

BORNEO OIL BERHAD

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

**QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE THIRD QUARTER ENDED
31 MARCH 2023**

(THE FIGURES HAVE NOT BEEN AUDITED)

BORNEO OIL BERHAD
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Incorporated in Malaysia
QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE THIRD QUARTER ENDED 31 MARCH 2023
(THE FIGURES HAVE NOT BEEN AUDITED)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Individual Quarter		Cumulative Quarter	
	3 Months 1 Jan 2023 to 31 Mar 2023 RM'000	3 Months 1 Jan 2022 to 31 Mar 2022 RM'000	9 Months 1 July 2022 to 31 Mar 2023 RM'000	9 Months 1 July 2021 to 31 Mar 2022 RM'000
Revenue	28,256	22,344	70,914	51,777
Cost of sales	(22,913)	(16,582)	(56,891)	(39,409)
Gross profit	5,343	5,762	14,023	12,368
Other income	(16,971)	36,400	25,409	56,436
Operating expenses	(6,075)	(6,862)	(19,168)	(17,838)
Other operating expenses	(7,460)	(57)	(11,515)	(932)
(Loss)/ Profit from operations	(25,163)	35,243	8,749	50,034
Finance costs	(457)	(312)	(1,331)	(917)
Share of results of associates	(3,215)	-	(7,252)	-
(Loss)/ Profit before taxation	(28,835)	34,931	166	49,117
Taxation	(136)	(89)	(389)	(216)
(Loss)/ Profit for the period/year	(28,971)	34,842	(223)	48,901
Other comprehensive income for the financial period/year				
- Foreign currency translation	17	(111)	45	(24)
Total comprehensive (deficit)/ income for the financial period/year	(28,954)	34,731	(178)	48,877
Income attributable to:				
- Owners of the parent	(28,971)	34,842	(223)	48,901
Total comprehensive income attributable to:				
- Owners of the parent	(28,954)	34,731	(178)	48,877
(Loss)/ earnings per share				
- basic (sen)	(0.34)	0.47	(0.00)	0.67

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 2022.

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QUARTERLY REPORT ON CONSOLIDATED RESULTS
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(THE FIGURES HAVE NOT BEEN AUDITED)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited as at 31 Mar 2023 RM'000	Audited as at 30 June 2022 RM'000
Non Current Assets		
Property, plant and equipment	19,190	19,095
Right-of-use assets	8,598	9,215
Investment properties	615,054	614,654
Goodwill	9	9
Other investments	187,534	158,620
Exploration expenditure	-	8,518
Receivables	7,509	7,509
	<u>837,894</u>	<u>817,620</u>
Current Assets		
Inventories	27,505	34,406
Trade receivables	47,945	21,152
Other receivables	54,535	47,414
Contract asset	21	-
Tax recoverable	1,381	827
Fixed deposits with licensed banks	1,881	1,876
Cash and bank balances	6,479	21,369
	<u>139,747</u>	<u>127,044</u>
Total Assets	<u>977,641</u>	<u>944,664</u>
Shareholders' Fund		
Share capital	675,627	640,238
Reserves	92,763	94,502
Retained earnings	140,546	140,769
	<u>908,936</u>	<u>875,509</u>
Non Current Liabilities		
Long term borrowings	22,135	23,271
Hire purchase creditors	2,640	1,956
Lease liabilities	3,756	4,127
Deferred tax liabilities	17,006	17,006
Payables	-	-
	<u>45,537</u>	<u>46,360</u>
Current Liabilities		
Trade payables	8,497	7,416
Other payables	7,670	7,812
Contract liabilities	-	1,343
Hire purchase creditors	1,286	1,030
Short term borrowings	2,675	2,759
Lease liabilities	1,185	1,150
Bank overdraft	1,477	1,285
Tax payable	378	-
	<u>23,168</u>	<u>22,795</u>
Total Equity and Liabilities	<u>977,641</u>	<u>944,664</u>
Net assets per share (RM)	<u>0.09</u>	<u>0.11</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 2022.

BORNEO OIL BERHAD
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QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE THIRD QUARTER ENDED 31 MARCH 2023
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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 2022	640,238	1,146	93,441	-	(85)	140,769	875,509
Total comprehensive income for the financial period:-							
Loss for the financial period	-	-	-	-	-	(223)	(223)
Other comprehensive deficit for the financial period	-	-	-	-	45	-	45
Total comprehensive income	-	-	-	-	45	(223)	(178)
Transactions with owners:-							
Issue of shares	24,703	-	(638)	-	-	-	24,065
Share- based payment transactions	-	1,501	-	-	-	-	1,501
Employee Share Option Scheme exercised	10,686	(2,647)	-	-	-	-	8,039
Proceeds/(Acquisition) of treasury shares	-	-	-	-	-	-	-
Total transactions with owners	35,389	(1,146)	(638)	-	-	-	33,605
At 31 March 2023	675,627	-	92,803	-	(40)	140,546	908,936

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Incorporated in Malaysia
QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE THIRD QUARTER ENDED 31 MARCH 2023
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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
At 1 July 2021	618,968	-	93,441	(31,493)	(145)	86,671	767,442
Total comprehensive income for the financial period:-							
Profit for the financial period	-	-	-	-	-	54,098	54,098
Other comprehensive deficit for the financial period	-	-	-	-	60	-	60
Total comprehensive income	-	-	-	-	60	54,098	54,158
Transactions with owners:-							
Issue of shares	20,003	-	-	-	-	-	20,003
Transfer of treasury share as purchase consideration	-	-	-	38,320	-	-	38,320
Share- based payment transactions	-	1,562	-	-	-	-	1,562
Employee Share Option Scheme exercised	1,267	(416)	-	-	-	-	851
Acquisition of treasury shares	-	-	-	(6,827)	-	-	(6,827)
Total transactions with owners	21,270	1,146	-	31,493	-	-	53,909
At 30 June 2022	640,238	1,146	93,441	-	(85)	140,769	875,509

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 2022.

BORNEO OIL BERHAD
Company Reg. No. 198901005309 (121919-H)
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QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE THIRD QUARTER ENDED 31 MARCH 2023
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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	9 Months 1 July 2022 to 31 Mar 2023 RM'000	9 Months 1 July 2021 to 31 Mar 2022 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES:-		
Profit before taxation	166	49,117
Adjustments for:		
Equity settled share- based payment	1,501	786
Fair value discount on retention payables	-	55
Fair value loss/ (gain) on investment in quoted securities	7,924	(50,678)
Fair value adjustment on investment properties	(400)	-
Gain on assignment of exploration work	(70)	-
Gain on disposal of property, plant and equipment	(1,114)	(588)
Gain on realised exchange difference	(11)	-
Gain on unrealised exchange difference	(40)	(35)
Reversal on impairment loss on exploration expenditure	(19,008)	-
Reversal of impairment loss on other receivables	(4,000)	(442)
Reversal of impairment loss on trade receivables	(11)	(45)
Depreciation of properties, plant and equipment	2,384	2,354
Depreciation of right-of-use	1,340	1,506
Loss/ (Gain) on disposal of quoted securities	(10)	(3,340)
Loss on unrealised exchange difference	1,838	9
Property, plant and equipment written off	85	124
Interest expense	1,331	917
Interest income	(77)	(129)
Share of results of associates	7,252	-
Changes in working capital:-	(920)	(389)
Inventories	6,901	(1,443)
Trade receivables	(26,772)	(15,390)
Other receivables, deposits and prepayments	(7,126)	4,617
Trade payables	1,080	739
Other payables and accruals	(140)	(720)
Contract asset	(1,364)	426
	(28,341)	(12,160)
Interest paid	(1,331)	(917)
Tax paid	(634)	(492)
Tax refunded	70	69
Net Operating Cash Flows	(30,236)	(13,500)

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QUARTERLY REPORT ON CONSOLIDATED RESULTS
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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

	9 Months 1 July 2022 to 31 Mar 2023 RM'000	9 Months 1 July 2021 to 31 Mar 2022 RM'000
CASH FLOWS FROM INVESTING ACTIVITIES:-		
Acquisition of investment properties	-	(122)
Acquisition of right- of- use	-	(860)
Acquisition of quoted securities	-	(4,386)
Acquisition of other investment	(45,918)	(19,300)
Additional of exploration expenditure	-	(1,845)
Placement of fixed deposits	(4)	(11)
Proceeds from assignment of exploration work	32,600	-
Proceeds from disposal of quoted securities	42	7,631
Proceeds from disposal of properties, plant and equipment	1,127	596
Purchases of properties, plant and equipment	(1,507)	(5,290)
Interest received	77	129
Net Investing Cash Flows	(13,583)	(23,458)
CASH FLOWS FROM FINANCING ACTIVITIES:-		
Acquisition of treasury shares	-	(6,827)
Issuance of ordinary shares	24,065	20,003
Payment of lease liabilities	(1,059)	(966)
(Repayment)/Drawndown of hire purchase payables, net	(1,134)	1,235
(Repayment)/Drawndown of term borrowings, net	(648)	9,192
Repayment of banker's acceptance, net	(572)	(152)
ESOS exercised	8,039	344
Net Financing Cash Flows	28,691	22,829
NET CHANGE IN CASH AND CASH EQUIVALENTS	(15,128)	(14,129)
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	45	(25)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR	20,085	30,516
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	5,002	16,362
ANALYSIS OF CASH AND CASH EQUIVALENTS		
Cash and bank balances	6,479	17,312
Bank overdrafts	(1,477)	(950)
	5,002	16,362

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 2022.

NOTES ON THE QUARTERLY REPORT- 31 MARCH 2023

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

A1. Basis of Preparation

This interim financial report was 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 2022.

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 2022.

A2. Changes in accounting policies arising from the 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 2022 except for the adoption of the following MFRSs, Amendments to MFRSs and IC Interpretations: -

MFRSs, Interpretations and amendments effective for annual 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)
-

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2023

- MFRS 17, Insurance Contracts
- Amendments to MFRS 17, Insurance Contracts - Initial application of MFRS 17 and MFRS 9 - Comparative Information

NOTES ON THE QUARTERLY REPORT- 31 MARCH 2023

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

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

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2023 (Continued)

- 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 Errors - Definition of Accounting Estimates
- Amendments to MFRS 112, Income Taxes - Deferred Tax related to Assets and Liabilities arising from a Single Transaction
- Amendments to MFRS 4, Extension of the Temporary Exemption from Applying MFRS 9

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 2022 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 arose, which affect the assets, liabilities, equity, net income or cash flows, that were unusual by reason of their nature, size or incidence.

NOTES ON THE QUARTERLY REPORT- 31 MARCH 2023

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

A6. Material Changes in Estimates

There were no material changes in estimates of amounts reported that had 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 10,000,000 new ordinary shares were issued pursuant to the exercise of ESOS. As at the quarter ended, there were a total of 9,711,686,954 issued ordinary shares.

On 21 February 2023, the Company issued 11,857,250 and 13,212,625 new ordinary shares at 7 sen per share on the exercise of warrants C pursuant to the Deed Poll dated 28 September 2015 and warrants D pursuant to the Deed Poll dated 12 May 2017, respectively.

Save for the above, there were no other issuance and repayment of debt and equity securities, share cancellations and resale of treasury shares for the current quarter.

A8. Dividends Paid

There was no dividend paid during the quarter under review.

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 material events subsequent to the end of the current financial quarter under review that have not been reflected in the Condensed Consolidated Financial Statement.

NOTES ON THE QUARTERLY REPORT- 31 MARCH 2023

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

A12 Changes in Contingent Liabilities or Contingent Assets

The Group's contingent liabilities totalling RM36.91 million, comprise 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 March 2023 is as follows:

	As at 31 Mar 2023 RM'000	As at 30 June 2022 RM'000
Contracted but not provided for		
Acquisition of third parties' ordinary shares	1,620	-
Contracted and provided for		
Acquisition of third parties' ordinary shares	-	8,195
	<u>1,620</u>	<u>8,195</u>

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NOTES ON THE QUARTERLY REPORT- 31 MARCH 2023

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 Jan 2023 to 31 Mar 2023 RM'000	3 Months 1 Jan 2022 to 31 Mar 2022 RM'000	9 Months 1 July 2022 to 31 Mar 2023 RM'000	9 Months 1 July 2021 to 31 Mar 2022 RM'000
Sale of fast food and restaurant operations among subsidiaries	27	7	102	145
Sale of limestones among subsidiaries	88	132	394	370
Rental income among subsidiaries	39	39	117	117
Management fee among subsidiaries	330	330	990	990
Consultancy fee among subsidiaries	327	139	984	417
Rental expenses among subsidiaries	39	39	117	117

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NOTES ON THE QUARTERLY REPORT- 31 MARCH 2023

A15. Group Segmental Information

	Head office & others		Food and franchise operations		Property investment & management		Resources & sustainable energy		Total Consolidated	
	31.03.2023 RM'000	31.03.2022 RM'000	31.03.2023 RM'000	31.03.2022 RM'000	31.03.2023 RM'000	31.03.2022 RM'000	31.03.2023 RM'000	31.03.2022 RM'000	31.03.2023 RM'000	31.03.2022 RM'000
Revenue										
External revenue	27	27	40,643	33,796	15,212	14,103	15,032	3,851	70,914	51,777
Inter-segment revenue	1,974	1,407	102	145	-	-	394	370	2,470	1,922
Total revenue	2,001	1,434	40,745	33,941	15,212	14,103	15,426	4,221	73,384	53,699
Less: Inter-segment revenue									(2,470)	(1,922)
									70,914	51,777
Results										
Segment results	(12,525)	51,964	672	858	(497)	(214)	459	3,963	(11,891)	56,571
Consolidation elimination									24,287	(2,806)
									12,396	53,765
<i>Not included in the measure of segment profit/(loss):-</i>										
Depreciation and amortisation									(3,724)	(3,860)
Interest income									77	(917)
Finance costs									(1,331)	129
Share of results of associates									(7,252)	-
Profit before tax									166	49,117
Income tax expenses									(389)	(216)
Profit for the financial year									(223)	48,901

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

NOTES ON THE QUARTERLY REPORT- 31 MARCH 2023

A15. Group Segmental Information (Continued)

	Head office & others		Food and franchise operations		Property investment & management		Resources & sustainable energy		Total Consolidated	
	31.03.2023 RM'000	30.06.2022 RM'000	31.03.2023 RM'000	30.06.2022 RM'000	31.03.2023 RM'000	30.06.2022 RM'000	31.03.2023 RM'000	30.06.2022 RM'000	31.03.2023 RM'000	30.06.2022 RM'000
Assets										
Segment assets	884,451	864,425	46,269	46,283	565,912	542,835	301,844	293,206	1,798,476	1,746,749
Consolidation elimination									(820,835)	(802,085)
Consolidated total assets									977,641	944,664
Liabilities										
Segment liabilities	3,869	4,358	19,605	19,045	383,130	359,459	97,156	87,286	503,760	470,148
Tax payables	(11)	-	-	-	-	-	389	-	378	-
Loans and borrowings	515	597	4,936	5,221	-	62	24,763	24,420	30,214	30,300
Deferred tax liabilities	-	-	-	-	13,674	13,674	3,332	3,332	17,006	17,006
Lease liabilities	69	155	4,025	4,440	2	11	845	911	4,941	5,517
Consolidation elimination									(487,594)	(453,816)
Consolidated total liabilities									68,705	69,155

NOTES ON THE QUARTERLY REPORT- 31 MARCH 2023

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

B1. Financial Review for the Current Quarter

	Individual Quarter		Individual Quarter	
	1 Jan 2023 to 31 Mar 2023		1 Jan 2022 to 31 Mar 2022	
	Revenue	Profit/(Loss)	Revenue	Profit/(Loss)
	RM'000	RM'000	RM'000	RM'000
Head office & others	9	(49,404)	9	33,932
Food and franchise operations	13,690	847	11,694	441
Property investment & management	3,535	(434)	9,216	913
Resources & sustainable energy	11,022	23,371	1,425	(355)
Share of results of associate	-	(3,215)	-	-
Group revenue and profit from (net of finance cost)	28,256	(28,835)	22,344	34,931

The Head Office and Others (“HOO”) recorded a loss before tax of RM49.41 million against the profit before tax of RM33.93 million for the corresponding quarter, mainly due to the fair value loss of RM48.53 million on quoted securities for the current quarter under review.

The Food and Franchise Operations (“FFO”) recorded revenue of RM13.69 million and profit before tax of RM0.85 million for the current quarter against revenue of RM11.69 million and profit before tax of RM0.44 million for the corresponding quarter. The higher reported revenue for the current quarter was due to the improved market sentiments along with the higher profit, which was in line with the expectations of normal business operations.

The Property Investment & Management (“PIM”) registered revenue of RM3.54 million and loss before tax of RM0.44 million for the current quarter compared to revenue of RM9.22 million and profit before tax of RM0.91 million for the corresponding quarter. The lower reported revenue for the current quarter was mainly due to the decrease in on-site installation activities for the project management of an Integrated Limestone Processing Plant (“ILPP”) nearing completion. The reported loss for the quarter was mainly due to the fair value loss of RM0.20 million on quoted securities and the recognition of a share-based payment of RM0.15 million for the quarter under review.

The Resources & Sustainable Energy (“RSE”) reported revenue of RM11.02 million and profit before tax of RM23.37 million for the current quarter against revenue of RM1.43 million and loss before tax of RM0.36 million for the corresponding quarter. The higher reported revenue for the current quarter was mainly derived from increased sales for the quarter under review. The higher reported profit reported for the current quarter was derived mainly from the recovery of exploration-related expenditure from the assignment of a mining concession.

NOTES ON THE QUARTERLY REPORT- 31 MARCH 2023

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

B1. Financial Review for the Current Quarter (Continued)

The share of loss before tax of RM3.22 million in the associate company was primarily due to the term loan interest expense as the company is still in the process of cement production testing stage upon completion of the ILPP.

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

	Current Quarter ended 31 Mar 2023 RM'000	Immediate Preceding Quarter 31 Dec 2022 RM'000	Variances	
			RM'000	%
Revenue	28,256	21,247	7,009	33%
Profit before taxation	(28,835)	23,295	(52,130)	-224%

The Group registered revenue of RM28.26 million and loss before tax of RM28.84 million for the current quarter compared to revenue of RM21.25 million and profit before tax of RM23.30 million for the immediate preceding quarter.

The Group reported higher revenue for the quarter under review was mainly derived from the increased sales. The loss before tax of RM28.84 for the current quarter, compared to a profit before tax of RM23.30 million for the immediate preceding quarter was due to the fair value loss of quoted investment of RM48.74 million, offset by the recovery of exploration-related expenditure from the assignment of a mining concession of RM32.60 million.

B3. Prospects

The Board is of the view that the remaining 2023 will be a challenging year with the rising interest rate and inflationary pressures. The Group will continue to explore opportunities to diversify the source of income and prioritise its business expansion into new markets.

The Group is cautiously optimistic to achieve a satisfactory performance for the current financial year despite the uncertainties and multiple headwinds expected to persist for the rest of 2023.

NOTES ON THE QUARTERLY REPORT- 31 MARCH 2023

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

B4. Variation Profit Forecast/Profit Guarantee

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

B5. Taxation

The tax charge for the Group are as follows: -

	Individual Quarter	Cumulative Quarter
	3 Months	9 Months
	1 Jan 2023 to 31 Mar 2023	1 July 2022 to 31 Mar 2023
	RM'000	RM'000
Income tax- current year	(136)	(389)
	-	
	(136)	(389)

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.

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.

NOTES ON THE QUARTERLY REPORT- 31 MARCH 2023

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

B6. Status of Corporate Proposals (Continued)

- (b) Proposed private placement of up to 1,940,337,390 new ordinary shares in Bornoil ("Proposed Private Placement ")

The Company had on 24 February 2023, announced the Proposed Private Placement of up to 20% of the total number of issued shares of Bornoil pursuant to Sections 75 and 76 of the Companies Act 2016. Bursa Securities had, via its letter dated 14 April 2023, approved the listing and quotation of up to 1,940,337,390 placement shares to be issued pursuant to the Proposed Private Placement.

On 5 May 2023, the ordinary resolution on the Proposed Private Placement as prescribed in the Notice of the Extraordinary General Meeting ("EGM") of the Company dated 20 April 2023 was duly passed and approved by the shareholders of the Company by way of poll voting at the EGM of the Company.

As at the date of this report, a total of 819,679,100 Bornoil Shares had been issued pursuant to the Proposed Subscription at an issue price ranging from RM0.0144 to RM0.0159 per Bornoil Share. As at to-date, a total of three (3) tranches have been completed, and the Company has raised total proceeds of RM12.46 million from the Proposed Private Placement. The Proposed Private Placement is still ongoing.

NOTES ON THE QUARTERLY REPORT- 31 MARCH 2023

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

B7. Status of Utilisation of Proceeds from Corporate Proposal

- (a) The Company had on 17 November 2020 entered into a conditional share subscription agreement with Macquarie Bank Limited ("Investor") ("Subscription Agreement") for the subscription of up to 1,205,827,550 new Bornoil Shares by the Investor in accordance with the terms and conditions of the Subscription Agreement ("Subscription").

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 Bornoil Shares had been issued pursuant to the Proposed Subscription. The total proceeds raised to date is approximately RM36.33 million.

No.	Purpose	Proposed Utilisation RM'000	Actual Utilisation RM'000	Intended Timeframe for Utilisation
1	Business expansion and/or new investments	12,919	9,205	Within 36 months from the receipt of placement funds
2	Gold exploration works at Hutan Simpan Bukit Ibam, Mukim Keratong, Pahang ("Plant")	10,000	10,000	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	1,000	Upon completion of the Proposed Subscription
	Total	36,329	32,615	

NOTES ON THE QUARTERLY REPORT- 31 MARCH 2023

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

B7. Status of Utilisation of Proceeds from Corporate Proposal (Continued)

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

- (b) The Company had on 26 May 2022, announced the Proposed Private Placement of up to 10% of the total number of issued shares of Bornoil pursuant to Sections 75 and 76 of the Companies Act 2016. Bursa Securities had, via its letter dated 1 July 2022, approved the listing and quotation of up to 1,052,794,847 placement shares to be issued pursuant to the Proposed Private Placement.

On 13 December 2022, as per announcement to Bursa Securities, the Company completed the Proposed Private Placement, raising gross proceeds of RM22.40 million.

Status of Utilisation of Proceeds from Corporate Exercises

No.	Purpose	Proposed Utilisation RM'000	Actual Utilisation RM'000	Intended Timeframe for Utilisation
1	Payment of trade and other payables	8,961	8,961	Within 36 months from the receipt of placement funds
2	Payment related to FFO segment relating to raw ingredient suppliers such as poultry and wheat flour	4,480	4,480	Within 36 months from the receipt of placement funds
3	Payment related to PIM segment for the construction works at the ILPP	3,360	3,360	Within 36 months from the receipt of placement funds
4	Purchase of diesel and spare parts for equipments used in the RSE segment	1,120	1,120	Within 36 months from the receipt of placement funds
5	Other expenses	4,481	4,481	Within 36 months from the receipt of placement funds
	Total	22,402	22,402	

NOTES ON THE QUARTERLY REPORT- 31 MARCH 2023

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

- (c) The Company had on 24 February 2023, announced the Proposed Private Placement of up to 20% of the total number of issued shares of Bornoil pursuant to Sections 75 and 76 of the Companies Act 2016. Bursa Securities had, via its letter dated 14 April 2023, approved the listing and quotation of up to 1,940,337,390 placement shares to be issued pursuant to the Proposed Private Placement.

On 5 May 2023, the ordinary resolution on the Proposed Private Placement as prescribed in the Notice of the Extraordinary General Meeting ("EGM") of the Company dated 20 April 2023 was duly passed and approved by the shareholders of the Company by way of poll voting at the EGM of the Company.

As at the date of this report, a total of 819,679,100 Bornoil Shares had been issued pursuant to the Proposed Subscription at an issue price ranging from RM0.0144 to RM0.0159 per Bornoil Share. As at to-date, a total of three (3) tranches have been completed, and the Company has raised total proceeds of RM12.46 million from the Proposed Private Placement. The Proposed Private Placement is still ongoing. The status of the utilisation of the Private Placement proceeds as at the date of this announcement is as follows: -

Status of Utilisation of Proceeds from Corporate Exercises

No.	Purpose	Proposed Utilisation RM'000	Actual Utilisation RM'000	Intended Timeframe for Utilisation
1	Working capital expenses	30,701	12,462	Within 12 months from the receipt of placement funds
2	Estimated expenses in relation to the Proposed subscription	150	-	Within 12 months from the receipt of placement funds
	Total	<u>30,851</u>	<u>12,462</u>	

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

NOTES ON THE QUARTERLY REPORT- 31 MARCH 2023

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

B8 Borrowings and Debts Securities

	Unaudited as at 31 Mar 2023 RM'000	Audited as at 30 June 2022 RM'000
Short term borrowings:		
- Bank overdrafts	1,477	1,285
- Bankers' acceptances	1,067	1,639
- Term loans	1,608	1,120
- Hire purchase payables	1,286	1,030
	<u>5,438</u>	<u>5,074</u>
Long term borrowings:		
- Term loans	22,135	23,271
- Hire purchase payables	2,640	1,956
	<u>24,775</u>	<u>25,227</u>
Total borrowings	<u>30,213</u>	<u>30,301</u>

All the above borrowings are denominated in Ringgit Malaysia.

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.

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

NOTES ON THE QUARTERLY REPORT- 31 MARCH 2023

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

B11. Earnings per Share

	Individual Quarter		Cumulative Quarter	
	3 Months 1 Jan 2023 to 31 Mar 2023	3 Months 1 Jan 2022 to 31 Mar 2022	9 Months 1 July 2022 to 31 Mar 2023	9 Months 1 July 2021 to 31 Mar 2022
(a) Basic EPS				
Net profit/(loss) for the period attributable to equity holders (RM'000)	(28,971)	34,842	(223)	48,901
Weighted average number of ordinary shares in issue ('000)	8,608,958	7,436,258	9,296,910	7,282,685
Basic (loss)/ earnings per share (sen)	(0.34)	0.47	(0.00)	0.67

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.

NOTES ON THE QUARTERLY REPORT- 31 MARCH 2023

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 Jan 2023 to 31 Mar 2023 RM'000	3 Months 1 Jan 2022 to 31 Mar 2022 RM'000	9 Months 1 July 2022 to 31 Mar 2023 RM'000	9 Months 1 July 2021 to 31 Mar 2022 RM'000
Profit before tax is arrived after (charging):				
Depreciation of property, plant and equipment	(797)	(775)	(2,384)	(2,354)
Depreciation of right of use	(464)	(496)	(1,340)	(1,506)
Employee share option scheme ("ESOS")	(59)	(139)	(1,501)	(786)
Fair value loss on investment in quoted securities	(48,740)	-	(7,924)	-
Fair value discount on payables	-	(1)	-	(55)
Impairment on development expenses	-	-	(127)	-
Interest expense	(457)	(312)	(1,331)	(917)
Loss on realised exchange difference	(1)	-	(1)	(13)
Loss on unrealised exchange difference	583	84	(1,878)	(9)
Property, plant and equipment written off	(60)	-	(85)	(124)
and crediting the following items:				
Fair value gain on investment in quoted securities	-	35,298	-	50,678
Fair value gain on investment properties	400	-	400	-
Gain on assignment of exploration work	-	-	-	-
Gain on disposal of investment in quoted shares	10	37	10	3,340
Gain on disposal of property, plant and equipment	123	588	1,114	588
Gain on realised exchange difference	3	-	11	5
Gain on unrealised exchange difference	8	35	40	35
Government grant / subsidies	-	5	-	56
Interest income	8	20	77	129
Rental income	171	175	507	515
Reversal of impairment loss on exploration expenditure	19,008	-	19,008	-
Reversal of impairment loss on other receivables	4,000	-	4,000	442
Reversal of impairment loss on trade receivables	11	-	11	45
Sundry income	95	-	95	-
Transport income	67	-	67	-

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
29 May 2023