

BORNEO OIL BERHAD

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

**QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE FOURTH QUARTER ENDED
30 JUNE 2023**

(THE FIGURES HAVE NOT BEEN AUDITED)

BORNEO OIL BERHAD
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FOR THE FOURTH QUARTER ENDED 30 JUNE 2023
(THE FIGURES HAVE NOT BEEN AUDITED)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Individual Quarter		Cumulative Quarter	
	3 Months 1 Apr 2023 to 30 June 2023 RM'000	3 Months 1 Apr 2022 to 30 June 2022 RM'000	12 Months 1 July 2022 to 30 June 2023 RM'000	12 Months 1 July 2021 to 30 June 2022 RM'000
Revenue	14,574	35,717	85,488	87,494
Cost of sales	(9,628)	(29,050)	(66,519)	(68,459)
Gross profit	4,946	6,667	18,969	19,035
Other income	53,830	10,140	79,239	66,576
Operating expenses	(7,201)	(7,349)	(26,369)	(25,187)
Other operating expenses	(12,362)	(4,268)	(23,877)	(5,200)
Profit from operations	39,213	5,190	47,962	55,224
Finance costs	(463)	(447)	(1,794)	(1,364)
Share of results of an associate	(51,915)	-	(59,167)	-
(Loss)/ Profit before taxation	(13,165)	4,743	(12,999)	53,860
Taxation	71	454	(318)	238
(Loss)/ Profit for the period/year	(13,094)	5,197	(13,317)	54,098
Other comprehensive (deficit)/ income for the financial period/year				
- Foreign currency translation	(105)	84	(60)	60
Total comprehensive (deficit)/ income for the financial period/year	(13,199)	5,281	(13,377)	54,158
(Deficit)/ Income attributable to:				
- Owners of the parent	(13,094)	5,197	(13,317)	54,098
Total comprehensive (deficit)/ income attributable to:				
- Owners of the parent	(13,199)	5,281	(13,377)	54,158
(Loss)/ Earnings per share				
- basic (sen)	(0.13)	0.07	(0.14)	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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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited as at 30 June 2023 RM'000	Audited as at 30 June 2022 RM'000
Non Current Assets		
Property, plant and equipment	18,535	19,095
Right-of-use assets	11,750	9,215
Investment properties	617,054	614,654
Goodwill	9	9
Other investments	186,569	158,620
Investment in an associate	36,553	-
Exploration expenditure	-	8,518
Receivables	7,507	7,509
	<u>877,977</u>	<u>817,620</u>
Current Assets		
Inventories	27,997	34,406
Trade receivables	4,298	21,152
Other receivables, deposits and prepayments	43,655	47,414
Amount due from an associate	34,572	-
Tax recoverable	351	827
Fixed deposits with licensed banks	1,605	1,876
Cash and bank balances	11,582	21,370
	<u>124,060</u>	<u>127,045</u>
Total Assets	<u>1,002,037</u>	<u>944,665</u>
Shareholders' Fund		
Share capital	702,834	640,238
Reserves	94,179	94,502
Retained earnings	127,452	140,769
	<u>924,465</u>	<u>875,509</u>
Non Current Liabilities		
Long term borrowings	21,768	23,272
Hire purchase creditors	2,640	1,956
Lease liabilities	6,452	4,127
Deferred tax liabilities	17,206	17,006
	<u>48,066</u>	<u>46,361</u>
Current Liabilities		
Trade payables	7,900	7,416
Other payables, deposits and accruals	14,008	7,812
Contract liabilities	-	1,343
Hire purchase creditors	1,350	1,030
Short term borrowings	2,976	2,759
Lease liabilities	1,476	1,150
Bank overdraft	1,588	1,285
Tax payable	208	-
	<u>29,506</u>	<u>22,795</u>
Total Equity and Liabilities	<u>1,002,037</u>	<u>944,665</u>
Net assets per share (RM)	<u>0.08</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.

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Non-Distributable Reserves			Distributable Reserves	Total Equity	
	Share Capital	ESOS Reserve	Warrants Reserve	Translation Reserve		Retained Earnings
	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 deficit for the financial year:-						
Loss for the financial year	-	-	-	-	(13,317)	(13,317)
Other comprehensive deficit for the financial year	-	-	-	(60)	-	(60)
Total comprehensive deficit	-	-	-	(60)	(13,317)	(13,377)
Transactions with owners:-						
Issue of shares	54,557	-	(638)	-	-	53,919
Share- based payment transactions	-	3,022	-	-	-	3,022
Employee Share Option Scheme exercised	8,039	(2,647)	-	-	-	5,392
Total transactions with owners	62,596	375	(638)	-	-	62,333
At 30 June 2023	702,834	1,521	92,803	(145)	127,452	924,465

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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 year:-							
Profit for the financial year	-	-	-	-	-	54,098	54,098
Other comprehensive income for the financial year	-	-	-	-	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.

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	12 Months 1 July 2022 to 30 June 2023 RM'000	12 Months 1 July 2021 to 30 June 2022 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES:-		
Profit before taxation	(12,999)	53,861
Adjustments for:		
Bad debts recovered - other receivables	(2)	-
Equity settled share- based payment	3,022	1,562
Fair value discount on retention receivables	2	(1,316)
Fair value discount on retention payables	-	57
Fair value loss/ (gain) on investment in quoted securities	(64,772)	(53,037)
Fair value adjustment on investment properties	(2,400)	(87)
Gain on disposal of investment in quoted shares	(10)	(3,300)
Gain on disposal of property, plant and equipment	(331)	(20)
Gain on lease modification	-	(19)
Gain on realised exchange difference	(14)	-
Gain on unrealised exchange difference	(1,952)	(1,312)
Reversal of impairment loss on obsolete inventories	(202)	(110)
Reversal of impairment loss on other receivables	-	(2,310)
Reversal of impairment loss on trade receivables	-	(2,833)
Reversal of impairment losses on property, plant and equipment	-	(319)
Depreciation of properties, plant and equipment	3,419	3,364
Depreciation of right-of-use	1,454	1,479
Dividend income	-	(2)
Impairment on exploration expenses	8,518	-
Impairment on other receivables	333	-
Impairment on properties, plant and equipment	1,039	-
Impairment on trade receivables	2,214	-
Impairment on amount due from an associate	484	-
Written- off of property, plant and equipment	100	163
Written- off of investment properties	-	244
Written- off of bad debts- trade receivables	-	2,515
Written- off of bad debts- other receivables	-	903
Waiver of debts	-	(301)
Waiver of deposits	-	(21)
Interest expense	1,794	1,364
Interest income	(119)	(170)
Share of results of associates	59,167	-
	<u>(1,255)</u>	<u>355</u>

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

	12 Months 1 July 2022 to 30 June 2023 RM'000	12 Months 1 July 2021 to 30 June 2022 RM'000
Changes in working capital:-		
Inventories	6,611	8,512
Trade receivables	(19,147)	(1,662)
Other receivables, deposits and prepayments	2,257	19,750
Trade payables	482	88
Other payables, deposits and accruals	3,555	71
Contract asset	(1,343)	1,769
	<u>(8,840)</u>	<u>28,883</u>
Interest paid	(1,794)	(1,364)
Tax paid	(766)	(678)
Tax refunded	1,332	72
Net Operating Cash Flows	<u>(10,068)</u>	<u>26,913</u>
CASH FLOWS FROM INVESTING ACTIVITIES:-		
Dividend income	-	2
Acquisition of quoted securities	-	(63,101)
Acquisition of other investment	(57,067)	-
Additional of exploration expenditure	-	(3,208)
Placement of fixed deposits	271	2,174
Proceeds from disposal of quoted securities	42	7,630
Proceeds from disposal of properties, plant and equipment	604	1,259
Purchases of properties, plant and equipment	(1,759)	(4,145)
Interest received	119	170
Net Investing Cash Flows	<u>(57,790)</u>	<u>(59,219)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:-		
Acquisition of treasury shares	-	(6,827)
Issuance of ordinary shares	53,919	20,003
Payment of lease liabilities	(1,338)	(771)
(Repayment)/Drawdown of hire purchase payables, net	(1,507)	(1,520)
(Repayment)/Drawdown of term borrowings, net	(738)	9,017
Repayment of banker's acceptance, net	(548)	1,099
ESOS exercised	8,039	851
Net Financing Cash Flows	<u>57,827</u>	<u>21,852</u>

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

	12 Months 1 July 2022 to 30 June 2023 RM'000	12 Months 1 July 2021 to 30 June 2022 RM'000
NET CHANGE IN CASH AND CASH EQUIVALENTS	(10,031)	(10,454)
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	(60)	23
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	9,994	20,085
ANALYSIS OF CASH AND CASH EQUIVALENTS		
Cash and bank balances	11,582	21,370
Bank overdrafts	(1,588)	(1,285)
	9,994	20,085

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- 30 JUNE 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)
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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- 30 JUNE 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 and 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 and International Tax Reform – Pillar Two Model Rules.

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2024

- Amendments to MFRS 16, Leases - Lease Liability in a Sale and Leaseback
- Amendments to MFRS 101, Presentation of Financial Statements – Non-current Liabilities with Covenants and Classification of Liabilities as Current or Non-current
- Amendments to MFRS 107, Statement of Cash Flows and MFRS 7, Financial Instruments: Disclosures – Supplier Finance Arrangements

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- 30 JUNE 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 1,939,448,276 new ordinary shares were issued pursuant to the issuance of private placement. As at the quarter ended, there were a total of 11,651,135,230 issued ordinary shares.

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. Revaluation of Assets

The Group engaged an independent professional valuer to evaluate the properties classified under Investment Properties. The purpose of the revaluation is to ascertain the current fair value of the investment properties of the Group for accounting purposes pursuant to Malaysian Financial Reporting Standard 140 ("MFRS 140"): Investment Property. The revaluation surplus of approximately RM2.40 million was adopted and incorporated in the current quarter under review.

A10. Material Subsequent Event

On 27 July 2023, the Group entered into a Sale of Shares Agreement ("SSA") with Global 2332, allowing BOB to acquire an additional 25,215,767 ordinary shares, equaling 20.00% of the current equity interest in MTSB, for a purchase consideration of RM40 million.

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- 30 JUNE 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 RM37.19 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 30 June 2023 is as follows:

	As at 30 June 2023 RM'000	As at 30 June 2022 RM'000
Contracted but not provided for		
Acquisition of third parties' ordinary shares	7,620	-
Contracted and provided for		
Acquisition of third parties' ordinary shares	-	8,195
	<u>7,620</u>	<u>8,195</u>

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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 Apr 2023 to 30 June 2023 RM'000	3 Months 1 Apr 2022 to 30 June 2022 RM'000	12 Months 1 July 2022 to 30 June 2023 RM'000	12 Months 1 July 2021 to 30 June 2022 RM'000
Sale of fast food and restaurant operations among subsidiaries	356	69	458	214
Sale of limestones among subsidiaries	64	75	458	445
Rental income among subsidiaries	71	51	188	168
Management fee among subsidiaries	354	330	1,344	1,320
Consultancy fee among subsidiaries	333	774	1,317	1,191
Rental expenses among subsidiaries	71	51	188	168

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NOTES ON THE QUARTERLY REPORT- 30 JUNE 2023

A15. Group Segmental Information

	Head office & others		Food and franchise operations		Property investment & management		Resources & sustainable energy		Total Consolidated	
	30.06.2023	30.06.2022	30.06.2023	30.06.2022	30.06.2023	30.06.2022	30.06.2023	30.06.2022	30.06.2023	30.06.2022
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue										
External revenue	36	36	56,062	47,621	13,568	22,094	15,822	17,743	85,488	87,494
Inter-segment revenue	2,661	1,882	458	214	-	-	458	445	3,577	2,541
Total revenue	2,697	1,918	56,520	47,835	13,568	22,094	16,280	18,188	89,065	90,035
Less: Inter-segment revenue									(3,577)	(2,541)
									85,488	87,494
Results										
Segment results	61,424	91,251	2,451	1,207	(2,385)	(30,579)	(8,920)	(472)	52,570	61,407
Consolidation elimination									146	(1,510)
									52,716	59,897
<i>Not included in the measure of segment (loss)/profit:-</i>										
Depreciation and amortisation									(4,873)	(4,843)
Interest income									119	170
Finance costs									(1,794)	(1,364)
Share of results of an associate									(59,167)	238
(Loss)/ Profit before tax									(12,999)	54,098
Income tax expenses									(318)	-
(Loss)/ Profit for the financial year									(13,317)	54,098

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NOTES ON THE QUARTERLY REPORT- 30 JUNE 2023

A15. Group Segmental Information (Continued)

	Head office & others		Food and franchise operations		Property investment & management		Resources & sustainable energy		Total Consolidated	
	30.06.2023	30.06.2022	30.06.2023	30.06.2022	30.06.2023	30.06.2022	30.06.2023	30.06.2022	30.06.2023	30.06.2022
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Assets										
Segment assets	989,263	864,425	48,995	46,283	570,125	542,835	284,556	293,206	1,892,939	1,746,749
Consolidation elimination									(891,111)	(802,084)
Consolidated total assets									1,001,828	944,665
Liabilities										
Segment liabilities	6,432	4,358	21,595	19,045	389,034	359,459	90,271	87,286	507,332	470,148
Tax payables	(2)	-	-	-	-	-	-	-	(2)	-
Loans and borrowings	487	597	4,881	5,221	280	62	24,676	24,420	30,324	30,300
Deferred tax liabilities	-	-	-	-	13,674	13,674	3,532	3,332	17,206	17,006
Lease liabilities	40	155	8,339	4,440	(1,525)	11	1,074	911	7,928	5,517
Consolidation elimination									(485,425)	(453,815)
Consolidated total liabilities									77,363	69,156

NOTES ON THE QUARTERLY REPORT- 30 JUNE 2023

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

B1. Financial Review for the Current Quarter

	Individual Quarter		Individual Quarter	
	1 Apr 2023 to 30 June 2023		1 Apr 2022 to 30 June 2022	
	Profit/(Loss)		Profit/(Loss)	
	Revenue	Before Tax	Revenue	Before Tax
	RM'000	RM'000	RM'000	RM'000
Head office & others	9	73,001	9	2,224
Food and franchise operations	15,419	834	13,825	1,042
Property investment & management	3,040	(1,797)	7,991	710
Resources & sustainable energy	790	(33,288)	13,892	767
Share of results of associate	-	(51,915)	-	-
Group revenue and (loss)/ profit from (net of finance cost)	19,258	(13,165)	35,717	4,743

The Head Office and Others (“HOO”) recorded a profit before tax of RM73.00 million against the profit before tax of RM2.22 million for the corresponding quarter, mainly due to the fair value gain of RM72.31 million on quoted securities and coupled with the unrealised exchange gain of RM3.58 million on the investment for the current quarter under review.

The Food and Franchise Operations (“FFO”) recorded revenue of RM15.42 million and profit before tax of RM0.83 million for the current quarter against revenue of RM13.83 million and profit before tax of RM1.04 million for the corresponding quarter. The higher reported revenue was due to the improved market sentiments along with the festive seasons during the quarter under review.

The Property Investment & Management (“PIM”) registered revenue of RM3.04 million and loss before tax of RM1.80 million for the current quarter compared to revenue of RM7.99 million and profit before tax of RM0.71 million for the corresponding quarter. The lower reported revenue for the current quarter was mainly due to the decrease in on-site activities on completion of the project management of an Integrated Limestone Processing Plant. The reported loss for the quarter was mainly due to the impairment on trade receivables of RM1.29 million for the quarter under review.

The Resources & Sustainable Energy (“RSE”) reported revenue of RM0.79 million and loss before tax of RM33.29 million for the current quarter against revenue of RM13.89 million and profit before tax of RM0.77 million for the corresponding quarter. The lower reported revenue for the current quarter was mainly due to the reduction in sales of limestones and other mineral resources. The reported loss for the quarter was mainly due to the impairment of exploration expenditure and its related assets for the gold mining works.

NOTES ON THE QUARTERLY REPORT- 30 JUNE 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 RM51.92 million for the associate company was primarily due to the fair value loss on revaluation conducted during the quarter under review.

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

	Current Quarter ended 30 June 2023 RM'000	Preceding Quarter ended 31 Mar 2023 RM'000	Variances	
			RM'000	%
Revenue	19,258	28,256	(8,998)	-32%
Profit before taxation	(13,165)	(28,835)	15,670	-54%

The Group registered revenue of RM19.26 million and loss before tax of RM13.17 million for the current quarter compared to revenue of RM28.26 million and loss before tax of RM28.84 million for the immediate preceding quarter.

The Group reported lower revenue for the quarter under review was mainly due to the reduced sales of limestones and other mineral resources. The loss before tax for the current quarter was mainly due to the impairment of exploration expenditure and its related assets for the gold mining works of RM32.63 million under the RSE and share of associate losses of RM51.92 million which was offset by the fair value gain of RM72.31 million on quoted securities reported in HOO.

B3. Prospects

The Board anticipates that the operating environment remains challenging in the short and medium term due to the rising cost of materials resulting from inflation and the uptrend in interest rates.

Barring any unforeseen impacts, the Group will continue to explore new business segments to expand its revenue base and strengthen its financial fundamentals to ensure the delivery of positive results in the new financial year ending 2024.

NOTES ON THE QUARTERLY REPORT- 30 JUNE 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	12 Months
	1 Apr 2023 to 30 June 2023	1 July 2022 to 30 June 2023
	RM'000	RM'000
Income tax- current year	(274)	(663)
Income tax- prior year	545	545
Deferred tax- current year	(200)	(200)
	71	(318)

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- 30 JUNE 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.

On 27th June 2023, as per announcement to Bursa Securities, the Company completed the Proposed Private Subscription. A total of 1,939,448,276 Bornoil Shares had been issued pursuant to the Proposed Subscription at an issue price ranging from RM0.0127 to RM0.0159 per Bornoil Share. As at to-date, a total of eight (8) tranches have been completed, and the Company has raised total proceeds of RM27.31 million from the Proposed Private Placement.

NOTES ON THE QUARTERLY REPORT- 30 JUNE 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	10,781	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		<u>36,329</u>	<u>34,191</u>	

NOTES ON THE QUARTERLY REPORT- 30 JUNE 2023

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

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

- (b) 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.

On 27th June 2023, as per announcement to Bursa Securities, the Company completed the Proposed Private Subscription. A total of 1,939,448,276 Bornoil Shares had been issued pursuant to the Proposed Subscription at an issue price ranging from RM0.0127 to RM0.0159 per Bornoil Share. As at to-date, a total of eight (8) tranches have been completed, and the Company has raised total proceeds of RM27.31 million from the Proposed Private Placement.

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	27,310	23,874	Within 12 months from the receipt of placement funds
2	Estimated expenses in relation to the Proposed subscription	150	150	Within 12 months from the receipt of placement funds
	Total	<u>27,460</u>	<u>24,024</u>	

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NOTES ON THE QUARTERLY REPORT- 30 JUNE 2023

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

B8 Borrowings and Debts Securities

	Unaudited as at 30 June 2023 RM'000	Audited as at 30 June 2022 RM'000
Short term borrowings:		
- Bank overdrafts	1,588	1,285
- Bankers' acceptances	1,091	1,639
- Term loans	1,885	1,120
- Hire purchase payables	1,350	1,030
	<u>5,914</u>	<u>5,074</u>
Long term borrowings:		
- Term loans	21,768	23,271
- Hire purchase payables	2,640	1,956
	<u>24,408</u>	<u>25,227</u>
Total borrowings	<u>30,322</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.

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NOTES ON THE QUARTERLY REPORT- 30 JUNE 2023

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

B11. Earnings per Share

	Individual Quarter		Cumulative Quarter	
	3 Months 1 Apr 2023 to 30 June 2023	3 Months 1 Apr 2022 to 30 June 2022	12 Months 1 July 2022 to 30 June 2023	12 Months 1 July 2021 to 30 June 2022
(a) Basic EPS				
Net profit/(loss) for the period attributable to equity holders (RM'000)	(13,094)	5,198	(13,317)	54,099
Weighted average number of ordinary shares in issue ('000)	10,328,778	7,525,655	9,537,693	7,343,261
Basic (loss)/ earnings per share (sen)	(0.13)	0.07	(0.14)	0.74

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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NOTES ON THE QUARTERLY REPORT- 30 JUNE 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 (charging)/ crediting: -

	Individual Quarter		Cumulative Quarter	
	3 Months 1 Apr 2023 to 30 June 2023 RM'000	3 Months 1 Apr 2022 to 30 June 2022 RM'000	12 Months 1 July 2022 to 30 June 2023 RM'000	12 Months 1 July 2021 to 30 June 2022 RM'000
Profit before tax is arrived after (charging):				
Depreciation of property, plant and equipment	(1,035)	(1,010)	(3,419)	(3,364)
Depreciation of right of use	(114)	27	(1,454)	(1,479)
Employee share option scheme ("ESOS")	(1,521)	(776)	(3,022)	(1,562)
Fair value discount on receivables	(2)	1,316	(2)	1,316
Fair value discount on payables	-	(2)	-	(57)
Impairment on exploration expenses	(8,518)	-	(8,518)	-
Impairment on other receivables	(333)	-	(333)	-
Impairment on properties, plant and equipment	(1,039)	-	(1,039)	-
Impairment on trade receivables	(2,214)	-	(2,214)	-
Impairment on amount due from an associate	(484)	-	(484)	-
Interest expense	(463)	(447)	(1,794)	(1,364)
Liquidated damages	-	(750)	-	(750)
Loss on realised exchange difference	1	13	-	-
Loss on unrealised exchange difference	1,878	9	-	-
Property, plant and equipment written off	(15)	(39)	(100)	(163)
Written- off of investment properties	-	(244)	-	(244)
Written- off of bad debts- trade receivables	-	(2,515)	-	(2,515)
Written- off of bad debts- other receivables	-	(903)	-	(903)

NOTES ON THE QUARTERLY REPORT- 30 JUNE 2023

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

B12. Notes to the Condensed Consolidated Statement of Comprehensive Income (Continue)

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

	Individual Quarter		Cumulative Quarter	
	3 Months 1 Apr 2023 to 30 June 2023 RM'000	3 Months 1 Apr 2022 to 30 June 2022 RM'000	12 Months 1 July 2022 to 30 June 2023 RM'000	12 Months 1 July 2021 to 30 June 2022 RM'000
and crediting the following items:				-
Bad debts written back - other receivables	2	-	2	-
Dividend income	-	2	-	2
Fair value gain on investment in quoted securities	72,696	2,359	64,772	53,037
Fair value gain on investment properties	2,000	-	2,400	-
Gain on assignment of exploration work	(70)	-	-	-
Gain on disposal of investment in quoted shares	-	(40)	10	3,300
Gain on disposal of investment properties	-	87	-	87
Gain on disposal of property, plant and equipment	(783)	(568)	331	20
Gain on lease modification	-	19	-	19
Gain on realised exchange difference	3	7	14	12
Gain on unrealised exchange difference	1,912	1,277	1,952	1,312
Government grant / subsidies	-	-	-	56
Interest income	42	41	119	170
Rental income	179	60	686	575
Reversal of impairment loss on other receivables	(4,000)	1,868	-	2,310
Reversal of impairment loss on trade receivables	231	2,788	242	2,833
Reversal of impairment loss on property, plant and equipm	-	319	-	319
Reversal of provision for slow moving inventories	202	110	202	110
Waiver of rental	-	301	-	301
Waiver of debts	-	21	-	21

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.

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NOTES ON THE QUARTERLY REPORT- 30 JUNE 2023

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

B14. Review by External Auditors

The Board had engaged the external auditors to review and report on the interim condensed consolidated financial statements for the three-month period ended 30 June 2023. Accordingly, the interim condensed consolidated financial report for the financial period under review has been reviewed by the Company's external auditors in accordance with International Standard on Review Engagement 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity".

Based on the review by the external auditors, nothing has come to the external auditors' attention that causes them to believe that the accompanying condensed consolidated financial statements of Borneo Oil Berhad for the three months ended 30 June 2023 are not prepared, in all material respects, in accordance with MFRS 134, Interim Financial Reporting. The report was made to the Board in accordance with the terms of the engagement letter with the external auditors and for no other purpose.

By Order of the Board

Chin Siew Kim
Company Secretary
30 August 2023