

**BORNEO OIL BERHAD**

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

**QUARTERLY REPORT ON CONSOLIDATED RESULTS  
FOR THE SECOND QUARTER ENDED  
31 DECEMBER 2021**

**(THE FIGURES HAVE NOT BEEN AUDITED)**

**BORNEO OIL BERHAD**  
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**(THE FIGURES HAVE NOT BEEN AUDITED)**

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	Individual Quarter		Cumulative Quarter	
	3 Months 1 Oct 2021 to 31 Dec 2021 RM'000	3 Months 1 Oct 2020 to 31 Dec 2020 RM'000	6 Months 1 July 2021 to 31 Dec 2021 RM'000	6 Months 1 July 2020 to 31 Dec 2020 RM'000
Revenue	18,368	10,007	29,433	22,045
Cost of sales	(14,272)	(7,521)	(22,827)	(15,773)
Gross profit	4,096	2,486	6,606	6,272
Other income	13,149	9,145	20,036	9,836
Operating expenses	(6,533)	(9,628)	(11,851)	(18,982)
Profit/(Loss) from operations	10,712	2,003	14,791	(2,874)
Finance costs	(315)	(239)	(605)	(468)
Profit/(Loss) before taxation	10,397	1,764	14,186	(3,342)
Taxation	(125)	(87)	(127)	(173)
Profit/(Loss) for the period	10,272	1,677	14,059	(3,515)
Other comprehensive income for the financial period				
- Foreign currency translation	(13)	(134)	87	(151)
Total comprehensive income/(deficit) for the financial period	10,259	1,543	14,146	(3,666)
Income attributable to:				
- Owners of the parent	10,272	1,677	14,059	(3,515)
Total comprehensive income attributable to:				
- Owners of the parent	10,259	1,543	14,146	(3,666)
Earnings per share				
- basic (sen)	0.14	0.03	0.20	(0.06)
- diluted (sen)	0.11	0.02	0.15	(0.04)

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 2021.

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**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	<b>Unaudited as at 31 Dec 2021 RM'000</b>	<b>Audited as at 30 Jun 2021 RM'000</b>
<b>Non Current Assets</b>		
Property, plant and equipment	18,190	16,312
Right-of-use assets	9,405	9,175
Investment properties	614,875	614,811
Goodwill	9	9
Other investments	72,336	45,395
Exploration expenditure	6,644	5,310
Receivables	19,135	19,135
	<u>740,594</u>	<u>710,147</u>
<b>Current Assets</b>		
Inventories	43,483	42,807
Trade receivables	12,422	6,296
Other receivables	24,760	27,437
Contract asset	4,973	426
Tax recoverable	782	702
Fixed deposits with licensed banks	4,061	4,050
Cash and bank balances	19,591	31,425
	<u>110,072</u>	<u>113,143</u>
<b>Total Assets</b>	<u>850,666</u>	<u>823,290</u>
<b>Shareholders' Fund</b>		
Share capital	636,454	618,968
Reserves	55,736	61,803
Retained earnings	100,730	86,671
	<u>792,920</u>	<u>767,442</u>
<b>Non Current Liabilities</b>		
Long term borrowings	14,490	14,290
Hire purchase creditors	1,659	531
Lease liabilities	4,470	3,546
Deferred tax liabilities	17,725	17,725
Payables	256	846
	<u>38,600</u>	<u>36,938</u>
<b>Current Liabilities</b>		
Trade payables	7,282	6,424
Other payables	7,586	7,760
Hire purchase creditors	1,018	890
Short term borrowings	1,222	1,624
Lease liabilities	989	1,303
Bank overdraft	1,169	909
Tax payable	(120)	-
	<u>19,146</u>	<u>18,910</u>
<b>Total Equity and Liabilities</b>	<u>850,666</u>	<u>823,290</u>
Net assets per share (RM)	<u>0.11</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 2021.

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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

	Non-Distributable Reserves					Distributable Reserves	Total Equity RM'000
	Share Capital RM'000	ESOS Reserve RM'000	Warrants Reserve RM'000	Treasury Shares RM'000	Translation Reserve RM'000	Retained Earnings RM'000	
<b>At 1 July 2021</b>	618,968	-	93,441	(31,493)	(145)	86,671	767,442
<b>Total comprehensive income for the financial period:-</b>							
Profit for the financial period	-	-	-	-	-	14,059	14,059
Other comprehensive income for the financial period	-	-	-	-	87	-	87
<b>Total comprehensive income</b>	-	-	-	-	87	14,059	14,146
<b>Transactions with owners:-</b>							
Issue of shares	17,258	-	-	-	-	-	17,258
Share- based payment transactions	-	647	-	-	-	-	647
ESOS exercised	228	(68)	-	-	-	-	160
Acquisition of treasury shares	-	-	-	(6,733)	-	-	(6,733)
<b>Total transactions with owners</b>	17,486	579	-	(6,733)	-	-	11,332
<b>At 31 Dec 2021</b>	636,454	579	93,441	(38,226)	(58)	100,730	792,920

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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	RM'000
<b>At 1 July 2020</b>	536,349	-	93,441	(16,200)	32	58,187	671,809
<b>Total comprehensive income for the financial period:-</b>							
Loss for the financial period	-	-	-	-	-	28,484	28,484
Other comprehensive deficit for the financial period	-	-	-	-	(177)	-	(177)
<b>Total comprehensive income</b>	-	-	-	-	(177)	28,484	28,307
<b>Transactions with owners:-</b>							
Issue of shares	39,483	-	-	-	-	-	39,483
Share- based payment transactions	-	10,499	-	-	-	-	10,499
ESOS exercised	43,136	(10,499)	-	-	-	-	32,637
Acquisition of treasury shares	-	-	-	(15,293)	-	-	(15,293)
<b>Total transactions with owners</b>	82,619	-	-	(15,293)	-	-	67,326
<b>At 30 June 2021</b>	618,968	-	93,441	(31,493)	(145)	86,671	767,442

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 2021.

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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	<b>6 Months 1 July 2021 to 31 Dec 2021 RM'000</b>	<b>6 Months 1 Jul 2020 to 31 Dec 2020 RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:-</b>		
Profit/(Loss) before taxation	14,186	(3,342)
Adjustments for:		
Bad debts recovered - other receivables	-	(8,501)
Equity settled share- based payment	647	8,428
Fair value discount on retention payables	54	-
Fair value gain on investment in quoted securities	(15,380)	(120)
Gain on disposal of quoted securities	(3,303)	(30)
Gain on disposal of property, plant and equipment	-	(1)
Gain on unrealised exchange difference	-	(164)
Reversal of impairment loss on other receivables	(442)	-
Reversal of impairment loss on trade receivables	(45)	(119)
Reversal of waiver of debts	-	104
Depreciation of properties, plant and equipment	1,579	1,943
Depreciation of right-of-use	1,010	1,141
Loss on disposal of property, plant and equipment	-	2
Loss on unrealised exchange difference	93	1
Property, plant and equipment written off	124	134
Interest expense	605	468
Interest income	(109)	(54)
Changes in working capital:-	(981)	(110)
Inventories	(676)	(8,494)
Trade receivables	(6,396)	10,577
Other receivables, deposits and prepayments	3,098	(1,063)
Trade payables	436	618
Other payables and accruals	(154)	(2,013)
Contract asset	(4,547)	(2,273)
	(9,220)	(2,758)
Interest paid	(605)	(468)
Tax paid	(325)	(332)
Tax refunded	-	1,148
<b>Net Operating Cash Flows</b>	<b>(10,150)</b>	<b>(2,410)</b>

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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)**

	<b>6 Months 1 July 2021 to 31 Dec 2021 RM'000</b>	<b>6 Months 1 Jul 2020 to 31 Dec 2020 RM'000</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:-</b>		
Acquisition of investment properties	(64)	-
Acquisition of quoted securities	(4,168)	(189)
Acquisition of other investment	(11,500)	-
Additional of development expenditure	-	(94)
Additional of exploration expenditure	(1,334)	(2,108)
Net cash outflow on acquisition of subsidiary	-	(750)
Placement of fixed deposits	(11)	(23)
Proceeds from disposal of quoted securities	7,410	188
Proceeds from disposal of properties, plant and equipment	3	4
Purchases of properties, plant and equipment	(3,584)	(1,132)
Interest received	109	54
<b>Net Investing Cash Flows</b>	<b>(13,139)</b>	<b>(4,050)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:-</b>		
Acquisition of treasury shares	(6,733)	(9,231)
Issuance of ordinary shares	17,258	23,720
Payment of lease liabilities	(630)	(1,146)
Drawdown/(Repayment) of hire purchase payables, net	1,256	(427)
Drawdown of term borrowings, net	(222)	(92)
Drawdown/(Repayment) of banker's acceptance, net	19	(812)
ESOS exercised	160	24,615
<b>Net Financing Cash Flows</b>	<b>11,108</b>	<b>36,627</b>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>(12,181)</b>	<b>30,167</b>
<b>EFFECT OF FOREIGN EXCHANGE RATE CHANGES</b>	<b>87</b>	<b>(151)</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD</b>	<b>30,516</b>	<b>4,242</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD</b>	<b>18,422</b>	<b>34,258</b>
<b>ANALYSIS OF CASH AND CASH EQUIVALENTS</b>		
Cash and bank balances	19,591	35,597
Bank overdrafts	(1,169)	(1,339)
	<b>18,422</b>	<b>34,258</b>

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 2021.

**NOTES ON THE QUARTERLY REPORT- 31 DECEMBER 2021**

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

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**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 2021.

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 2021.

**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 2021 except for the adoption of the following MFRSs, Amendments to MFRSs and IC Interpretations: -

**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 April 2021: -**

- Amendments to MFRS 16, Leases – Covid- 19- Related Rent Concessions beyond 30 June 2021

***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: -

**NOTES ON THE QUARTERLY REPORT- 31 DECEMBER 2021**

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

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

**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
- Amendments to MFRS 101, Presentation of Financial Statements - Disclosure of Accounting Policies
- Amendments to MFRS 108, Accounting Policies, Changes in Accounting Estimates and Error- Definition of Accounting Estimate
- Amendments to MFRS 112, Deferred Tax related to Assets and Liabilities arising from a Single Transactions

**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

**NOTES ON THE QUARTERLY REPORT- 31 DECEMBER 2021**

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

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**A3. Audit Report**

The auditors' report on the audited financial statements for the financial year ended 30 June 2021 was not qualified.

**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 7,000,000 and 116,000,000 new ordinary shares were issued pursuant to the exercise of ESOS and issuance of private placement respectively. As at the quarter ended, there were a total of 8,090,289,529 issued ordinary shares.

There were repurchases of 800,000 issued ordinary shares from the open market during the quarter. The cumulative total number of shares repurchased at the end of the quarter was 741,586,000. The shares repurchased are being held as treasury shares in accordance with Section 127 of the 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.

**NOTES ON THE QUARTERLY REPORT- 31 DECEMBER 2021**

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

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**A9. Valuation of Property, Plant and Equipment**

The Group did not revalue any of its property, plant and equipment during the quarter under review.

**A10. Material Subsequent Event**

There were no material events subsequent to the end of the current financial quarter under review that have not been reflected in the Condensed Consolidated Financial Statement.

**A11. Changes in Composition of the Group**

There were no changes in the composition of the Group for the current quarter under review.

**A12. Changes in Contingent Liabilities or Contingent Assets**

The Group's contingent liabilities totalling RM36.10 million comprises of corporate guarantees to licensed financial institutions for banking facilities granted to the subsidiaries of the Group.

**A13. Capital Commitments**

The amount of commitments for capital expenditure as at 31 December 2021 is as follows:

	<b>As at 31 Dec 2021 RM'000</b>	<b>As at 30 Jun 2021 RM'000</b>
<b>Property, plant and equipment</b>		
- contracted but not provided for	923,915	1,638,360

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**NOTES ON THE QUARTERLY REPORT- 31 DECEMBER 2021**

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

**A14. Significant Related Party Transactions (Intercompany within the Group)**

	Individual Quarter		Cumulative Quarter	
	3 Months 1 Oct 2021 to 31 Dec 2021 RM'000	3 Months 1 Oct 2020 to 31 Dec 2020 RM'000	6 Months 1 July 2021 to 31 Dec 2021 RM'000	6 Months 1 July 2020 to 31 Dec 2020 RM'000
Sale of fast food and restaurant operations among subsidiaries	18	177	138	316
Sale of limestones among subsidiaries	157	90	238	266
Rental income among subsidiaries	54	24	78	48
Management fee among subsidiaries	330	330	660	660
Consultancy fee among subsidiaries	139	125	278	226
Rental expenses among subsidiaries	54	24	78	48

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**NOTES ON THE QUARTERLY REPORT- 31 DECEMBER 2021**

**A15. Group Segmental Information**

	Head office & others		Food and franchise operations		Property investment & management		Resources & sustainable energy		Total Consolidated	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020	31.12.2021	31.12.2020	31.12.2021	31.12.2020	31.12.2021	31.12.2020
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Revenue</b>										
External revenue	18	18	22,102	18,939	4,887	120	2,426	2,968	29,433	22,045
Inter-segment revenue	938	886	138	316	-	-	238	266	1,314	1,468
<b>Total revenue</b>	<b>956</b>	<b>904</b>	<b>22,240</b>	<b>19,255</b>	<b>4,887</b>	<b>120</b>	<b>2,664</b>	<b>3,234</b>	<b>30,747</b>	<b>23,513</b>
Less: Inter-segment revenue									(1,314)	(1,468)
									<b>29,433</b>	<b>22,045</b>
<b>Results</b>										
Segment results	17,662	(1,133)	788	1,101	(980)	(1,339)	3,630	8,720	21,100	7,349
Consolidation elimination									(3,829)	(7,193)
									<b>17,271</b>	<b>156</b>
<i>Not included in the measure of segment profit/(loss):-</i>										
Depreciation and amortisation									(2,589)	(3,084)
Finance costs									(605)	(468)
Interest income									109	54
Income tax expenses									(127)	(173)
<b>Profit for the financial period</b>									<b>14,059</b>	<b>(3,515)</b>

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**NOTES ON THE QUARTERLY REPORT- 31 DECEMBER 2021**

**A15. Group Segmental Information (Continued)**

	Head office & others		Food and franchise operations		Property investment & management		Resources & sustainable energy		Total Consolidated	
	31.12.2021	30.06.2021	31.12.2021	30.06.2021	31.12.2021	30.06.2021	31.12.2021	30.06.2021	31.12.2021	30.06.2021
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Assets</b>										
Segment assets	749,462	721,222	33,648	32,529	527,026	513,166	303,127	304,226	1,613,263	1,571,143
Consolidation elimination									(762,597)	(747,853)
<b>Consolidated total assets</b>									<b>850,666</b>	<b>823,290</b>
<b>Liabilities</b>										
Segment liabilities	6,643	11,725	42,830	36,382	333,952	318,985	107,515	112,439	490,940	479,531
Tax payables	-	-	-	-	-	-	(120)	-	(120)	-
Loans and borrowings	-	-	4,284	4,413	128	201	15,146	13,630	19,558	18,244
Deferred tax liabilities	-	-	532	532	13,861	13,861	3,332	3,332	17,725	17,725
Lease liabilities	210	264	4,107	3,709	17	22	1,125	1,205	5,459	5,200
Consolidation elimination									(475,816)	(464,852)
<b>Consolidated total liabilities</b>									<b>57,746</b>	<b>55,848</b>

**NOTES ON THE QUARTERLY REPORT- 31 DECEMBER 2021**

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

**B1. Financial Review for the Current Quarter**

	Individual Quarter		Individual Quarter	
	1 Oct 2021 to 31 Dec 2021		1 Oct 2020 to 31 Dec 2020	
	Revenue	Profit/(Loss) Before Tax	Revenue	Profit/(Loss) Before Tax
	RM'000	RM'000	RM'000	RM'000
Head office & others	9	10,789	9	(1,507)
Food and franchise operations	12,519	311	9,293	(2,553)
Property investment & management	4,857	(6)	90	(1,676)
Resources & sustainable energy	983	(697)	615	7,500
Group revenue and profit from (net of finance cost)	18,368	10,397	10,007	1,764

The Head Office and Others (“HOO”) recorded a profit before tax of RM10.79 million against a loss before tax of RM1.51 million mainly due to the fair value gain on quoted securities of RM12.12 million for the quarter under review.

The Food and Franchise Operations (“FFO”) recorded a revenue of RM12.52 million and a profit before tax of RM0.31 million for the current quarter against revenue of RM9.29 million and a loss before tax of RM2.55 million for the corresponding quarter. The higher reported revenue was mainly due to the gradual lifting of dine-in restrictions under the National Recovery Plan and the festive season during the current quarter. During the quarter under review, RM0.41 million was expenses off in the income statement for the share-based payment on ESOS, resulting in a lower profit before tax of RM0.31 million.

The Property Investment & Management (“PIM”) registered revenue of RM4.86 million for the current quarter with the resumption of installation activities on-site for the project management of an Integrated Limestone Processing Plant (“ILPP”). Despite the fact that the PIM segment had not fully resumed its activities on the ILPP site, it managed to reduce the losses to the minimum with its effective cost-cutting measures.

The Resources & Sustainable Energy (“RSE”) reported revenue of RM0.98 million and a loss before tax of RM0.70 million for the current quarter against revenue of RM0.62 million and a profit before tax of RM7.50 million for the corresponding quarter. The lower than expected revenue from the sale of limestones resulted in a loss before tax for the quarter under review. The profit before tax of RM7.5 million for the corresponding quarter was mainly attributable to the bad debts written back of RM8.5 million.

**NOTES ON THE QUARTERLY REPORT- 31 DECEMBER 2021**

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

**B2. Financial Review for the Current Quarter compared with the Immediate Preceding Quarter**

	<b>Current Quarter ended 31 Dec 2021 RM'000</b>	<b>Preceding Quarter ended 30 Sept 2021 RM'000</b>	<b>Variances</b>	
			<b>RM'000</b>	<b>%</b>
Revenue	18,368	11,065	7,303	66%
Profit before taxation	10,397	3,789	6,608	174%

The Group registered a revenue of RM18.37 million and a profit before tax of RM10.40 million for the current quarter compared to revenue of RM11.07 million and a profit before tax of RM3.79 million for the immediate preceding quarter.

The Group reported higher revenue of RM7.30 million compared to the immediate preceding quarter was mainly attributable to the improvement in sales of RM2.94 million from the FFO due to the gradual lifting of dine-in restrictions under the National Recovery Plan, which coincide with the festive season and RM4.83 million derived from the resumption of installation activities on-site for the project management of an ILPP.

The Group reported an increase in profit before tax of RM6.61 million compared to the immediate preceding quarter was mainly due to the resulting gain in fair value gain on investment in quoted securities of RM12.12 million for the current quarter compared to RM3.26 million for the previous quarter.

**B3. Prospects**

Bank Negara Malaysia projected that the Malaysian economy will expand between 5.5% and 6.5% this year, underpinned by continued expansion in global demand and higher private-sector expenditure.

Nevertheless, the Board is cautiously optimistic and will continue to strategise and navigate the ever-changing business environment to ensure the Group remains resilient and minimises the pandemic's impact on the Group's operations.

**NOTES ON THE QUARTERLY REPORT- 31 DECEMBER 2021**

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

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**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: -

	<b>Individual Quarter</b>	<b>Cumulative Quarter</b>
	<b>3 Months</b>	<b>6 Months</b>
	<b>1 Oct 2021 to 31 Dec 2021</b>	<b>1 July 2021 to 31 Dec 2021</b>
	<b>RM'000</b>	<b>RM'000</b>
Income tax- current year	(125)	(127)
Income tax- prior year	-	-
Deferred tax- current year	-	-
	(125)	(127)

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.

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**B. ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA SECURITIES  
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**B6. Status of Corporate Proposals**

There was no corporate proposal announced but not completed as at the date of this report, the latest practical date which is not earlier than 7 days from the date of issue of this quarterly report, except for the followings: -

- (a) Establishment of a new employees' share option scheme of Bornoil ("ESOS") of up to 15% of the total number of issued shares in Bornoil (excluding treasury shares) at any point in time over the duration of the ESOS ("New ESOS").

On 22 June 2020, the Company announced that the effective date for implementing the New ESOS is 22 June 2020, being the date on which the Company is in full compliance with Paragraph 6.43(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

- (b) Proposed subscription of up to 1,205,827,550 new ordinary shares in Bornoil ("Bornoil share(s)" or "Share(s)") by Macquarie Bank Limited ("Proposed Subscription")

On 25 January 2021, the ordinary resolution on the Proposed Subscription as prescribed in the Notice of the Extraordinary General Meeting ("EGM") of the Company dated 08 January 2021 was duly passed and approved by the shareholders of the Company by way of poll via remote participation and voting at the EGM of the Company held on 25 January 2021.

On 26 January 2022, the Company completed the issuances and listing pursuant to the Proposed Subscription. A total of 1,205,827,550 Bornoil Shares had been issued pursuant to the Proposed Subscription at an issue price ranging from RM0.0250 to RM0.0400 per Bornoil Share. As at to-date, a total of seventy (70) tranches had been completed, and the Company has raised total proceeds of RM36.33 million from the Proposed Subscription.

**NOTES ON THE QUARTERLY REPORT- 31 DECEMBER 2021**

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

**B7. Status of Utilisation of Proceeds from Corporate Proposal**

- (a) On 13 January 2021, the Company completed the Proposed Private Placement with the issuance of 633,405,775 Bornoil Shares and raised total proceeds of RM23.98 million.

The status of the utilisation of the Proposed Private Placement proceeds as at the date of this announcement is as follows: -

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	466	Within 24 months from the receipt of placement funds
2	Working capital expenses	18,865	18,865	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>23,975</u>	<u>19,441</u>	

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

- (b) On 25 January 2021, the Company proposed to undertake a Proposed Subscription of up to 1,205,827,550 new ordinary shares, representing approximately 20% of its existing total number of issued shares. As at the date of this report, a total of seventy (70) tranches comprising 1,205,827,550 Borneoil Shares had been issued pursuant to the Proposed Subscription. The total proceeds raised to date is approximately RM36.33 million.

The status of the utilisation of the Proposed Subscription proceeds as at the date of this announcement is as follows: -

<b>No.</b>	<b>Purpose</b>	<b>Proposed Utilisation RM'000</b>	<b>Actual Utilisation RM'000</b>	<b>Intended Timeframe for Utilisation</b>
1	Business expansion and/or new investments	20,000	4,096	Within 36 months from the receipt of placement funds
2	Gold exploration works at Hutan Simpan Bukit Ibam, Mukim Keratong, Pahang ("Plant")	10,000	6,997	Within 36 months from the receipt of placement funds
3	Working capital expenses	12,410	12,410	Within 36 months from the receipt of placement funds
4	Estimated expenses in relation to the Proposed subscription	1,000	767	Upon completion of the Proposed Subscription
	<b>Total</b>	<u>43,410</u>	<u>24,270</u>	

**BORNEO OIL BERHAD**  
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**Incorporated in Malaysia**

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

**B.8 Borrowings and Debts Securities**

	<b>Unaudited as at 31 Dec 2021 RM'000</b>	<b>Audited as at 30 Jun 2021 RM'000</b>
Short term borrowings:		
- Bank overdrafts	1,169	909
- Bankers' acceptances	559	540
- Term loans	663	1,084
- Hire purchase payables	1,018	890
	<u>3,409</u>	<u>3,423</u>
Long term borrowings:		
- Term loans	14,490	14,290
- Hire purchase payables	1,659	531
	<u>16,149</u>	<u>14,821</u>
Total borrowings	<u>19,558</u>	<u>18,244</u>

**B9. 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.

**B10. Dividends**

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

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

**B11. Earnings per Share**

	Individual Quarter		Cumulative Quarter	
	3 Months 1 Oct 2021 to 31 Dec 2021	3 Months 1 Oct 2020 to 31 Dec 2020	6 Months 1 July 2021 to 31 Dec 2021	6 Months 1 July 2020 to 31 Dec 2020
(a) Basic EPS				
Net profit/(loss) for the period attributable to equity holders (RM'000)	10,272	1,677	14,059	(3,515)
Weighted average number of ordinary shares in issue ('000)	7,265,687	6,252,805	7,207,568	6,327,592
Basic earnings per share (sen)	0.14	0.03	0.20	(0.06)

The Group does not have any potential dilutive ordinary shares as the market price of the shares was lower than the exercise price. As a result, the warrants are anti-dilutive in nature and have not been considered in the computation of diluted earnings per share.

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

**B12. Notes to the Condensed Consolidated Statement of Comprehensive Income**

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

	Individual Quarter		Cumulative Quarter	
	3 Months 1 Oct 2021 to 31 Dec 2021 RM'000	3 Months 1 Oct 2020 to 31 Dec 2020 RM'000	6 Months 1 July 2021 to 31 Dec 2021 RM'000	6 Months 1 July 2020 to 31 Dec 2020 RM'000
<b>Profit before tax is arrived after (charging):</b>				
Loss on disposal of property, plant and equipment	-	-	-	(2)
Loss on realised exchange difference	(5)	-	(11)	-
Loss on unrealised exchange difference	15	36	(93)	(1)
Property, plant and equipment written off	(123)	(130)	(124)	(134)
Reversal on waiver of debts	-	-	-	(104)
Depreciation of property, plant and equipment	(802)	(946)	(1,579)	(1,943)
Depreciation of right-of-use	(531)	(574)	(1,010)	(1,141)
Interest expense	(315)	(239)	(605)	(468)
Share-based payment by ESOS	(647)	(4,468)	(647)	(8,428)
<b>and crediting the following items:</b>				
Bad debts written back	-	8,501	-	8,501
Fair value discount on payables	-	-	(54)	-
Fair value gain on investment in quoted securities	12,124	120	15,380	120
Gain on disposal of investment in quoted shares	9	-	3,303	30
Gain on disposal of property, plant and equipment	-	1	-	1
Gain on realised exchange difference	-	-	5	-
Gain on exchange difference	-	110	-	164
Government grant / subsidies	8	189	51	527
Interest income	60	46	109	54
Rental income	177	120	340	237
Reversal of impairment loss on other receivables	442	-	442	-
Reversal of impairment loss on trade receivables	45	4	45	119

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**NOTES ON THE QUARTERLY REPORT- 31 DECEMBER 2021**

**B. ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA SECURITIES  
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**B13. 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.

**By Order of the Board**

Chin Siew Kim  
Company Secretary  
25 February 2022