

BORNEO OIL BERHAD

**Company Reg. No. 198901005309 (121919-H)
(Incorporated in Malaysia)**

**QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE FIRST QUARTER ENDED
30 SEPTEMBER 2020**

(THE FIGURES HAVE NOT BEEN AUDITED)

BORNEO OIL BERHAD
Company Reg. No. 198901005309 (121919-H)
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(THE FIGURES HAVE NOT BEEN AUDITED)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Individual Quarter	
	3 Months 1 Jul 2020 to 30 Sept 2020 RM'000	3 Months 1 July 2019 to 30 Sept 2019 RM'000
Revenue	12,038	23,233
Cost of sales	(8,252)	(17,415)
Gross profit	3,786	5,818
Other income	691	2,366
Operating expenses	(9,354)	(7,465)
(Loss)/ Profit from operations	(4,877)	719
Finance costs	(229)	(315)
(Loss)/ Profit before taxation	(5,106)	404
Taxation	(86)	(28)
(Loss)/ Profit for the period	(5,192)	376
Other comprehensive income for the financial period		
- Foreign currency translation	(17)	46
Total comprehensive (deficit)/ income for the financial period	(5,209)	422
(Deficit)/ Income attributable to:		
- Owners of the parent	(5,192)	376
Total comprehensive (deficit)/ income attributable to:		
- Owners of the parent	(5,209)	422
(Loss)/ Earnings per share		
- basic (sen)	(0.09)	0.01
- diluted (sen)	(0.07)	0.01

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying notes and the Annual Audited Financial Statements for the year ended 30 June 2020.

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(THE FIGURES HAVE NOT BEEN AUDITED)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited as at 30 Sept 2020 RM'000	Audited as at 30 Jun 2020 RM'000
Non Current Assets		
Property, plant and equipment	15,104	15,136
Right-of-use assets	8,394	9,087
Investment properties	612,267	612,267
Intangible assets	3	-
Other investments	424	393
Development expenditure	62	-
Exploration expenditure	3,353	1,693
Trade receivables	17,351	17,351
	<u>656,958</u>	<u>655,927</u>
Current Assets		
Inventories	21,524	21,209
Trade receivables	19,307	27,101
Other receivables	11,600	13,021
Contract asset	2,928	851
Tax recoverable	1,881	1,824
Fixed deposits with licensed banks	3,975	3,957
Cash and bank balances	35,665	5,597
	<u>96,880</u>	<u>73,560</u>
Total Assets	<u>753,838</u>	<u>729,487</u>
Shareholders' Fund		
Share capital	574,829	536,349
Reserves	68,539	77,273
Retained earnings	52,994	58,186
	<u>696,362</u>	<u>671,808</u>
Non Current Liabilities		
Long term borrowings	10,844	10,968
Hire purchase creditors	962	1,246
Lease liabilities	2,903	3,504
Deferred tax liabilities	18,419	18,370
Payables	699	699
	<u>33,827</u>	<u>34,787</u>
Current Liabilities		
Trade payables	8,965	6,738
Other payables	8,226	9,789
Hire purchase creditors	912	792
Short term borrowings	1,397	1,569
Lease liabilities	1,860	1,825
Bank overdraft	1,727	1,590
Tax payable	562	589
	<u>23,649</u>	<u>22,892</u>
Total Equity and Liabilities	<u>753,838</u>	<u>729,487</u>
Net assets per share (RM)	<u>0.12</u>	<u>0.13</u>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes and the Annual Audited Financial Statements for the year ended 30 June 2020.

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Non-Distributable Reserves					Distributable Reserves	Total Equity
	Share Capital	ESOS Reserve	Warrants Reserve	Treasury Shares	Translation Reserve	Retained Earnings	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 July 2020	536,349	-	93,441	(16,200)	32	58,186	671,808
Total comprehensive income for the financial period:-							
Loss for the financial period	-	-	-	-	-	(5,192)	(5,192)
Other comprehensive income for the financial period	-	-	-	-	(17)	-	(17)
Total comprehensive deficit	-	-	-	-	(17)	(5,192)	(5,209)
Transactions with owners:-							
Issue of shares	23,720	-	-	-	-	-	23,720
Share- based payment transactions	-	3,960	-	-	-	-	3,960
ESOS exercised	14,760	(3,960)	-	-	-	-	10,800
Acquisition of treasury shares	-	-	-	(8,717)	-	-	(8,717)
Total transactions with owners	38,480	-	-	(8,717)	-	-	29,763
At 30 September 2020	574,829	-	93,441	(24,917)	15	52,994	696,362

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

	Non-Distributable Reserves				Distributable Reserves	Total Equity	
	Share Capital	ESOS Reserve	Warrants Reserve	Treasury Shares	Translation Reserve		Retained Earnings
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
Balance as at 1 July 2019	536,349		93,441	(13,238)	93	56,833	673,478
Adjustment on application of MFRS 16, net of tax	-		-	-	-	(396)	(396)
At 1 July 2019	536,349		93,441	(13,238)	93	56,437	673,082
Total comprehensive income/ (deficit) for the financial period:-							
Profit for the financial year	-		-	-	-	376	376
Other comprehensive income for the financial year	-		-	-	46	-	46
Total comprehensive income/(deficit)	-		-	-	46	376	422
Transactions with owners:-							
Acquisition of treasury shares	-		-	(1,895)	-	-	(1,895)
Total transactions with owners	-		-	(1,895)	-	-	(1,895)
Balance as at 30 September 2019	536,349		93,441	(15,133)	139	56,813	671,609

The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the accompanying notes and the Annual Audited Financial Statements for the year ended 30 June 2020.

BORNEO OIL BERHAD
Company Reg. No. 198901005309 (121919-H)
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QUARTERLY REPORT ON CONSOLIDATED RESULTS
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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	3 Months 1 Jul 2020 to 30 Sept 2020 RM'000	3 Months 1 Jul 2019 to 30 Sept 2019 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES:-		
(Loss)/ Profit before taxation	(5,106)	404
Adjustments for:		
Amortisation of prepaid lease rental	-	5
Bad debts written back - other receivables	-	(330)
Equity settled share- based payment	3,960	-
Fair value adjustment on biological assets	-	4
Gain on disposal of investment in quoted shares	(30)	-
Gain on unrealised exchange difference	(18)	-
Reversal of impairment loss on other receivables	-	(1,738)
Reversal of impairment loss on trade receivables	(115)	(21)
Depreciation of properties, plant and equipment	1,564	1,717
Loss on disposal of property, plant and equipment	2	122
Loss/(Gain) on unrealised exchange difference	1	82
Property, plant and equipment written off	4	260
Waiver of debts- Non trade	104	-
Interest expense	229	315
Interest income	(8)	(64)
Changes in working capital:-	587	756
Inventories	(315)	320
Trade receivables	7,926	3,609
Other receivables, deposits and prepayments	1,930	3,659
Trade payables	2,224	(2,485)
Other payables and accruals	(1,668)	(1,127)
Contract asset	(2,078)	(9,486)
	8,606	(4,754)
Interest paid	(229)	(315)
Tax paid	(161)	(138)
Tax refunded	48	-
Net Operating Cash Flows	8,264	(5,207)

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

	3 Months 1 Jul 2020 to 30 Sept 2020 RM'000	3 Months 1 Jul 2019 to 30 Sept 2019 RM'000
CASH FLOWS FROM INVESTING ACTIVITIES:-		
Acquisition of investment properties	-	(52)
Acquisition of quoted investments	(189)	-
Acquisition of subsidiaries	(750)	-
Additional of development expenditure	(62)	(101)
Additional of exploration expenditure	(1,660)	-
Placement of fixed deposits	(18)	(20)
Proceeds from disposal of quoted investments	188	-
Proceeds from disposal of properties, plant and equipment	-	80
Purchases of properties, plant and equipment	(845)	(67)
Interest received	8	64
Net Investing Cash Flows	<u>(3,328)</u>	<u>(96)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:-		
Acquisition of treasury shares	(8,717)	(1,895)
Issurance of ordinary shares	23,720	-
Net lease liabilities	(566)	(481)
Repayment of hire purchase payables, net	(164)	(266)
Repayment of term borrowings, net	(10)	(61)
(Repayment)/Drawdown of banker's acceptance, net	(286)	404
Proceeds from ESOS exercised	10,800	-
Net Financing Cash Flows	<u>24,777</u>	<u>(2,299)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	29,713	(7,602)
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	(17)	67
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD	<u>4,242</u>	<u>22,288</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD	<u>33,938</u>	<u>14,753</u>
ANALYSIS OF CASH AND CASH EQUIVALENTS		
Cash and bank balances	35,665	16,604
Bank overdrafts	(1,727)	(1,851)
	<u>33,938</u>	<u>14,753</u>

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the accompanying notes and the Annual Audited Financial Statements for the year ended 30 June 2020.

NOTES ON THE QUARTERLY REPORT- 30 SEPTEMBER 2020

A. EXPLANATORY NOTES AS PER MALAYSIAN FINANCIAL REPORTING STANDARD (MFRS) 134, *INTERIM FINANCIAL REPORTING*

A1. Basis of Preparation

This interim financial report is prepared in accordance with the requirements of paragraph 9.22 of the Main Market Listing Requirement of Bursa Malaysia Securities Berhad and complies with MFRS 134, *Interim Financial Reporting* and other MFRS issued by the Malaysian Accounting Standards Board (“MASB”).

The interim financial report is unaudited and should be read in conjunction with the Group’s audited financial statements for the financial year ended 30 June 2020.

These explanatory notes attached to the interim financial report provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 30 June 2020.

A2. Changes in accounting policies arising from adoption of new MFRSs, Amendments to MFRSs and IC Interpretations

The accounting policies adopted for the interim financial statements are consistent with those of the audited financial statements for the financial year ended 30 June 2020 except for the adoption of the following MFRSs, Amendments to MFRSs and IC Interpretations:-

Effective for financial periods beginning on or after 1 January 2020:

- Amendments to MFRS 3, Business Combinations- Definition of a Business
- Amendments to MFRS 101, Presentation of Financial Statements and MFRS 108, Accounting Policies, Changes in Accounting Estimates and Errors- Definition of Material
- Amendments to References to the Conceptual Framework in MFRS Standards
- Amendments to MFRS9, Financial Instruments, MFRS 139, Financial Instruments: Recognition and Measurement and MFRS 7, Financial Instrument: Disclosures- Interest Rate Benchmark Reform

Effective for financial periods beginning on or after 1 June 2020:

- Amendments to MFRS16, Leases- Covid-19 Related Rent Concessions

The adoption of the above MFRSs, Amendments to MFRSs and IC Interpretations did not result in material impact to the interim financial statements of the Group.

NOTES ON THE QUARTERLY REPORT- 30 SEPTEMBER 2020

A. EXPLANATORY NOTES AS PER MALAYSIAN FINANCIAL REPORTING STANDARD (MFRS) 134, *INTERIM FINANCIAL REPORTING*

A2. Changes in accounting policies arising from adoption of new MFRSs, Amendments to MFRSs and IC Interpretations (Continued)

MFRSs, Amendments to MFRSs and IC Interpretations issued but not yet effective

The following MFRSs, Amendments to MFRSs have been issued but are not yet effective, and have yet to be adopted other than marked “*” which are not applicable to the Group:-

Effective for financial periods beginning on or after 1 January 2021:-

- Interest Rate Benchmark Reform Phase 2 (Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16)

Effective for financial periods beginning on or after 1 January 2022:-

- Amendments to MFRS 3, Business Combinations – Reference to the Conceptual Framework
- Amendments to MFRS 116, Property, Plant and Equipment – Proceeds before Intended Use
- Amendments to MFRS 137, Provisions, Contingent Liabilities and Contingent Assets – Onerous Contracts – Cost of Fulfilling a Contract
- Amendments to MFRS 1, First-time Adoption of Malaysian Financial Reporting Standards, MFRS 9, Financial Instruments, Illustrative Examples accompanying MFRS 16, Leases and MFRS 141, Agriculture (Annual Improvements to MFRS Standards 2018 – 2020 cycle)

Effective for financial periods beginning on or after 1 January 2023:-

- MFRS 17, Insurance Contracts*
- Amendments to MFRS 101, Presentation of Financial Statements – Classification of Liabilities as Current or Non-current

MFRSs, Interpretations and amendments effective for annual periods on or after a date yet to be confirmed

- Amendments to MFRS 10, Consolidated Financial Statements and MFRS 128, Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

A3. Audit Report

The auditors’ report on the audited financial statements for the financial year ended 30 June 2020 was not qualified.

NOTES ON THE QUARTERLY REPORT- 30 SEPTEMBER 2020

A. EXPLANATORY NOTES AS PER MALAYSIAN FINANCIAL REPORTING STANDARD (MFRS) 134, *INTERIM FINANCIAL REPORTING*

A4. Seasonal or Cyclical Factors

The operations of the Group are not materially affected by seasonal or cyclical factors.

A5. Unusual Items

There were no items or events that arose, which affect the assets, liabilities, equity, net income or cash flows, that were unusual by reason of their nature, size or incidence.

A6. Material Changes in Estimates

There were no material changes in estimates of amounts reported that have a material effect on the results in the quarter under review.

A7. Issuance, Cancellations, Repurchases, Resale and Repayments of Debts and Equity Securities

During the quarter under review, a total of 400,000,000 and 626,300,000 new ordinary shares were issued pursuant to the exercise of ESOS and issuance of private placement respectively. As at the quarter ended 30 September 2020, there were a total of 6,366,683,754 issued ordinary shares.

There were repurchases of 174,600,000 issued ordinary shares from the open market during the quarter. Cumulative total number of shares repurchased at the end of the quarter was 392,546,000. The shares repurchased are being held as treasury shares in accordance with Section 127 of Companies Act 2016.

There were no other issuance, cancellations, resale and repayment of debt and equity securities other than disclosed above.

A8. Dividends Paid

There was no dividend paid during the quarter under review.

A10. Significant Event

There were no significant events during the quarter.

NOTES ON THE QUARTERLY REPORT- 30 SEPTEMBER 2020

A. EXPLANATORY NOTES AS PER MALAYSIAN FINANCIAL REPORTING STANDARD (MFRS) 134, *INTERIM FINANCIAL REPORTING*

A11. Material Subsequent Event

Subsequent to the quarter under review, the Group had on 17 November 2020 entered into a conditional share subscription agreement ("Subscription Agreement") with Macquarie Bank Limited for the subscription of up to 1,205,827,550 Borneo Oil Berhad's Shares ("Placement Shares") in accordance with the terms and conditions of the Subscription Agreement. The total number of Placement Shares under the Subscription Agreement represents up to approximately 20% of the total current number of issued shares (excluding treasury shares).

A12. Changes in Composition of the Group

During the quarter under review, the Group had announced that SB Resorts Sdn Bhd, its wholly owned subsidiary had on 23 July 2020 entered into a Share Sale Agreement for the acquisition of 750,000 Ordinary shares representing the entire equity interest of Winamewah Sdn Bhd for a total cash consideration of RM750,000.00.

A13 Changes in Contingent Liabilities or Contingent Assets

The Group's contingent liabilities totalling RM 70.10 million comprises of corporate guarantees to licensed financial institutions for banking facilities granted to the subsidiaries of the Group.

A14. Capital Commitments

There was no material capital commitment which was not provided for in the Interim Financial Statements as at reporting date.

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NOTES ON THE QUARTERLY REPORT- 30 SEPTEMBER 2020

A. EXPLANATORY NOTES AS PER MALAYSIAN FINANCIAL REPORTING STANDARD (MFRS) 134, *INTERIM FINANCIAL REPORTING*

A15. Significant Related Party Transactions (Inter- company within the Group)

	Individual Quarter	
	3 Months 1 Jul 2020 to 30 Sept 2020 RM'000	3 Months 1 July 2019 to 30 Sept 2019 RM'000
Sales of fast food and restaurant operations among subsidiaries	139	286
Sales of limestone among subsidiaries	176	74
Rental income among subsidiaries	24	24
Management fee among subsidiaries	330	330
Consultancy fee among subsidiaries	101	82
Rental expenses among subsidiaries	24	24

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NOTES ON THE QUARTERLY REPORT- 30 SEPTEMBER 2020

A16. Group Segmental Information

	Head office & others		Food and franchise operations		Property investment & management		Resources & sustainable energy		Total Consolidated	
	30.09.2020	30.09.2019	30.09.2020	30.09.2019	30.09.2020	30.09.2019	30.09.2020	30.09.2019	30.09.2020	30.09.2019
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue										
External revenue	9	9	9,646	12,436	30	9,819	2,353	969	12,038	23,233
Inter-segment revenue	431	412	139	286	-	-	176	74	746	772
Total revenue	440	421	9,785	12,722	30	9,819	2,529	1,043	12,784	24,005
Less: Inter-segment revenue									(746)	(772)
									12,038	23,233
Results										
Segment results	(634)	(486)	807	767	(805)	172	670	1,919	38	2,372
Consolidation elimination									(3,359)	-
									(3,321)	2,372
<i>Not included in the measure of segment profit/(loss):-</i>										
Depreciation and amortisation									(1,564)	(1,717)
Finance costs									(229)	(315)
Interest income									8	64
Income tax expenses									(86)	(28)
(Loss)/ Profit for the financial period									(5,192)	376

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Incorporated in Malaysia

NOTES ON THE QUARTERLY REPORT- 30 SEPTEMBER 2020

A16. Group Segmental Information (Continued)

	Head office & others		Food and franchise operations		Property investment & management		Resources & sustainable energy		Total Consolidated	
	30.09.2020	30.06.2020	30.09.2020	30.06.2020	30.09.2020	30.06.2020	30.09.2020	30.06.2020	30.09.2020	30.06.2020
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Assets										
Segment assets	665,110	641,059	34,769	34,520	505,786	508,401	273,153	270,121	1,478,818	1,454,101
Consolidation elimination									(724,980)	(724,614)
Consolidated total assets									753,838	729,487
Liabilities										
Segment liabilities	6,266	7,243	34,195	33,907	445,356	447,223	275,218	272,265	761,035	760,638
Tax payables	-	-	41	7	7	-	514	582	562	589
Loans and borrowings	-	-	4,903	5,207	304	320	10,635	10,637	15,842	16,164
Deferred tax liabilities	-	-	415	366	13,861	13,861	4,143	4,143	18,419	18,370
Lease liabilities	343	368	3,573	4,029	-	-	847	932	4,763	5,329
Consolidation elimination									(743,145)	(743,411)
Consolidated total liabilities									57,476	57,679

NOTES ON THE QUARTERLY REPORT- 30 SEPTEMBER 2020

B. ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENTS

B1. Financial Review for the Current Quarter

	Individual Quarter		Individual Quarter	
	1 Jul 2020 to 30 Sept 2020		1 July 2019 to 30 Sept 2019	
	Profit/(Loss)		Profit/(Loss)	
	Revenue	Before Tax	Revenue	Before Tax
	RM'000	RM'000	RM'000	RM'000
Head office & others	9	(2,023)	9	(1,070)
Food and franchise operations	9,646	(1,495)	12,436	(37)
Property investment & management	30	(1,680)	9,819	306
Resources & sustainable energy	2,353	92	969	1,205
Group revenue and (loss)/profit from operations (net of finance cost)	12,038	(5,106)	23,233	404

The Group registered a revenue of RM12.04 million and a loss before tax of RM5.11 million for the current quarter against a revenue of RM23.23 million and a profit before tax of RM0.40 million for the corresponding quarter.

The Food and Franchise Operations (“FFO”) recorded a reduction in revenue of RM2.79 million against the corresponding quarter as the overall business and consumer sentiments have declined due to the dire economic outlook and poor employment prospects from the recovery of COVID-19 pandemic. The enlarge loss before tax of RM1.46 million for the quarter was mainly attributable to the reduction in revenue and allocation of the share-based payment on ESOS for the quarter under review.

The Property Investment & Management (“PIM”) registered a lower revenue of RM9.79 million and a corresponding loss before tax RM1.68 million for the current quarter as compared to a profit before tax of RM0.31 million for the corresponding quarter. This was mainly attributable to the activities on site for the project management of a construction of an Integrated Limestone Processing Plant (“ILPP”) which was put on hold due to the restricted entry of foreign nationals to Malaysia who possesses the prerequisite expertise to install the prefabricated plant equipment at the ILPP.

The Resources & Sustainable Energy (“RSE”) reported a revenue of RM2.35 million with a corresponding profit before tax of RM0.92 million for the current quarter was mainly contributed from the sale of limestone. The profit before tax of RM1.21 million for the corresponding quarter was primarily due to the recovery of bad debts of RM2.06 million.

NOTES ON THE QUARTERLY REPORT- 30 SEPTEMBER 2020

B. ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENTS

B2. Financial Review for the Current Quarter Compared with the Immediate Preceding Quarter

	Current Quarter ended 30 Sept 2020 RM'000	Preceding Quarter ended 30 June 2020 RM'000	Variances	
			RM'000	%
Revenue	12,038	16,161	(4,123)	-26%
(Loss)/ Profit before taxation	(5,106)	3,181	(8,287)	-261%

The Group registered a revenue of RM12.04 million and a loss before taxation of RM5.11 million for the current quarter as compared to a revenue of RM16.16 million and a profit before taxation of RM3.18 million for the immediate preceding quarter.

The Group posted a lower revenue of RM4.12 million which was primarily due to the construction of an ILPP which was put on hold due to the restricted entry of foreign nationals with the prerequisite expertise to complete the project.

The Group reported a loss before taxation of RM5.11 million was mainly due to the corresponding reduction in revenue and recognition of RM3.96 million share-based payment on ESOS which was offered during the current quarter under review.

B3. Prospects

The Malaysia's GDP is expected to contract by 4.5% in 2020 before rebounding to between 6.5% and 7.5% in 2021. The strong rebound in GDP growth will be driven by the anticipated improvement in global growth and international trade. With the speedy implementation of various stimulus packages, the economy is expected to contract at a slower pace in the second half of this year according to the Ministry of Finance's (MoF) Economic Outlook 2021 report.

Given the current weaker growth trajectory and risk to growth, the Board will remain cautious in managing its finances prudently to maintain sustainable operations given the current sluggish global and domestic demand.

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NOTES ON THE QUARTERLY REPORT- 30 SEPTEMBER 2020

B. ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENTS

B4. Variation Profit Forecast/Profit Guarantee

Not applicable as there were no profit forecast or guarantee issued.

B5. Taxation

The tax charge for the Group are as follows:-

	Individual Quarter	
	3 Months 1 Jul 2020 to 30 Sept 2020 RM'000	3 Months 1 Jul 2019 to 30 Sep 2019 RM'000
Income tax- current year	(52)	(28)
Income tax- prior year	15	-
Deferred tax- current year	(49)	-
Deferred tax- prior year	-	-
	(86)	(28)

The disproportionate tax charge of the Group for the current quarter was mainly due to the utilisation of tax losses bought forward by the subsidiary companies.

NOTES ON THE QUARTERLY REPORT- 30 SEPTEMBER 2020

**B. ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA SECURITIES
BERHAD LISTING REQUIREMENTS**

B6. Corporate Proposals

The following status of corporate proposals announced but not completed at the latest practicable date which is not earlier than 7 days from the date of issuance of this interim financial report:

New Issue Of Securities (Chapter 6 of Listing Requirements) - ESOS

- 1) On 16 October 2020, the Company announced the offer of 400,000,000 ESOS options at an exercise price of RM0.03684 has been made on 16 October 2020 to the eligible employees of the Company and its subsidiaries ("Eligible Persons") to subscribe for new ordinary shares in the Company under the ESOS ("Offer").
- 2) On 2 November 2020, the Company announced the exercise of 55,000,000 ESOS share options at RM0.03684 per share will be listed and quoted on the Main Market of Bursa Malaysia Securities Berhad on 3 November 2020.
- 3) On 6 November 2020, the Company announced the exercise of 115,000,000 ESOS share options at RM0.03684 per share will be listed and quoted on the Main Market of Bursa Malaysia Securities Berhad on 9 November 2020.
- 4) On 13 November 2020, the Company announced the exercise of 95,000,000 ESOS share options at RM0.03684 per share will be listed and quoted on the Main Market of Bursa Malaysia Securities Berhad on 16 November 2020.
- 5) On 20 November 2020, the Company announced the exercise of 110,000,000 ESOS share options at RM0.03684 per share will be listed and quoted on the Main Market of Bursa Malaysia Securities Berhad on 23 November 2020.

BORNEO OIL BERHAD
Company Reg. No. 198901005309 (121919-H)
Incorporated in Malaysia

NOTES ON THE QUARTERLY REPORT- 30 SEPTEMBER 2020

B. ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENTS

B7. Borrowings and Debts Securities

	Unaudited as at 30 Sept 2020 RM'000	Audited as at 30 Jun 2020 RM'000
Short term borrowings:		
Secured		
- Bank overdrafts	1,727	1,590
- Bankers' acceptances	981	1,267
- Term loans	416	302
- Hire purchase payables	912	792
	<u>4,036</u>	<u>3,951</u>
Long term borrowings:		
Secured		
- Term loans	10,844	10,967
- Hire purchase payables	962	1,246
	<u>11,806</u>	<u>12,213</u>
Total borrowings	<u>15,842</u>	<u>16,164</u>

All the above borrowings are denominated in Ringgit Malaysia.

B8. Material Litigation

The Management is not aware of any litigation which will have a material effect on the financial position or the business of the Group and the Board is not aware of any proceedings pending or threatened against the Group or of any fact likely to give rise to any proceedings which may materially and adversely affect the financial position or business of the Group at the date of this report.

B9. Dividends

No dividend has been proposed and paid for during the current financial quarter.

BORNEO OIL BERHAD
Company Reg. No. 198901005309 (121919-H)
Incorporated in Malaysia

NOTES ON THE QUARTERLY REPORT- 30 SEPTEMBER 2020

B. ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENTS

B10. Earnings per Share

	Individual Quarter	
	3 Months 1 Jul 2020 to 30 Sept 2020	3 Months 1 July 2019 to 30 Sept 2019
(a) Basic EPS		
Net (loss)/profit for the period attributable to equity holders (RM'000)	(5,192)	376
Weighted average number of ordinary shares in issue ('000)	5,658,746	5,177,855
Basic (loss)/earnings per share (sen)	(0.09)	0.01
	Individual Quarter	
	3 Months 1 Jul 2020 to 30 Sept 2020	3 Months 1 July 2019 to 30 Sept 2019
(b) Diluted EPS		
Net (loss)/profit for the period attributable to equity holders (RM'000)	(5,192)	376
Weighted average number of ordinary shares in issue ('000)	5,658,746	5,177,855
Effects of dilution of Warrants C (Warrants 2015/2025) ('000)	1,734,680	1,734,680
Effects of dilution of Warrants C (Warrants 2017/2027) ('000)	378,684	378,684
Adjusted weighted average number of ordinary shares in issue ('000)	7,772,110	7,291,219
Diluted (loss)/earnings per share (sen)	(0.07)	0.01

NOTES ON THE QUARTERLY REPORT- 30 SEPTEMBER 2020

B. ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENTS

B11. Notes to the Condensed Consolidated Statement of Comprehensive Income

Total comprehensive income is arrived at after crediting/(charging):-

	Individual Quarter	Individual Quarter
	3 Months	3 Months
	1 Jul 2020 to	1 Jul 2019 to
	30 Sept 2020	30 Sept 2019
	RM'000	RM'000
(Loss)/Profit before tax is arrived after (charging):		
Amortisation of prepaid lease rental	-	(5)
Loss on disposal of property, plant and equipment	(2)	(122)
Loss on exchange difference	-	(82)
Prepayment written off	-	-
Property, plant and equipment written off	(4)	(260)
Reversal on waiver of debts	(104)	-
Depreciation of property, plant and equipment	(1,564)	(1,717)
Interest expense	(229)	(315)
Share-based payment by ESOS	(3,960)	-
and crediting the following items:		
Bad debts written back	-	330
Fair value adjustment on biological assets	-	(4)
Gain on disposal of investment in quoted shares	30	-
Gain on exchange difference	20	-
Government grant / subsidies	338	-
Interest income	8	64
Rental income	117	-
Reversal of impairment loss on other receivables	-	1,738
Reversal of impairment loss on trade receivables	115	21

B12. Fair Value Changes of Financial Liabilities

There were no material gain/loss arising from fair value changes of financial liabilities for the current financial quarter ended.

BORNEO OIL BERHAD
Company Reg. No. 198901005309 (121919-H)
Incorporated in Malaysia

NOTES ON THE QUARTERLY REPORT- 30 SEPTEMBER 2020

B. ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENTS

B13. Status of Utilisation of Proceeds from Corporate Exercises

No.	Purpose	Proposed Utilisation RM'000	Actual Utilisation RM'000	Intended Timeframe for Utilisation
1.	Upgrading of general infrastructure at limestone quarry operations site	5,000	-	Within 24 months from the receipt of placement funds
2.	Working capital expenses	18,610	3,741	Within 24 months from the receipt of placement funds
3.	Estimated expenses in relation to the Placement	110	110	Upon completion of the Placement
	Total	<u>23,720</u>	<u>3,851</u>	

By Order of the Board

Chin Siew Kim
 Company Secretary

27 November 2020