

BORNEO OIL BERHAD

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

**QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE FIRST QUARTER ENDED
30 APRIL 2016**

(THE FIGURES HAVE NOT BEEN AUDITED)

BORNEO OIL BERHAD*(Company No. 121919-H)***Incorporated in Malaysia****QUARTERLY REPORT ON CONSOLIDATED RESULTS****FOR THE FIRST QUARTER ENDED 30 APRIL 2016****- THE FIGURES HAVE NOT BEEN AUDITED****CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	First Quarter		Cummulative Quarter	
	Unaudited		Unaudited	
	Current	Preceding	Current	Preceding
	Period	Period	Period	Period
	30-Apr-16	30-Apr-15	30-Apr-16	30-Apr-15
	RM'000	RM'000	RM'000	RM'000
Revenue	1,494,736	14,632	1,494,736	14,632
Cost of sales	(1,482,799)	(8,796)	(1,482,799)	(8,796)
Gross profit	11,937	5,836	11,937	5,836
Other income	5,790	285	5,790	285
Operating expenses	(6,166)	(5,457)	(6,166)	(5,457)
Profit from operations	11,561	664	11,561	664
Finance cost	(861)	(139)	(861)	(139)
Profit before tax	10,700	525	10,700	525
Taxation	-	-	-	-
Profit for the period	10,700	525	10,700	525
Other comprehensive income:				
Exchange difference arising from translation of foreign operations	-	-	-	-
Comprehensive profit for the period	10,700	525	10,700	525
Profit attributable to equity holders of the Company	10,700	525	10,700	525
Total comprehensive profit attributable to equity holders of the Company	10,700	525	10,700	525
Profit per share (sen)				
- basic (sen)	0.36	0.14	0.36	0.14
- fully diluted (sen)	n/a	n/a	n/a	n/a

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FOR THE FIRST QUARTER ENDED 30 APRIL 2016****- THE FIGURES HAVE NOT BEEN AUDITED****CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	Unaudited as at 30-Apr-16 RM'000	Audited as at 31-Jan-16 RM'000
Non Current Assets		
Property, plant & equipment	102,447	100,682
Investment properties	204,634	190,767
Prepaid lease payments	9,763	10,044
Intangible assets	14,000	14,000
Development expenditure	37,384	12,325
Investment in quoted shares.	3,538	3,971
Investment in golf club membership	64	64
	<u>371,830</u>	<u>331,853</u>
Current Assets		
Inventories	96,643	92,379
Trade receivables	3,281	4,608
Other receivables	86,025	109,529
Cash and bank balances	71,373	89,530
	<u>257,322</u>	<u>296,046</u>
Total Assets	<u><u>629,152</u></u>	<u><u>627,899</u></u>
Shareholders' Fund		
Share capital	297,280	296,180
Share premium	81,055	80,725
Other reserves	67,981	67,980
Retained profits	103,769	93,069
	<u>550,085</u>	<u>537,954</u>
Current Liabilities		
Trade Payables	68,903	78,476
Other Payables	8,769	9,263
Short term borrowings	-	811
Tax payable	248	248
	<u>77,920</u>	<u>88,798</u>
Non Current Liabilities		
Deferred taxation	1,147	1,147
Long term borrowings	-	-
	<u>1,147</u>	<u>1,147</u>
Total Equity and Liabilities	<u><u>629,152</u></u>	<u><u>627,899</u></u>
Net assets per share (RM)	<u>0.19</u>	<u>0.18</u>

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	Non-distributable reserves						Distributable reserves		
	Share capital	Share premium	Exchange reserves	Treasury Shares	ESOS reserves	Capital reserves	Warrants reserves	Accumulated (losses)/Profit	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Year ended 31 January 2016									
Balance as of 1 February 2015	35,129	73,269	(60)	(486)	44	172,472	1,560	2,688	284,616
Issue of shares	261,051	6,261	-	-	-	-	-	-	267,312
Reduction of share capital	-	-	-	-	-	-	-	-	-
Reclassification	-	-	-	-	-	(172,457)	-	172,457	-
Acquisition of treasury shares	-	-	-	(26,021)	-	-	-	-	(26,021)
Disposal of treasury shares	-	117	-	486	-	-	-	-	603
Effect of issuing warrant C	-	-	-	-	-	-	93,532	(93,532)	-
Effect of conversion of Warrant B	-	1,078	-	-	-	-	(1,078)	-	-
Other comprehensive income									
- Exchange reserve	-	-	(12)	-	-	-	-	-	(12)
Net profit for the year	-	-	-	-	-	-	-	11,456	11,456
Balance as of 31 January 2016	296,180	80,725	(72)	(26,021)	44	15	94,014	93,069	537,954
Year ended 31 January 2017									
Balance as of 1 February 2016	296,180	80,725	(72)	(26,021)	44	15	94,014	93,069	537,954
Issue of shares	1,100	330	-	-	-	-	-	-	1,430
Rights issue expenses	-	-	-	-	-	-	-	-	-
Sale of treasury shares	-	-	-	-	-	-	-	-	-
Other comprehensive income									
- Exchange reserve	-	-	1	-	-	-	-	-	1
Acquisition of treasury shares	-	-	-	-	-	-	-	-	-
Net profit for the year	-	-	-	-	-	-	-	10,700	10,700
Balance as of 30 April 2016	297,280	81,055	(71)	(26,021)	44	15	94,014	103,769	550,085

The condensed consolidated statements of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 January 2016 and the explanatory notes attached to the interim financial statements.

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	Unaudited Current year to date 30-Apr-16 RM'000	Preceding year to date 31-Jan-16 RM'000
Net cash from operating activities	(3,153)	(91,618)
Net cash (used in)/from investing activities	(15,623)	(69,896)
Net cash from/(used in) financing activities	619	221,562
Net decrease in cash and cash equivalents	(18,157)	60,048
Exchange reserve	1	(12)
Cash and Cash Equivalents at Beginning of Period	89,529	29,494
Cash and Cash Equivalents at End of Period*	71,373	89,530
* Cash and cash equivalents at end of financial period		
Cash and bank balances including money market	15,331	19,169
Fixed deposit with licensed bank	150,825	164,943
Bank overdraft	(94,783)	(94,582)
	71,373	89,530

The condensed consolidated cash flow statements should be read in conjunction with the audited financial statements for the year ended 31 January 2016 and the accompanying explanatory notes attached to the interim financial statements.

A. EXPLANATORY NOTES AS PER FRS 134 – INTERIM FINANCIAL REPORTING

A1. Basis of preparation

The interim financial report is unaudited and has been prepared in accordance with the requirements of MFRS 134: Interim Financial Reporting and Chapter 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial report should be read in conjunction with the audited financial statements of the Company for the year ended 31 January 2016. 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 Company since the financial year ended 31 January 2016.

As at 31 January 2014, the following FRSs and IC Interpretations were not in issue but not yet effective and have not been applied by the Group:

		Effective date for Financial periods <u>Beginning on or after</u>
Amendments to MFRS 132	Offsetting financial assets and financial liabilities	1 January 2014
MFRS 9	Financial instruments (IFRS 9 issued By IABS in November 2009) Financial instruments (IFRS 9 issued By IASB in October 2010)	1 January 2015

All other FRSs where applicable have been applied by the Group as in previous quarters.

A2. Audit Report

The auditors' report on the audited financial statements for the year ended 31 January 2016 was not qualified.

A3. Seasonal or Cyclical Factors

The operations of the Group generally move in tandem with the performance of the various industries undertaken.

A4. Unusual Items

During the quarter under review there were no items or events that arose, which affected assets, liabilities, equity, net income or cash flows, that were unusual by reason of their nature, size or incidence.

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A5. Changes in Estimates

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

A6. Issuance, Cancellations, Repurchases, Resale and Repayments of Debts and Equity Securities

There was an issuance of 11,000,000 ESOS shares of RM0.10 each during the period.

A7. Dividends Paid

There is no dividend paid during the quarter under review.

A8. Valuation of Property, Plant & Equipment

No fresh valuation of properties, plant and equipment was done during the quarter.

A9. Significant Event

There were no other significant events except for the following in which details of the same have been duly announced to BURSA:

- (a) acquisition of a wholly owned subsidiary, Tong Meng Global Pty Ltd on 1 March 2016 and
- (b) disposal of its wholly owned subsidiary, SBFM Singapore Pty Ltd which was acquired earlier on 23 December 2015, on 1 March 2016.

A10. Subsequent Events

There were no significant events after the quarter.

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A11. Changes in Composition of the Group

There was no major changes in the Group's composition except for the acquisition/disposal as stated in paragraph A9.

A12. Changes in Contingent Liabilities or Contingent Assets

The Group's total contingent liabilities comprising of corporate guarantees has since been reduced to RM 1.1 million from RM 29.0 million previously.

A13. Group Segmental Information

Group segmental results by business activities.

	Current quarter to date 30-Apr-16		Preceding quarter to date 30-Apr-15	
	Revenue RM'000	Profit/(Loss) before tax RM'000	Revenue RM'000	Profit/(Loss) before tax RM'000
Head office & others	9	(1,461)	159	(747)
Fast food & franchise operation	13,432	1,355	9,622	856
Property, Management & operation	674	3,890	1,086	(231)
Mining, energy & related operation	1,480,621	6,916	3,765	647
Group revenue and profit from operations (net of finance cost)	1,494,736	10,700	14,632	525

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

B1. Review of Performance

The Group continued with its improved performance both from its fast food & franchise and mining, energy and related divisions. The other divisions performed as expected in particular the property, management & operation division which had contributed positive result to the Group.

B2. Variation of results

The results achieved were in line with the level of performances as stated above.

B3. Current year prospects

With the continuation of the ongoing performances above, the Board is optimistic of much better and improved performances in the coming quarters and barring any unforeseen circumstances, the Group should be able to implement the various plans in hand.

B4. Variation Profit Forecast / Profit Guarantee

There were no profit forecast or guarantee made during the quarter.

B5. Taxation

There was no provision of taxation made in the current period.

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B6. Corporate Proposals

There is no other major corporate proposal during the quarter.

B7. Borrowings and Debt Securities

	Unaudited current year to date	Preceding year to date
	30-Apr-16	31-Jan-16
	RM'000	RM'000
Short term borrowings :		
- Term loans	-	811
- Bank overdraft	-	-
- Hire purchase payables	-	-
	<u>-</u>	<u>811</u>
Long term borrowings :		
- Term loans	-	-
- Hire purchase payables	-	-
	<u>-</u>	<u>-</u>
Total borrowings	<u>-</u>	<u>811</u>

All the above borrowings are denominated in Ringgit Malaysia.

B8. Material Litigation

There is no material litigation that will have a material effect on the financial position and operation of the Company and the Group.

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B9. Dividends

There was no dividend proposed or declared during the current quarter.

B10. Earnings per share

	Individual quarter ended		Cumulative period ended	
	30-Apr-16 RM'000	30-Apr-15 RM'000	30-Apr-16 RM'000	30-Apr-15 RM'000
Basic profit per share				
Profit for the period attributable to equity holders (RM'000)	10,700	525	10,700	525
Number Weighted average number of shares in issue ('000)	2,969,990	372,470	2,969,990	372,470
Basic profit per share (sen)	<u>0.36</u>	<u>0.14</u>	<u>0.36</u>	<u>0.14</u>

B11. Realised and Unrealised Profits/Losses Disclosure

	Current year to date 30-Apr-16 RM'000	Preceding year to date 31-Jan-16 RM'000
Accumulated losses of the Group and its subsidiaries		
- Realised	91,543	(80,649)
- Unrealised	(1,147)	81,420
	<u>90,396</u>	<u>771</u>
Less : Consolidation adjustments	13,373	13,373
Reclassification	-	172,457
Effect of issuing warrant C	-	(93,532)
Total Group retained profits	<u>103,769</u>	<u>93,069</u>

The disclosure of realised and unrealised profits/losses above is solely for compliance with the directive issued by BURSA and should not be used for any other purpose.

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B12. Notes to the Condensed Consolidated Statement of Comprehensive Income

Profit/(loss) before tax is derived after charging / (crediting) :

	Current quarter 30-Apr-16 RM'000	Current year to date 31-Jan-16 RM'000
Amortisation of prepaid lease rental	281	1,123
Audit fee - current year	-	207
Bad debts written off	-	12
Depreciation	1,234	4,547
Development expenditure written off	-	50
Directors' fee	66	100
Directors' remuneration	17	952
Hire of machineries	-	273
Impairment loss on project development	-	52
Interest expenses:		
- Finance lease interest	-	246
- Late payment interest	-	11
- Term loan interest	861	246
Loss on foreign exchange	-	14
Loss on disposal of property, plant & equipment	-	1
Property, plant and equipment written off	1	11
Rental of equipment, machinery & motor vehicle	17	63
Rental of hostel	26	87
Rental of land	6	-
Rental of premises	209	1,007
Rental of office	121	7
And crediting the following items:		
Allowance for impairment written back	-	22
Dividend income	-	6
Gain on disposal of property, plant and equipment	869	8
Gain on foreign exchange	24	133
Gain on other investment	-	1,051

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B13. STATUS OF UTILISATION OF PROCEEDS FROM CORPORATE EXERCISES

(a) Rights Issues Exercise:

	Proposed Utilisation RM'000	Time frame for utilisation (Months)	Actual utilization RM'000	Balance unutilised RM'000
1. Exploration expenditure for gold mining operation	15,000	Within 24 mths	8,921	6,079
2. Purchase of machineries & Equipment for gold mining operation	30,000	Within 24 mths	7,736	22,264
3. Working capital for gold Mining operation	75,621	Within 30 mths	66,325	9,296
4. Purchase of plant and equipment for limestone mining operation	10,000	Within 12 mths	10,000	-
5. Working capital for limestone mining operation	8,000	Within 24 mths	1,487	6,513
6. Working capital for fast food Operation	5,000	Within 12 mths	3,856	1,144
7. Future investments	60,000	Within 24 mths	60,000	-
8. Repayment of borrowings	20,409	Within 3 mths	20,409	-
9. Estimated expenses in relation to the Rights Issue with warrants	4,750	Within 3 mths	4,750	-
	228,780		183,484	45,296

(b) Private Placement Exercise:

Except for the allocation of RM 5.0 million allocated to new food processing factory which is now in progress of which RM 354,888 has been incurred, all the others have been fully utilized as allocated.

By Order of the Board

Chin Siew Kim
 Company Secretary

29 June 2016