

BORNEO OIL BERHAD

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

**QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE SECOND QUARTER ENDED
31 JULY 2015**

(THE FIGURES HAVE NOT BEEN AUDITED)

BORNEO OIL BERHAD*(Company No. 121919-H)***Incorporated in Malaysia****QUARTERLY REPORT ON CONSOLIDATED RESULTS****FOR THE SECOND QUARTER ENDED 31 JULY 2015**

- THE FIGURES HAVE NOT BEEN AUDITED

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Second Quarter		Cummulative Quarter	
	Unaudited		Unaudited	
	Current	Preceding	Current	Preceding
	Period	Period	Period	Period
	31-Jul-15	31-Jul-14	31-Jul-15	31-Jul-14
	RM'000	RM'000	RM'000	RM'000
Revenue	51,181	19,339	65,813	27,387
Cost of sales	(42,828)	(10,658)	(51,624)	(16,236)
Gross profit	8,353	8,681	14,189	11,151
Other income	360	196	645	528
Operating expenses	(5,690)	(6,217)	(11,147)	(10,450)
Profit from operations	3,023	2,660	3,687	1,229
Finance cost	(134)	(219)	(273)	(384)
Profit before tax	2,889	2,441	3,414	845
Taxation	-	-	-	-
Profit for the period	2,889	2,441	3,414	845
Other comprehensive income:				
Exchange difference arising from translation of foreign operations	-	-	-	-
Comprehensive profit for the period	2,889	2,441	3,414	845
Profit attributable to equity holders of the Company	2,889	2,441	3,414	845
Total comprehensive profit attributable to equity holders of the Company	2,889	2,441	3,414	845
Profit per share (sen)				
- basic (sen)	0.76	1.06	0.92	0.37
- fully diluted (sen)	n/a	n/a	n/a	n/a

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FOR THE SECOND QUARTER ENDED 31 JULY 2015****- THE FIGURES HAVE NOT BEEN AUDITED****CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	Unaudited as at 31-Jul-15 RM'000	Audited as at 31-Jan-15 RM'000
Non Current Assets		
Property, plant & equipment	89,907	90,464
Investment properties	147,568	138,068
Prepaid lease payments	10,605	11,167
Intangible assets	12	12
Development expenditure	29,704	21,000
Investment in golf club membership	64	64
Investment in quoted shares.	61	61
	<u>277,921</u>	<u>260,836</u>
Current Assets		
Inventories	5,089	14,763
Trade receivables	10,721	4,832
Other receivables	23,825	13,543
Cash and bank balances	11,516	29,494
	<u>51,151</u>	<u>62,632</u>
Total Assets	<u><u>329,072</u></u>	<u><u>323,468</u></u>
Shareholders' Fund		
Share capital	38,052	35,129
Share premium	79,721	73,270
Other reserves	174,155	173,530
Retained profits	6,102	2,688
	<u>298,030</u>	<u>284,617</u>
Current Liabilities		
Trade Payables	2,752	1,782
Other Payables	7,135	14,977
Short term borrowings	12,975	4,642
Tax payable	418	722
	<u>23,280</u>	<u>22,123</u>
Non Current Liabilities		
Deferred taxation	227	227
Long term borrowings	7,535	16,501
	<u>7,762</u>	<u>16,728</u>
Total Equity and Liabilities	<u><u>329,072</u></u>	<u><u>323,468</u></u>
Net assets per share (RM)	<u><u>0.78</u></u>	<u><u>0.81</u></u>

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	Non-distributable reserves							Distributable reserves		
	Share capital RM'000	Share premium RM'000	Par value reduction RM'000	Exchange reserves RM'000	Treasury Shares RM'000	ESOS reserves RM'000	Capital reserves RM'000	Warrants reserves RM'000	Accumulated losses RM'000	Total RM'000
Year ended 31 January 2015										
Balance as of 1 May 2014	231,245	24,165	-	85	(195)	46	15	2,673	(40,857)	217,177
Issue of shares	21,000	-	-	-	-	-	-	-	-	21,000
Acquisition of treasury shares	-	-	-	-	-	-	-	-	-	-
Other comprehensive income	-	-	-	-	-	-	-	-	-	-
- Exchange reserve	-	-	-	(81)	-	-	-	-	-	(81)
Net profit for the year	-	-	-	-	-	-	-	-	2,441	2,441
Balance as of 31 July 2014	252,245	24,165	-	4	(195)	46	15	2,673	(38,416)	240,537
Year ended 31 January 2016										
Balance as of 1 May 2015	35,129	73,269	-	(60)	(486)	44	172,472	1,560	2,688	284,616
Issue of shares	2,923	6,335	-	-	-	-	-	-	-	9,258
Rights issue expenses	-	-	-	-	-	-	-	-	-	-
Sale of treasury shares	-	117	-	-	486	-	-	-	-	603
Other comprehensive income	-	-	-	-	-	-	-	-	-	-
- Exchange reserve	-	-	-	139	-	-	-	-	-	139
Acquisition of treasury shares	-	-	-	-	-	-	-	-	-	-
Net profit for the year	-	-	-	-	-	-	-	-	3,414	3,414
Balance as of 31 July 2015	38,052	79,721	-	79	-	44	172,472	1,560	6,102	298,030

The condensed consolidated statements of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 January 2015 and the explanatory notes attached to the interim financial statements.

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FOR THE SECOND QUARTER ENDED 31 JULY 2015****- THE FIGURES HAVE NOT BEEN AUDITED****CONDENSED CONSOLIDATED CASH FLOW STATEMENT**

	Unaudited	
	Current year	Preceding year
	to date	to date
	31-Jul-15	31-Jan-15
	RM'000	RM'000
Net cash from operating activities	(8,172)	1,533
Net cash (used in)/from investing activities	(19,172)	(65,107)
Net cash from/(used in) financing activities	9,227	86,990
Net decrease in cash and cash equivalents	(18,117)	23,416
Exchange reserve	139	(79)
Cash and Cash Equivalents at Beginning of Period	29,494	6,157
Cash and Cash Equivalents at End of Period*	11,516	29,494
* Cash and cash equivalents at end of financial period		
Cash and bank balances	8,939	27,084
Fixed deposit with licensed bank	2,577	2,410
	11,516	29,494

The condensed consolidated cash flow statements should be read in conjunction with the audited financial statements for the year ended 31 January 2015 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 2015. 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 2015.

As at 31 July 2013, 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>
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

A2. Audit Report

The auditors' report on the audited financial statements for the year ended 31 January 2015 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 a total of 8,044,000 Warrant B conversion to new ordinary shares of RM 0.10 each during the quarter.

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 was no significant event except for the ongoing proposal for renounceable rights issue of up to 2,373,841,596 new ordinary shares of RM 0.10 each in the Company at an indicative issue price of RM 0.10 per rights shares on the basis of six (6) rights shares for every one (1) existing shares held, together with up to 1,186,920,798 free detachable warrants (Warrants C) on the basis of one (1) free Warrant C for every two (2) rights shares subscribed for, on an entitlement date to be determined later. The details of which were as announced to BURSA on 11 March and 27 April 2015 respectively.

A10. Subsequent Events

There are no material subsequent events after the quarter.

A11. Changes in Composition of the Group

There was no change since the previous quarter.

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A12. Changes in Contingent Liabilities or Contingent Assets

There were no changes in contingent liabilities or contingent assets of the Group during the quarter under review.

A13. Group Segmental Information

Group segmental results by business activities.

	Current quarter to date 31-Jul-15		Preceding quarter to date 31-Jul-14	
	Revenue RM'000	Profit/(Loss) before tax RM'000	Revenue RM'000	Profit/(Loss) before tax RM'000
Head office & others	9	(673)	37	(321)
Fast food & franchise operation	11,378	1,337	10,530	76
Property, Management & operation	962	(329)	992	(110)
Mining, energy & related operation	38,832	2,554	7,780	2,796
Revenue and profit/(loss) before finance cost	51,181	2,889	19,339	2,441

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

B1. Review of Performance

The Group recorded quite a remarkable performance in its overall turnover especially in its oil, gas, mining and related activities division. This was further contributed by the fast food division which continued to perform consistently.

B2. Variation of results

The Group's overall result improved accordingly as can be noted from the overall result for the various factors as explained above.

B3. Current year prospects

The Board is confident if the current performance could be maintained and improved further barring any unforeseen circumstances the respective division should be able to achieve the desired result as envisaged.

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 except as disclosed in A9 above.

B7. Borrowings and Debt Securities

	Unaudited current year to date	Preceding year to date
	31-Jul-15	31-Jan-15
	RM'000	RM'000
Short term borrowings :		
- Term loans	11,165	3,114
- Hire purchase payables	1,810	1,528
	<u>12,975</u>	<u>4,642</u>
Long term borrowings :		
- Term loans	3,415	12,528
- Hire purchase payables	4,120	3,973
	<u>7,535</u>	<u>16,501</u>
Total borrowings	<u><u>20,510</u></u>	<u><u>21,143</u></u>

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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.

B9. Dividends

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

B10. Earnings per share

	Individual quarter ended		Cummulative period ended	
	31-Jul-15 RM'000	31-Jul-14 RM'000	31-Jul-15 RM'000	31-Jul-14 RM'000
Basic profit per share				
Profit for the period attributable to equity holders (RM'000)	2,889	2,441	3,414	845
Number Weighted average number of shares in issue ('000)	378,562	231,050	371,646	226,758
Basic profit per share (sen)	<u>0.76</u>	<u>1.06</u>	<u>0.92</u>	<u>0.37</u>

B11. Realised and Unrealised Profits/Losses Disclosure

	Current year to date 31-Jul-15 RM'000	Preceding year to date 31-Jan-15 RM'000
Accumulated losses of the Group and its subsidiaries		
- Realised	66,947	28,611
- Unrealised	(79,651)	(79,651)
	<u>(12,704)</u>	<u>(51,040)</u>
Less : Consolidation adjustments	18,806	18,806
Company accumulated losses written off	-	34,922
Total Group retained profits	<u>6,102</u>	<u>2,688</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 31-Jul-15 RM'000	Current year to date 31-Jan-15 RM'000
Allowance for impairment	-	50
Amortisation of prepaid lease rental	562	1,190
Audit fee - current year	-	162
Depreciation	1,514	3,450
Directors' remuneration	107	332
Hire of machineries	-	273
Impairment loss on investment in quoted securities	-	17
Interest expenses:		
- Finance lease interest	256	475
- Late payment interest	-	11
- Term loan interest		373
Loss from burglary		110
Loss on foreign exchange	31	16
Loss on disposal of property, plant & equipment	15	
Non-executive directors' remuneration	-	114
Property, plant and equipment written off	-	14
Rental of equipment, machinery & motor vehicle	30	1,344
Rental of hostel	40	71
Rental of land	-	24
Rental of premises	531	1,166
And crediting the following items:		
Allowance for impairment written back	-	1,995
Dividend income	-	14
Gain on disposal of property, plant and equipment	-	27
Gain on other investment	-	1,051

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B13. UTILISATION OF PROCEEDS FROM PRIVATE PLACEMENT EXERCISE

The status of utilization of proceeds from private placement exercise from the date of implementation 3rd October 2014 to 31 July 2015 was as follows:

	Proposed Utilisation RM'000	Time frame for utilisation (Months)	Actual utilization RM'000	Balance unutilised RM'000	Explanation
1. Repayment of hire purchase	5,829	Within 3 mths	2,882	0	Difference of RM2.947 million was reallocated to working capital .
2. Purchase of new mining plant and equipment	5,000	Within 8 mths	4,354	646	Being incurred as planned.
3. Exploration expenditure	5,000	Within 12 mths	5,000	-	Fully utilized as proposed.
4. Setting up of new food Processing factory	5,000	Within 12 mths	-	5,000	Suitable site being Studied for implementation.
5. Working capital	3,770	Within 9 mths	5,251	1,724	The unutilized amount comprise of the balance referred to item 1 & 6 and will be utilized when necessary
6. Expenses in relation to the Proposals	1,300	Within 1 mth	1,042	-	A slight excess of RM 0.26m was reallocated to working capital.
	<u>25,899</u>		<u>18,529</u>	<u>7,370</u>	

By Order of the Board
Chin Siew Kim
Company Secretary

21 September 2015.