the year RM	Disposals/ Written off RM	Balance at 31.01.2009 RM
Freehold land	-	-	-	-
Long term leasehold land and buildings	1,355,733	406,183	(671,575)	1,090,341
Short term leasehold land	702,119	158,433	-	860,552
Freehold condominium	635,028	256,329	(14,227)	877,130
	<u>2,692,880</u>	<u>820,945</u>	<u>(685,802)</u>	<u>2,828,023</u>

COST	Balance at 01.02.2007 RM	Additions RM	Disposals/ Written off RM	Balance at 31.01.2008 RM
Freehold land	1,712,000	-	-	1,712,000
Long term leasehold land and buildings	15,853,480	-	-	15,853,480
Short term leasehold land	5,255,000	-	-	5,255,000
Freehold condominium	12,834,390	-	-	12,834,390
	<u>35,654,870</u>	<u>-</u>	<u>-</u>	<u>35,654,870</u>

ACCUMULATED DEPRECIATION	Balance at 01.02.2007 RM	Charge for the year RM	Disposals/ Written off RM	Balance at 31.01.2008 RM
Freehold land	-	-	-	-
Long term leasehold land and buildings	1,019,081	336,652	-	1,355,733
Short term leasehold land	597,019	105,100	-	702,119
Freehold condominium	378,444	256,584	-	635,028
	<u>1,994,544</u>	<u>698,336</u>	<u>-</u>	<u>2,692,880</u>

NET BOOK VALUE	GROUP	
	2009 RM	2008 RM
Freehold land	1,712,000	1,712,000
Long term leasehold land and buildings	10,925,211	14,497,747
Short term leasehold land	7,894,448	4,552,881
Freehold condominium	11,742,162	12,199,362
	<u>32,273,821</u>	<u>32,961,990</u>

The above investment properties are charged to the financial institution as security for a term loan facility granted to the Company as disclosed in Note 15.

Land and buildings of the Group with carrying value amounting to RM17,319,376 (2008 – RM20,873,978) are pledged to financial institutions for borrowings granted to the Group as disclosed in Note 15.

Certain land and building of the Group with carrying value of RM18,819,659 (2008 – RM11,808,742) are registered under the name of third parties.

The short term and long term of leasehold land and buildings have a remaining lease range from 23 to 77 years which are expiring from year 2032 to 2086.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JANUARY 2009 (cont'd)

6. PREPAID LEASE PAYMENTS

	GROUP	
	2009 RM	2008 RM
Prepaid lease rental	51,474,992	27,272,359
Less: Accumulated amortisation	(7,214,354)	(5,595,091)
	<u>44,260,638</u>	<u>21,677,268</u>

Included in prepaid lease payments is the Group's cost incurred in developing two locations in Kota Kinabalu belonging to a government authority and, in return, the Group is allowed to operate its business operation in these two locations for periods of between eleven to twenty years in lieu of rental payment. These two projects have incurred losses in the past five years which the Directors are of the opinion that they were in their early stages and with the various steps undertaken and improvements made since then, the projects will be able to generate sufficient revenue in the future to ultimately recover the Group's investment costs.

Others prepaid lease payments are leasehold lands with net book value of RM23,960,000 (2008 – Nil) which are registered under the name of third party. The leasehold lands have a remaining lease term of 30 years and 63 years which are expiring on 7 January 2039 and 31 December 2072 respectively.

7. DEVELOPMENT EXPENDITURE

	GROUP	
	2009 RM	2008 RM
At beginning of year	2,299,322	107,003
Add: Additions during the year	49,450	2,192,319
Less: Written off during the year	(421,885)	-
	<u>1,926,887</u>	<u>2,299,322</u>

8. INTANGIBLE ASSETS

	GROUP		COMPANY	
	2009 RM	2008 RM	2009 RM	2008 RM
(a) Goodwill arising on consolidation:				
At beginning of year	23,492	23,492	-	-
Add: Addition during the year	3,337	-	-	-
	<u>26,829</u>	<u>23,492</u>	<u>-</u>	<u>-</u>
(b) Patent and rights, at cost				
At beginning of year	5,000,000	5,000,000	5,000,000	5,000,000
Less: Accumulated amortisation	(4,500,000)	(4,000,000)	(4,500,000)	(4,000,000)
	<u>500,000</u>	<u>1,000,000</u>	<u>500,000</u>	<u>1,000,000</u>
Total	<u>526,829</u>	<u>1,023,492</u>	<u>500,000</u>	<u>1,000,000</u>

The patents and rights are in respect of the rights for use of a certain brand name and trademark acquired in financial year 2001 for RM5,000,000. These are amortised on a straight-line basis over ten years.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JANUARY 2009 (cont'd)

9. INVENTORIES

	GROUP	
	2009 RM	2008 RM
At cost:		
Food and beverages and packing materials	1,306,861	1,227,963
Machinery and spare parts	434,640	546,223
	<u>1,741,501</u>	<u>1,774,186</u>

10. TRADE RECEIVABLES

	GROUP		COMPANY	
	2009 RM	2008 RM	2009 RM	2008 RM
Trade receivables	4,547,505	7,927,120	69,226	69,226
Less: Allowance for doubtful debts	(723,842)	(135,972)	(69,226)	-
	<u>3,823,663</u>	<u>7,791,148</u>	<u>-</u>	<u>69,226</u>

The Group's normal trade credit term ranges from 30 to 60 days. Other credit terms are assessed and approved on a case-by-case basis.

The Group has no significant concentration of credit risk that may arise from exposures to a single receivable or to groups of receivables.

11. OTHER RECEIVABLES

	GROUP		COMPANY	
	2009 RM	2008 RM	2009 RM	2008 RM
Amount due from subsidiary companies	-	-	135,480,033	108,772,186
Prepayments	44,945	30,961	-	-
Deposits	4,511,209	1,068,639	17,610	21,009
Sundry receivables	21,296,862	27,019,271	16,378,534	20,968,747
Tax recoverable	71,442	83,819	236,436	236,436
	<u>25,924,458</u>	<u>28,202,690</u>	<u>152,112,613</u>	<u>129,998,378</u>
Less: Allowance for doubtful debts	(4,209,358)	(176,559)	(2,954,925)	-
	<u>21,715,100</u>	<u>28,026,131</u>	<u>149,157,688</u>	<u>129,998,378</u>

The amounts due from subsidiary companies are unsecured, interest-free and have no fixed terms of repayment.

Included in deposits of the Group, is an amount of RM3,535,000 (2008 – Nil) paid as downpayment for investment in quoted shares for an overseas corporation, Sustainable Power Corporation.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JANUARY 2009 (cont'd)

12. CASH AND CASH EQUIVALENTS

	GROUP		COMPANY	
	2009 RM	2008 RM	2009 RM	2008 RM
Cash and bank balances	3,331,714	1,617,222	79,299	195,535
Deposits with licensed banks	2,097,238	24,540,212	2,056,833	24,500,000
	<u>5,428,952</u>	<u>26,157,434</u>	<u>2,136,132</u>	<u>24,695,535</u>

The deposits of the Group amounting to RM5,405 (2008 – RM5,212) are pledged to banks to secure bank overdrafts and bank guarantee facilities.

The weighted average interest rates of the Group and of the Company of the deposits with licensed banks at the balance sheet date range from 3.1% to 3.7% (2008 – 3.7%) and 3.1% to 3.7% (2008 – 3.7%) respectively.

The average maturities of deposits of the Group and of the Company as at the end of the financial year was 30 to 365 days (2008 – 365 days) and 30 to 365 days (2008 – 365 days) respectively.

13. SHARE CAPITAL

	GROUP AND COMPANY	
	2009 RM	2008 RM
Authorised:		
500,000,000 ordinary shares at RM1 each	500,000,000	500,000,000
Issued and fully paid:		
160,376,000 ordinary shares at RM1 each	160,376,000	160,376,000

- (a) The Company's ESOS is governed by the by-laws approved by the shareholders at an Extraordinary General Meeting held on 3 October 2006. The ESOS was implemented on 13 October 2006.
- (b) The main features of the ESOS are as follows:
- (i) The ESOS shall be in force for a period of 5 years from the date of the receipt of the last of the requisite approvals and may, at the discretion of the ESOS committee, be extended provided always that the initial 5 year period and such extension made shall not in aggregate exceed a duration of 10 years.
 - (ii) Eligible persons are employees of the Group (including executive directors) who have been confirmed in the employment of the Group. The eligibility for participation in the ESOS shall be at the discretion of the Option Committee appointed by the Board of Directors.
 - (iii) The total number of shares to be issued under the ESOS shall not in aggregate exceed 15% of the issued and paid-up share capital of the Company at any point in time during the tenure of the ESOS.
 - (iv) The option price for each share shall be based on the weighted average market price of the shares for the 5 market days preceeding the date of offer, with a discount of not more than 10%, if deemed appropriate, or the par value of the shares, whichever is higher.
 - (v) No option shall be granted for less than 100 shares nor more than 3,000,000 shares to any eligible employee.
 - (vi) An option granted under the ESOS shall be capable of being exercised by the grantee by notice in writing to the Company commencing from the date of offer but before the expiry of 5 years.
 - (vii) The persons to whom the options have been granted have no right to participate by virtue of any share issue of any other company.
- (c) There were no share options outstanding as at the end of the financial year.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JANUARY 2009 (cont'd)

14. RESERVES

	GROUP		COMPANY	
	2009 RM	2008 RM	2009 RM	2008 RM
Non-distributable:				
Share premium	24,164,992	24,164,992	24,164,992	24,164,992
ESOS reserves	45,717	45,717	45,717	45,717
Warrants reserves	2,672,933	-	2,672,933	-
Capital reserve (Note 27)	15,000	15,000	-	-
Distributable:				
Accumulated loss	(97,232,102)	(82,866,056)	(38,121,637)	(33,423,968)
	<u>(70,333,460)</u>	<u>(58,640,347)</u>	<u>(11,237,995)</u>	<u>(9,213,259)</u>

15. BORROWINGS

	GROUP		COMPANY	
	2009 RM	2008 RM	2009 RM	2008 RM
Short Term Borrowings				
Secured:				
Term loans	11,368,604	8,242,567	-	833,336
Hire purchase and lease payables (Note 17)	55,155	1,322,701	39,416	1,308,184
	<u>11,423,759</u>	<u>9,565,268</u>	<u>39,416</u>	<u>2,141,520</u>
Long Term Borrowings				
Secured:				
Term loans	20,068,147	24,480,971	-	1,892,340
Hire purchase and lease payables (Note 17)	174,494	181,281	137,580	129,495
	<u>20,242,641</u>	<u>24,662,252</u>	<u>137,580</u>	<u>2,021,835</u>
Total Borrowings				
Term loans	31,436,751	32,723,538	-	2,725,676
Hire purchase and lease payables (Note 17)	229,649	1,503,982	176,996	1,437,679
	<u>31,666,400</u>	<u>34,227,520</u>	<u>176,996</u>	<u>4,163,355</u>
Maturity of borrowings (excluding hire purchase and finance lease):				
Within 1 year	11,368,604	8,242,567	-	379,205
More than 1 year and less than 2 years	5,779,477	11,698,705	-	420,994
More than 2 years and less than 5 years	9,856,314	7,811,468	-	1,562,370
5 years or more	4,432,356	4,970,798	-	363,107
	<u>31,436,751</u>	<u>32,723,538</u>	<u>-</u>	<u>2,725,676</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JANUARY 2009 (cont'd)

15. BORROWINGS (cont'd)

The effective interest rates during the financial year for borrowings, excluding hire purchase and finance lease payables, were as follows:

	GROUP		COMPANY	
	2009 %	2008 %	2009 %	2008 %
Term loans	3.8 - 10.5	3.8 - 10.5	10.5	10.5

The term loans of the Company are secured by a first legal charge over the leasehold land and buildings of the Group as disclosed in Note 5.

The term loans of the Group are secured by the following:

- (i) First legal charge over leasehold land and buildings of the Group as disclosed in Note 5;
- (ii) Properties owned by a third party; and
- (iii) Deed of assignment of all rights, interest and benefits of contract signed in respect of prepaid lease rental as disclosed in Note 6.

16. DEFERRED TAXATION

	GROUP	
	2009 RM	2008 RM
Recognised in the income statement (Note 22)	43,700	-

This is in respect of taxation effect on temporary differences arising from capital allowance claimed on property, plant and equipment in excess of its depreciation charges.

17. HIRE PURCHASE AND FINANCE LEASE PAYABLES

	GROUP		COMPANY	
	2009 RM	2008 RM	2009 RM	2008 RM
Minimum lease payments:				
Within 1 year	73,716	1,321,157	54,648	1,302,089
More than 1 year and less than 2 years	79,980	58,932	39,864	39,864
More than 2 years and less than 5 years	110,425	158,647	110,425	119,592
5 years or more	-	15,759	-	15,759
	<u>264,121</u>	<u>1,554,495</u>	<u>204,937</u>	<u>1,477,304</u>
Less: Future finance charges	(34,472)	(50,513)	(27,941)	(39,625)
Present value of finance lease liabilities	<u>229,649</u>	<u>1,503,982</u>	<u>176,996</u>	<u>1,437,679</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JANUARY 2009 (cont'd)

17. HIRE PURCHASE AND FINANCE LEASE PAYABLES (cont'd)

	GROUP		COMPANY	
	2009 RM	2008 RM	2009 RM	2008 RM
Present value of finance lease liabilities:				
Within 1 year	55,155	1,300,820	39,416	1,211,396
More than 1 year and less than 2 years	69,089	30,000	32,175	44,218
More than 2 years and less than 5 years	105,405	173,162	105,405	98,245
5 years or more	-	-	-	83,820
	<u>229,649</u>	<u>1,503,982</u>	<u>176,996</u>	<u>1,437,679</u>
Analysed as:				
Due within 1 year	55,155	1,322,701	39,416	1,308,184
Due after 1 year	174,494	181,281	137,580	129,495
	<u>229,649</u>	<u>1,503,982</u>	<u>176,996</u>	<u>1,437,679</u>

The hire purchase and finance lease payables of the Group bore interest of between 3.8% and 8.7% (2008 – 3.8% and 8.7%).

18. TRADE PAYABLES

The normal trade credit term granted to the Group ranges from 30 to 90 days.

19. OTHER PAYABLES

	GROUP		COMPANY	
	2009 RM	2008 RM	2009 RM	2008 RM
Loan from Director	45,250	-	-	-
Accruals	533,855	250,778	161,824	191,138
Deposits received	638,046	309,045	185,100	185,100
Sundry payables	5,380,074	3,712,999	79,583	65,195
Amount due to subsidiary companies	-	-	2,535,030	563,534
	<u>6,597,225</u>	<u>4,272,822</u>	<u>2,961,537</u>	<u>1,004,967</u>

The amount due to Director is unsecured, interest-free and has no fixed term of repayment.

The amount due to the subsidiary companies are unsecured, interest-free and have no fixed terms of repayment.

20. REVENUE

	GROUP		COMPANY	
	2009 RM	2008 RM	2009 RM	2008 RM
Oil, gas and energy related businesses	1,050	-	-	-
Sales from fast food and restaurant operations	17,726,272	12,367,898	-	-
Revenue from administrative, management and marketing services	1,581,184	2,687,643	348,000	39,000
Franchise fees	89,477	128,825	-	-
Rental income	201,809	234,656	-	-
	<u>19,599,792</u>	<u>15,419,022</u>	<u>348,000</u>	<u>39,000</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JANUARY 2009 (cont'd)

21. LOSS BEFORE TAXATION

This has been determined after charging/(crediting) the following items:

	GROUP		COMPANY	
	2009 RM	2008 RM	2009 RM	2008 RM
Allowance for doubtful debts	4,761,175	293,031	3,024,151	-
Allowance for doubtful debts written back	(140,505)	(354,042)	-	-
Amortisation of intangible assets	500,000	500,000	500,000	500,000
Amortisation of investment properties	820,945	698,336	-	-
Amortisation of prepaid lease rental	1,619,263	1,891,865	-	-
Audit fee				
- current year	155,500	152,500	42,000	42,000
- overprovision in prior year	-	(16,350)	-	-
Bad debts written off	448,005	483,328	307,500	-
Depreciation	3,678,551	4,260,701	125,905	121,835
Development expenditure written off	421,885	-	-	-
Gain on disposal of investment properties	(775,692)	-	-	-
Gain on disposal of property, plant and equipment	(1,072,462)	(110,858)	-	-
Gain on foreign exchange	(4,205)	(162)	(3,405)	-
Interest expenses:				
- Hire purchase interest	16,040	39,976	-	26,578
- Overdraft interest - current year	-	242,675	-	75,487
- Overprovision in prior year	(636)	-	-	-
- Term loan interest	2,537,609	4,050,013	-	724,482
- Late payment interest	-	26,969	-	-
Interest income	(134,555)	(43,141)	(134,362)	(42,955)
Non-executive Directors' remuneration	557,200	655,600	332,200	396,000
Property, plant and equipment written off	913,123	467,404	-	-
Rental income	-	(4,000)	-	-
Rental of office equipment	2,340	-	-	-
Rental of premises	1,483,393	1,027,921	7,200	7,200
Staff costs (Note 24)	3,234,788	4,409,072	96,972	1,896,672

22. TAXATION

The provision for taxation for the financial year is computed at the prevailing tax rates.

	GROUP		COMPANY	
	2009 RM	2008 RM	2009 RM	2008 RM
Provision for the year	24,400	-	-	-
Over/(Under)provision in prior years	837	(1,461)	-	-
Deferred taxation (Note 16)	43,700	-	-	-
Tax expense for the year	68,937	(1,461)	-	-

Income tax is calculated at the Malaysian statutory tax rate of 25% (2008 - 26%) of the estimated assessable profit for the year.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JANUARY 2009 (cont'd)

22. TAXATION (cont'd)

A reconciliation of income tax expenses applicable to loss before taxation at the statutory income tax rate to income tax expenses at the effective income tax rate of the Group and of the Company is as follows:

	GROUP		COMPANY	
	2009 RM	2008 RM	2009 RM	2008 RM
Loss before taxation	(14,297,109)	(19,876,184)	(4,697,669)	(4,459,010)
Taxation at the Malaysian statutory tax rate of 25% (2008: 26%)	(3,574,277)	(5,167,808)	(1,174,417)	(1,159,343)
Income not subject to tax	(323,827)	(28,062)	-	-
Expenses not deductible for tax purposes	3,679,017	3,600,951	1,174,417	1,159,343
Deferred tax assets not recognised on:				
- Unabsorbed tax losses	543,337	1,849,130	-	-
Utilisation of previously unrecognised unabsorbed tax losses	(254,470)	(254,211)	-	-
Utilisation of previously unrecognised unutilised capital allowances	(1,680)	-	-	-
Over/(Under)provision in prior years:				
- Malaysian tax	837	(1,461)	-	-
Tax expense for the year	68,937	(1,461)	-	-

The Company has tax credit of approximately RM5,578,984 (2008 – RM5,578,984) under Section 108 of the Income Tax Act, 1967 to frank payment of future dividends. This is subject to agreement by the Inland Revenue Board.

	GROUP		COMPANY	
	2009 RM	2008 RM	2009 RM	2008 RM
Deferred tax assets have not been recognised in respect of the following items:				
Unabsorbed tax losses	39,436,000	29,983,000	9,401,000	11,205,000
Unutilised capital allowances	12,438,000	13,125,000	319,000	368,000

23. LOSS PER SHARE

(a) Basic:

Basic loss per share is calculated by dividing the net loss for the year by the weighted average number of ordinary shares in issue during the financial year.

	GROUP	
	2009	2008
Loss for the year (RM)	(14,366,046)	(19,874,723)
Weighted average number of ordinary shares in issue	160,376,000	123,280,000
Basic loss per share (sen)	(9.0)	(16.1)

(b) The effects on the basic loss per share for the current financial year arising from the assumed exercise of warrants are anti-diluted. Accordingly, diluted loss per share for the current year has not been presented.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JANUARY 2009 (cont'd)

24. STAFF COSTS

	GROUP		COMPANY	
	2009 RM	2008 RM	2009 RM	2008 RM
Wages and salaries	2,779,979	2,249,947	65,625	114,400
Employees Provident Fund and SOCSO	284,902	228,747	19,219	13,408
Share-based compensation	-	1,768,508	-	1,768,508
Other staff related expenses	169,907	161,870	12,128	356
	<u>3,234,788</u>	<u>4,409,072</u>	<u>96,972</u>	<u>1,896,672</u>

Included in staff of the Group and of the Company are executive Directors' remuneration amounting to RM126,000 (2008 – RM46,400) and RM82,000 (2008 – RM21,600) respectively as disclosed in Note 25.

The share-based compensation arose from the Company's adoption of FRS 2.

25. DIRECTORS' REMUNERATION

	GROUP		COMPANY	
	2009 RM	2008 RM	2009 RM	2008 RM
Directors of the Company				
Executive:				
Fees	126,000	46,400	82,000	21,600
Non-Executive:				
Fees	557,200	655,600	332,200	396,000
Total	<u>683,200</u>	<u>702,000</u>	<u>414,200</u>	<u>417,600</u>

The number of Directors of the Company whose total remuneration during the year fell within the following bands is analysed below:

	Number of Directors	
	2009	2008
Executive Directors:		
Below RM50,000	2	2
RM50,001 - RM100,000	1	-
Non-Executive Directors:		
Below RM50,000	2	3
RM50,001 - RM100,000	-	-
RM100,001 - RM150,000	-	-
RM150,001 - RM200,000	2	2

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JANUARY 2009 (cont'd)

26. RELATED PARTY TRANSACTIONS

The related party transactions comprise the following:

	COMPANY	
	2009 RM	2008 RM
Management fee charged to subsidiary company	312,000	-

(a) Compensation of key management personnel ("KMP")

Key management personnel are those persons having authority and responsibility for planning, directly and controlling the activities of the entity either directly or indirectly.

The remuneration of key management personnel during the year was as follows:

	GROUP		COMPANY	
	2009 RM	2008 RM	2009 RM	2008 RM
Total KMP's remuneration	126,000	46,400	82,000	21,600

For details of Directors' remuneration, please refer to Note 25.

27. CAPITAL RESERVES

This represents a surplus arising on revaluation of an investment.

28. CONTINGENT LIABILITIES

	COMPANY	
	2009 RM	2008 RM
Unsecured: Corporate guarantees given to banks and other financial institutions for credit facilities granted to subsidiary companies	35,900,000	29,700,000

29. FINANCIAL INSTRUMENTS

(a) Financial Risk Management Policies

The Group has to ensure that it has sufficient financial resources to complement its human resources capabilities and inherent strengths in distribution coverage and brand strengths for further market expansion within the country and even overseas. The financial risk management policy has to allow for sufficient cash and capital flows for operational efficiencies while minimising interest rates on borrowings, and managing liquidity and credit risks. The Board acts as the controlling body that best ensures there are no speculative transactions by providing stringent guidelines and procedures for Management to follow.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JANUARY 2009 (cont'd)

27. CAPITAL RESERVES (cont'd)

(b) Interest Rate Risk

The Group is exposed to interest rate risk through the impact of interest rate changes on liabilities and assets. To exercise prudence in its management of interest rate exposure, the Group is carrying out active reviews of its debt portfolio, within the limitations of the investment holding period and the type of assets held. With this strategy, the Group is poised to take advantage of any opportunities for funding at lower interest rates which may present itself, as well as hedge itself against any hikes in interest rates.

The respective notes provide the details regarding dates of maturity and effective interest rates of financial assets and liabilities.

(c) Liquidity Risk

By actively engaging in the management of its debt maturity profile, operating cash flows and funding availability, the Group will be able to determine that all refinancing, repayment and funding needs are provided for. Priority is given to the maintenance of sufficient cash levels to meet its working capital requirements so as to provide for prudence liquidity management. A reasonable amount of banking facilities is maintained in comparison to its overall debt position to further support cash availability.

(d) Credit Risk

By applying acceptable methods of controls: credit approvals, credit limits and close monitoring procedures, the Group minimises its risk of counter-parties defaulting. By only associating with business partners having high credit worthiness, the Group's credit risks are minimised and through regular management reports, trade receivables are closely monitored.

There is no significant exposure of the Group to any one major party, whether in the form of an individual customer or counter-party, or in the form of any major concentration of credit risk linked to specific financial instruments.

(e) Fair Values

It is not practical to estimate the fair values of amounts due from/to related companies mainly due to the absence of fixed repayment terms. However, the Group does not expect the carrying amounts recorded at the balance sheet date to be significantly different from the values that would eventually be received or settled.

The carrying values of the other financial assets and liabilities as at 31 January 2009 are not materially different from the fair values.

30. SIGNIFICANT EVENTS DURING THE YEAR

- (a) On 27 February 2008, MIMB Investment Bank Berhad (MIMB) on behalf of the Company announced that at the close of acceptance and payment for the Rights Issue of Warrants at 5.00 p.m. on 22 February 2008, the Warrants 2008/2018 have been oversubscribed by 1,491.58% over the total number of 53,458,666 Warrants 2008/2018 available for subscription under the Rights Issue of Warrants.
- (b) On 29 February 2008, the Company announced that Borneo Energy Sdn. Bhd., a wholly owned subsidiary of Borneo Oil & Gas Corporation Sdn. Bhd., another subsidiary of the Company, had on 28 February 2008 entered into a Share Subscription Agreement to subscribe 50,000,000 of the fully paid up restricted shares at an issue price of USD 0.04 per share of Sustainable Power Corporation ("SSTP"), a company quoted in Pink Sheets of USA, for a total cash subscription of USD 2 million. On the same date the company also entered into a Technical Collaboration Term Sheet with SSTP.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JANUARY 2009 (cont'd)

30. SIGNIFICANT EVENTS DURING THE YEAR (cont'd)

- (c) On 4 March 2008, the Company's issued new warrants ("Warrant B") via a Renounceable Rights Issue of 53,458,666 new warrants 2008/2018 on the basis of one (1) new warrant for every three (3) existing shares held were listed on the Bursa Malaysia Securities Berhad. The issue price is at RM0.05 each. The exercise price of the warrants is subject to adjustments from time to time in accordance with the conditions stipulated in the Deed Poll dated 18 January 2008.

The issue date for 53,458,666 Rights Issue of warrants was 29 February 2008. The warrants will expire on 28 February 2018. The exercise period for the warrants 2008/2018 is ten (10) years commencing from and inclusive of the date of issue of the Warrants 2008/2018. Warrants 2008/2018 which are not exercise during the exercise period shall thereafter lapse and cease to be valid.

- (d) On 9 May 2008, the Company announced that the Service Agreements entered between Borneo Energy Sdn. Bhd., a wholly-owned subsidiary company and Suntech Energy Co. Ltd., Siam Gulf Petrochemical Co. Ltd. and Transtech Energy Company Ltd. respectively on 2 November 2006 have since lapsed and thus rendered them automatically terminated.
- (e) On 5 January 2009, the Company announced that SB Resorts Sdn. Bhd., a wholly owned subsidiary of SB Partners Sdn. Bhd., another subsidiary of the Company, has acquired 100% of SB Rainforest Travel and Tours Sdn. Bhd. ("SBRTT") (Formerly Known as Gayana Travel and Tours Sdn. Bhd.) for a purchase consideration of RM180,368. The purchase consideration was based on the Net Tangible Assets of SBRTT's audited accounts as at 31 December 2007. SBRTT has an authorised and fully paid-up share capital of RM500,000 and RM200,000 of RM1 per ordinary share respectively.
- (f) On 23 January 2009, the Company announced that SB Resorts Sdn. Bhd., a wholly owned subsidiary of SB Partners Sdn. Bhd., another subsidiary of the Company, has entered into a Sale and Purchase Agreement with Borneo Marble Corporation Sdn. Bhd. for the purchase of 1/3 fraction or decimal 0.33333 of the undivided share of a parcel of land held under Title No. CL 115349070 located at Ulu Segama, Lahad Datu, Sabah measuring an area of 92.48 acres at total cash consideration of RM14 million.

31. SUBSEQUENT EVENT

- (a) On 23 April 2009, the Company announced that Borneo Oil (Thailand) Ltd ("BOT") a wholly owned subsidiary of Borneo Oil & Gas Corporation Sdn. Bhd. ("BOGC"), another subsidiary of the Company, was deregistered due to unexpected adverse market conditions. On the same date, BOT ceased to be a wholly owned subsidiary of BOGC.

32. MATERIAL LITIGATIONS

- (a) There is a pending suit against the Company amounting to RM764,977 by a payable in respect of a trade debt which was mutually agreed to be settled by way of a third party quoted shares valued at an agreed price per share as full and final settlement. The supplier has disposed off the said shares which resulted in them incurring a loss and they subsequently filed the claim against the Company to recover it. The Company is contesting it as the debt had already been fully settled and acknowledged. However, for the purpose of goodwill and long term business relationship, both parties had recently agreed to mutually resolve the matter by way of an out of court settlement. By this, the Company agreed to settle a sum of RM300,000 deemed full and final settlement by way of three (3) equal instalments of RM100,000 each. The first RM100,000 was paid on the 14 May 2009 and the remaining two shall be on 31 July 2009 and 30 August 2009 respectively.
- (b) There is a legal suit against the Company and subsidiaries Sugar Bun Fast Food Centre Sdn. Bhd. and SB Franchise Management Sdn. Bhd. by Positive Triumph Sdn. Bhd., Sinar Sterling Sdn. Bhd., Domain Delight Sdn. Bhd. and Eight Tower Sdn. Bhd. for a sum of RM4,195,137.85 being the amount expended by them and claim for damages pursuant to the agreements entered with them. The Company and the subsidiary companies had in return file a counter claim of RM1,018,917.95 against them pertaining to the same.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JANUARY 2009 (cont'd)

33. SEGMENTAL INFORMATION

(a) Business segments

The Group is organised into four major business segments:

- i) Restaurant, franchising and head office operations
- ii) General trading
- iii) Management and operations of properties
- iv) Oil, gas and energy related businesses

The Directors are of the opinion that all inter-segment transactions have been entered into in the normal course of business and have been established on terms and conditions that are not materially different from those obtainable in transactions with unrelated parties.

- (b) Segmental reporting by geographical location has not been prepared as the Group's operations are only carried out in Malaysia.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JANUARY 2009 (cont'd)

33. SEGMENTAL INFORMATION (cont'd)

	Restaurant, Franchising and Head Office Operations		General Trading		Management and Operations of Properties		Oil, Gas and Energy related businesses		Elimination		Consolidated	
	2009 RM	2008 RM	2009 RM	2008 RM	2009 RM	2008 RM	2009 RM	2008 RM	2009 RM	2008 RM	2009 RM	2008 RM
Revenue and Expenses												
Revenue												
External sales	8,952,440	4,618,006	9,784,493	7,878,717	861,809	2,922,299	1,050	-	-	-	19,599,792	15,419,022
Inter-segment sales	439,827	-	3,476,572	-	-	-	-	-	(3,916,399)	-	-	-
Total revenue	9,392,267	4,618,006	13,261,065	7,878,717	861,809	2,922,299	1,050	-	(3,916,399)	-	19,599,792	15,419,022
Results												
Segment results	(6,543,818)	(8,359,020)	514,357	(15,214)	(4,229,266)	(2,336,361)	(1,485,369)	(41,683)	-	-	(11,744,096)	(10,752,278)
Loss from operations												
Finance costs, net												
Taxation												
Loss after taxation												
Minority interest												
Loss for the year												
Assets and Liabilities												
Segment assets	25,329,164	69,079,535	7,295,203	6,639,389	90,532,641	62,525,669	6,415,700	3,344,365	-	-	129,572,708	141,588,958
Segment liabilities	12,228,481	15,457,485	2,126,135	1,887,423	24,282,935	21,809,381	892,618	699,016	-	-	39,530,169	39,853,305
Other information												
Capital expenditure	69,611	1,952,226	58,787	20,280	38,924,009	2,222,865	34,534	568,137	-	-	39,086,941	4,763,508
Depreciation	1,776,535	2,629,756	364,945	361,426	1,444,469	1,180,370	92,602	89,149	-	-	3,678,551	4,260,701
Amortisation of goodwill, intangible assets and prepaid lease rental	620,020	3,090,201	-	-	2,320,188	-	-	-	-	-	2,940,208	3,090,201

LIST OF PROPERTIES

Particulars of the Group's Properties

The properties of the Group as at 31st January 2009 and their Net Book Values ("NBV") are indicated as follows:

Location	Description	Tenure	Land Area	Age of Building	NBV RM'000	Date of Acquisition
NT 013064812 Mansiang, Menggatal Kota Kinabalu, Sabah	Vacant land	Leasehold 30 years expiring on 2.7.2032	13.08 acres	Nil	2,589	3.7.2002
NT 013061768 Mansiang, Menggatal Kota Kinabalu, Sabah	Vacant land	Leasehold 30 years expiring on 2.7.2032	5.70 acres	Nil		
FR 014015706 Kokol, Menggatal Kota Kinabalu, Sabah	Vacant land	Leasehold 30 years expiring on 2.7.2032	23.15 acres	Nil		
NT 013068570 Kokol, Menggatal Kota Kinabalu, Sabah	Vacant land	Leasehold 30 years expiring on 2.7.2032	16.90 acres	Nil		
FR 014013462 Kokol, Menggatal Kota Kinabalu, Sabah	Vacant land	Leasehold 30 years expiring on 2.7.2032	15.00 acres	Nil		
NT 013096985 Kokol, Menggatal Kota Kinabalu, Sabah	Vacant land	Leasehold 30 years expiring on 2.7.2032	3.766 hectares	Nil		
NT 013091202 Kokol, Menggatal Kota Kinabalu, Sabah	Vacant land	Leasehold 30 years expiring on 2.7.2032	11.70 acres	Nil		
NT 013068954 Tombongon, Menggatal Kota Kinabalu, Sabah	Vacant land	Leasehold 30 years expiring on 2.7.2032	12.67 acres	Nil		
CL015279099 Kg. Kiansom Kota Kinabalu, Sabah	Vacant land	Leasehold 99 years expiring on 31.12.2059	22.15 acres	Nil	1,494	26.12.2002
CL 065284317 Kg. Kundasang, Ranau Sabah	Vacant land	Leasehold 99 years expiring on 31.12.2062	23 acres	Nil	823	3.4.2003
CL 015157052	3 units Double storey detached houses at Lot 1,2 & 3 , Lorong	Leasehold 99 years expiring on 15.7.2051	0.550 acres	8	4,083	29.3.2004
CL 015160102	Pungguk Satu , Likas	Leasehold 99 years expiring on 26.1.2050	0.282 acres			

LIST OF PROPERTIES (cont'd)

Particulars of the Group's Properties (cont'd)

Location	Description	Tenure	Land Area	Age of Building	NBV RM'000	Date of Acquisition
NT 013068589 Kg. Kokol, Menggatal Kota Kinabalu, Sabah	Vacant Land	Perpetuity	6.75 acres	Nil	1,859	5.3.2003
NT 013067939 Kg. Togung Menggatal Kota Kinabalu, Sabah	Vacant land	Perpetuity	2.76 acres	Nil		
NT 013067742 Kg. Mansiang, Menggatal Kota Kinabalu, Sabah	Vacant land	Perpetuity	5.65 acres	Nil		
NT 013064821 Kg. Mansiang, Menggatal Kota Kinabalu, Sabah	Vacant land	Perpetuity	3.89 acres	Nil		
NT 013067751 Kg. Kokol, Menggatal Kota Kinabalu, Sabah	Vacant land	Perpetuity	12.95 acres	Nil		
FR 014009057 Kg. Kokol, Menggatal Kota Kinabalu, Sabah	Vacant land	Perpetuity	12.66 acres	Nil		
NT 014009066 Kg. Kokol, Menggatal Kota Kinabalu, Sabah	Vacant land	Perpetuity	14.59 acres	Nil		
NT 013068043 Kg. Togung, Menggatal Kota Kinabalu, Sabah	Vacant land	Perpetuity	2.65 acres	Nil		
NT 065313804 Kg. Kundasang, Ranau, Sabah	Vacant land	Leasehold 99 years on 31.12.2081 expiring	1.57 acres	Nil		
CL 095310071, Sg. Metah, Kinabatangan District, Sandakan	Vacant land	Leasehold 99 years expiring on 31.12.2073	100.07 acres	Nil	2,450	25.7.2008
CL 115379265, Kg. Upak, Ulu Segama, Lahad Datu, Sabah	Vacant land	Leasehold 99 years expiring on 31.12.2086	14.41 acres	Nil	255	25.7.2008

LIST OF PROPERTIES (cont'd)

Particulars of the Group's Properties (cont'd)

Location	Description	Tenure	Land Area	Age of Building	NBV RM'000	Date of Acquisition
NT 4316383, NT 43163784, NT 43192365, NT 43163775 & NT 43169884, Kg Sabandar, Tuaran, Sabah	Vacant land	Leasehold 30 years expiring on 31.1.2038	11.22 acres	Nil	3,430	20.7.2008
NT 113026305, NT 113016336, NT 113016345, NT 113016354, NT 113050392, NT 113019551, NT 113019560, NT 113019579, NT 113019597 & NT 113018492, Kg, Upak, Ulu Segama, Lahad Datu, Sabah	Vacant land	Leasehold 30 years expiring on 31.1.2038	161.57 acres	Nil	2,375	18.2.2008
NT 113018509, NT 113018527, NT 113018563, NT 113018554, & NT 113053277, Kg. Kapak, Ulu Segama, Lahad Datu, Sabah	Vacant land	Leasehold 30 years expiring on 31.1.2038	79.89 acres	Nil	1,174	29.2.2008
1/3 Fraction of the Undivided Share of CL 115349070, Ulu Segama, Lahad Datu	Vacant land	Leasehold 99 years expiring on 31.12.2072	92.48 acres	Nil	13,977	23.1.2009
71 LA's in Ulu Membakut, District of Beaufort, Sabah	Vacant land	Leasehold 30 years expiring on 7.1.2039	1,011 acres	Nil	9,983	8.1.2009

STATEMENT OF SHAREHOLDINGS

AS AT 18TH JUNE 2009

ANALYSIS OF SHAREHOLDINGS

SIZE OF SHARE HOLDINGS	NO. OF SHARE HOLDERS	%	NO. OF SHARES	%
Less than 100	27	0.48	464	0.00
100 to 1,000	858	15.15	797,500	0.50
1,001 to 10,000	2,976	52.55	15,834,036	9.87
10,001 to 100,000	1,579	27.88	53,208,600	33.18
100,001 to less than 5% of issued shares	223	3.94	90,535,400	56.45
5% and above of issued shares	-	-	-	-
*** TOTAL	5,663	100.00	160,376,000	100.00

LIST OF TOP 30 SHAREHOLDERS AS AT 18TH JUNE 2009

ITEM NO.	NAME	NO. OF SHARES	%
1	HSBC NOMINEES (ASING) SDN BHD (Pledged Securities Account for RBS Coutts Bank Ltd (HK branch))	3,864,000	2.41
2	AIBB NOMINEES (TEMPATAN) SDN BHD (Pledged Securities Account for Batu Bara Resources Corporation S/B)	3,694,000	2.30
3	SUHAILI BIN ABDUL RAHMAN	3,555,000	2.22
4	WARISAN HARTA SABAH SDN BHD	3,215,000	2.00
5	YONG FOO SAN	3,204,950	2.00
6	AMSEC NOMINEES (ASING) SDN BHD (Pledged Securities Account for Energy Resources Investments Limited)	3,100,000	1.93
7	TAN SOH GEK	2,653,000	1.65
8	TAN SIEW HONG	2,289,300	1.43
9	AIBB NOMINEES (TEMPATAN) SDN BHD (Pledged Securities Account for Yayasan Pok Dan Kassim)	2,000,000	1.25
10	KALAYARASU A/L SUBRAMANIAM	1,969,100	1.23
11	CITIGROUP NOMINEES (ASING) SDN BHD (Pledged Securities Account for Young Terrence)	1,824,000	1.14
12	DB (MALAYSIA) NOMINEE (ASING) SDN BHD (Pledged Securities Account for EFG Bank)	1,574,000	0.98
13	LO SUK LAN	1,373,550	0.86
14	BEH CHAN SIN	1,350,000	0.84
15	OSK NOMINEES (ASING) SDN BHD (Pledged Securities Account for Yiu May Kae Mavis)	1,297,000	0.81

STATEMENT OF SHAREHOLDINGS

AS AT 18TH JUNE 2009 (cont'd)

LIST OF TOP 30 SHAREHOLDERS AS AT 18TH JUNE 2009 (cont'd)

ITEM NO.	NAME	NO. OF SHARES	%
16	DB (MALAYSIA) NOMINEE (ASING) SDN BHD (Pledged Securities Account for EFG Bank (HongKong))	1,120,000	0.70
17	CHAI HON LEONG	1,100,000	0.69
18	PUBLIC NOMINEES (TEMPATAN) SDN BHD (Pledged Securities Account for Tan Kok Siong)	1,003,000	0.63
19	KO KIM KWA	946,400	0.59
20	HDM NOMINEES (ASING) SDN BHD (Pledged Securities Account for Kong Hwai Ming)	874,000	0.54
21	TEW BOO SING	795,000	0.50
22	CITIGROUP NOMINEES (ASING) SDN BHD (Pledged Securities Account for OCBC Securities Private Ltd)	744,000	0.46
23	MAYBAN NOMINEES (TEMPATAN) SDN BHD (Pledged Securities Account for Tan Kok Hong)	700,000	0.44
24	LIEW KON CHING	690,000	0.43
25	HDM NOMINEES (TEMPATAN) SDN BHD (Pledged Securities Account for Sim Hui Leng)	684,000	0.43
26	HDM NOMINEES (ASING) SDN BHD (Pledged Securities Account for Lian Suat Hia)	610,000	0.38
27	CITIGROUP NOMINEES (ASING) SDN BHD (Pledged Securities Account for Tan Boy Tee)	600,000	0.37
28	HO MEE HAR	600,000	0.37
29	OSK NOMINEES (TEMPATAN) SDN BHD (Pledged Securities Account for Ravindran A/L Sivasubramaniam)	600,000	0.37
30	HDM NOMINEES(ASING) SDN BHD (Pledged Securities Account for Phuay Yong Hen)	544,000	0.34
		48,573,300	30.29

SUBSTANTIAL SHAREHOLDERS AS AT 18TH JUNE 2009

NAME	NO. OF SHARES HELD			
	Direct	%	Indirect	%
None of the Shareholders have more than 5% as at 18th June 2009	-	-	-	-

STATEMENT OF WARRANT A (2002/2012) HOLDINGS

AS AT 18TH JUNE 2009

ANALYSIS OF WARRANT A (2002/2012) HOLDINGS

SIZE OF HOLDINGS	NO. OF WARRANT HOLDERS	%	NO. OF WARRANTS	%
Less than 100	2	0.27	100	-
100 to 1,000	111	14.82	92,200	0.78
1,001 to 10,000	443	59.15	1,996,000	16.85
10,001 to 100,000	171	22.83	5,367,700	45.31
100,001 to less than 5% of issued warrants	21	2.80	3,713,100	31.34
5% and above of issued warrants	1	0.13	678,100	5.72
*** TOTAL	749	100.00	11,847,200	100.00

LIST OF TOP 30 WARRANT A (2002/2012) HOLDERS AS AT 18TH JUNE 2009

	NAME	No. of Warrants	%
1	CIMSEC NOMINEES (TEMPATAN) SDN BHD (Pledged Securities Account for Ravindran Sivasubramaniam)	678,100	5.72
2	VICTORIA CAPITAL SDN BHD	576,200	4.86
3	MIDF AMANAH INVESTMENT NOMINEES (TEMPATAN) SDN BHD (Pledged Securities Account for Ravindran Sivasubramaniam)	353,300	2.98
4	CIMSEC NOMINEES (ASING) SDN BHD (Pledged Securities Account for Jarsuma Investments Ltd)	240,000	2.03
5	HDM NOMINEES (ASING) SDN BHD (Pledged Securities Account for Phuay Yong Hen)	200,000	1.69
6	HSBC NOMINEES (ASING) SDN BHD (Pledged Securities Account for Hartlane Enterprises Inc)	184,000	1.55
7	LIM CHONG EE	180,000	1.52
8	U YONG DOONG @ U SUNG KWI	179,800	1.52
9	TIANG CHIIN YEW	167,000	1.41
10	IFTIKHAR AHMAD KHAN BIN WAKIL AHMAD KHAN	151,100	1.28
11	KHAIRUL NUR ADZLY BIN BAHARUDIN	144,900	1.22
12	SIM HUI LENG	144,000	1.22
13	HDM NOMINEES (ASING) SDN BHD (Pledged Securities Account for Kundadak Ramesh Kudva)	140,000	1.18
14	BHLB TRUSTEE BERHAD (Pledged Securities Account for EPF Investment)	135,300	1.14
15	RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD (Pledged Securities Account for Yee Thian Soon)	132,000	1.11

STATEMENT OF WARRANT A (2002/2012) HOLDINGS

AS AT 18TH JUNE 2009 (cont'd)

LIST OF TOP 30 WARRANT A (2002/2012) HOLDERS AS AT 18TH JUNE 2009 (cont'd)

	NAME	No. of Warrants	%
16	PONG PEI CHING	123,800	1.04
17	HDM NOMINEES (ASING) SDN BHD (Pledged Securities Account for Jerome Chua Chwee Meng)	120,000	1.01
18	LEE CHONG LOO	113,800	0.96
19	OOI LAN HUAT	110,900	0.94
20	LIM SENG HIN	110,000	0.93
21	SUNDRAVADIVU A/L MEIAPPAN	105,000	0.89
22	CHIAM LEE WAH	102,000	0.86
23	KONG CHACK KIONG	100,000	0.84
24	AYAZ AHMAD BIN MOHAMED SALLEH KHAN	97,000	0.82
25	THIAN NYET FUNG	95,500	0.81
26	TALAT JAHAN BT MIRZA HADI HASSAN BEG	92,500	0.78
27	LIM TEIK CHOON	88,200	0.74
28	LEE BOON TUAN	87,000	0.73
29	DESTINET SDN BHD	85,400	0.72
30	P DEIVENDRAN K PATHMANATHAN	82,200	0.69
		5,119,000	43.19

SUBSTANTIAL WARRANT A (2002/2012) HOLDERS AS AT 18TH JUNE 2009

	Name	No. Of Shares	%
1	CIMSEC NOMINEES (TEMPATAN) SDN BHD	678,100	5.72

STATEMENT OF WARRANT B (2008/2018) HOLDINGS

AS AT 18TH JUNE 2009

ANALYSIS OF WARRANT B (2008/2018) HOLDINGS

SIZE OF HOLDINGS	NO. OF WARRANT HOLDERS	%	NO. OF WARRANTS	%
Less than 100	45	2.35	2,209	-
100 to 1,000	455	23.74	297,745	0.56
1,001 to 10,000	866	45.17	3,379,409	6.32
10,001 to 100,000	472	24.62	17,451,308	32.64
100,001 to less than 5% of issued warrants	78	4.07	28,151,662	52.66
5% and above of issued warrants	1	0.05	4,176,333	7.82
*** TOTAL	1,917	100.00	53,458,666	100.00

LIST OF TOP 30 WARRANT B (2008/2018) HOLDERS AS AT 18TH JUNE 2009

NAME	No. of Warrants	%
1 VICTORIA CAPITAL SDN BHD	4,176,333	7.81
2 SUHAILI BIN ABDUL RAHMAN	2,193,333	4.10
3 YONG FOO SAN	1,922,340	3.60
4 HSBC NOMINEES (ASING) SDN BHD (Pledged Securities Account for RBS Coutts Bank Ltd (HK Branch))	1,288,000	2.41
5 YII LEH KIEW	1,280,100	2.39
6 WARISAN HARTA SABAH SDN BHD	1,071,666	2.00
7 AMSEC NOMINEES (ASING) SDN BHD (Pledged Securities Account for Energy Resources Investments Limited)	1,033,400	1.93
8 NGU SHANG SHANG	1,009,100	1.89
9 MOHD FAUZI BIN MOHD ANUAR	853,400	1.60
10 LO SUK LAN	823,860	1.54
11 TAN SIEW HONG	763,100	1.43
12 WONG SIEN NGIK	750,000	1.40
13 WONG SENG POH	734,433	1.37
14 PUBLIC NOMINEES (TEMPATAN) SDN BHD (Pledged Securities Account for Tan Kok Siong)	680,200	1.27
15 CITIGROUP NOMINEES (ASING) SDN BHD (Pledged Securities Account for Young Terrence)	608,000	1.14

STATEMENT OF WARRANT B (2008/2018) HOLDINGS

AS AT 18TH JUNE 2009 (cont'd)

LIST OF TOP 30 WARRANT B (2008/2018) HOLDERS AS AT 18TH JUNE 2009

	NAME	No. of Warrants	%
16	KEE SHIH-LENE	569,666	1.07
17	DB (MALAYSIA) NOMINEE (ASING) SDN BHD (Pledged Securities Account for EFG Bank)	524,667	0.98
18	NEA CHING KIM	400,000	0.75
19	TIANG CHIIN YEW	395,000	0.74
20	TENG LEH SING	390,000	0.73
21	HDM NOMINEES (ASING) SDN BHD (Pledged Securities Account for Lian Suat Hia)	343,700	0.64
22	TEO CHIN SIONG	343,600	0.64
23	PANG HANG POO	333,400	0.62
24	CITIGROUP NOMINEES (ASING) SDN BHD (Pledged Securities Account for OCBC Securities Ptd Ltd)	310,732	0.58
25	SEOW KAH SIN	301,966	0.56
26	OSK NOMINEES (ASING) SDN BHD (Pledged Securities Account for Yiu May Kae Mavis)	300,000	0.56
27	LOO HUAN YENG	293,900	0.55
28	BHLB TRUSTEE BERHAD (Pledged Securities Account for EPF Investment)	292,499	0.55
29	MOHD AZMAN BIN YAACOB	291,000	0.54
30	CHIA CHU FOO	290,000	0.54
		24,567,395	45.93

SUBSTANTIAL WARRANT B (2008/2018) HOLDERS AS AT 18TH JUNE 2009

	NAME	No. Of Warrants	%
1	VICTORIA CAPITAL SDN BHD	4,176,333	7.81

proxy form

Shareholding Represented by Proxy

I/We _____
 of _____
 being a member/members of the above-named company, hereby appoint _____
 of _____
 or failing whom _____
 of _____

as my/our proxy for me/us and on my/our behalf at the 25th Annual General Meeting of the Company to be held on 31st July 2009, Friday at 8.30 a.m. and at any adjournment thereof, and there at, to vote on the following resolutions referred to in the notice of the 25th Annual General Meeting.

NO.	RESOLUTION	FOR	AGAINST
1.	To receive the Directors' Report and Audited Financial Statements for the financial year ended 31st. January 2009 together with the Auditors' Report thereon.		
2.	To approve the Directors' fees for the financial year ended 31st. January 2009.		
3.	To re-elect Dato Suhaili Bin Abdul Rahman in accordance with Article 96 of the Company's Articles of Association.		
4.	To re-elect Encik Abd. Hamid Bin Ibrahim in accordance with Article 96 of the Company's Articles of Association.		
5.	To re-appoint Messrs STYL Associates as Auditors of the Company and to authorise the Directors to fix their remuneration.		
6.	As Special Business : <u>Ordinary Resolution 1</u> - Approval for the Directors to issue shares pursuant to Section 132D of the Companies Act , 1965.		
7.	<u>Ordinary Resolution 2</u> - Proposed Renewal of Share Buy-Back Authority.		

Please indicate with a cross (X) in the appropriate spaces provided whether you wish your votes to be cast for or against the Resolutions. In the absence of specific direction , your proxy will vote or abstain as he/she thinks fit.

Date :

.....
 Signature of Member(s)/
 Common Seal of Appointer

Notes:

1. A member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote instead of him. A proxy may but need not be a member of the Company.
2. Where a member appoints two or more proxies, the appointment shall be invalid unless he specifies the proportion of his shareholdings to be represented by each proxy.
3. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorized in writing or, if the appointer is a corporation / company, either under its common seal or under the hand of an officer or its attorney duly authorized.
4. The instrument appointing a proxy together with the power of attorney (if any) under which it is signed or a certified copy thereof shall be deposited at the Registered Office of the Company at Level 11(A), Main Office Tower , Financial Park Labuan, Jalan Merdeka, 87000, W.P. Labuan not less than forty-eight (48) hours before the time appointed for holding the meeting or at any adjournment thereof.

Please Fold Here

Affix
stamp

THE COMPANY SECRETARY
BORNEO OIL BERHAD
Level 11(A) , Main Office Tower,
Financial Park Labuan,
Jalan Merdeka ,
87000 , W.P. Labuan

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