

BORNEO OIL BERHAD

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

**QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE THIRD QUARTER ENDED
31 OCTOBER 2015**

(THE FIGURES HAVE NOT BEEN AUDITED)

BORNEO OIL BERHAD*(Company No. 121919-H)***Incorporated in Malaysia****QUARTERLY REPORT ON CONSOLIDATED RESULTS
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CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Third Quarter		Cummulative Quarter	
	Unaudited		Unaudited	
	Current	Preceding	Current	Preceding
	Period	Period	Period	Period
	31-Oct-15	31-Oct-14	31-Oct-15	31-Oct-14
	RM'000	RM'000	RM'000	RM'000
Revenue	23,960	21,161	89,772	48,548
Cost of sales	(13,616)	(8,542)	(65,239)	(24,778)
Gross profit	10,344	12,619	24,533	23,770
Other income	209	393	854	922
Operating expenses	(5,189)	(11,329)	(16,335)	(21,779)
Profit from operations	5,364	1,683	9,052	2,913
Finance cost	(97)	(213)	(371)	(597)
Profit before tax	5,267	1,470	8,681	2,316
Taxation	(4)	-	(4)	-
Profit for the period	5,263	1,470	8,677	2,316
Other comprehensive income:				
Exchange difference arising from translation of foreign operations	-	-	-	-
Comprehensive profit for the period	5,263	1,470	8,677	2,316
Profit attributable to equity holders of the Company	5,263	1,470	8,677	2,316
Total comprehensive profit attributable to equity holders of the Company	5,263	1,470	8,677	2,316
Profit per share (sen)				
- basic (sen)	1.38	0.62	2.31	0.99
- fully diluted (sen)	n/a	n/a	n/a	n/a

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

	Unaudited as at 31-Oct-15 RM'000	Audited as at 31-Jan-15 RM'000
Non Current Assets		
Property, plant & equipment	93,103	90,464
Investment properties	147,568	138,068
Prepaid lease payments	10,325	11,167
Intangible assets	12	12
Development expenditure	27,515	21,000
Investment in golf club membership	64	64
Investment in quoted shares.	61	61
	<u>278,648</u>	<u>260,836</u>
Current Assets		
Inventories	10,332	14,763
Trade receivables	4,405	4,832
Other receivables	35,556	13,543
Cash and bank balances	122,697	29,494
	<u>172,990</u>	<u>62,632</u>
Total Assets	<u><u>451,638</u></u>	<u><u>323,468</u></u>
Shareholders' Fund		
Share capital	38,586	35,129
Share premium	79,721	73,270
Other reserves	174,131	173,530
Retained profits	11,365	2,688
	<u>303,803</u>	<u>284,617</u>
Current Liabilities		
Trade Payables	3,123	1,782
Other Payables	124,327	14,977
Short term borrowings	12,846	4,642
Tax payable	248	722
	<u>140,544</u>	<u>22,123</u>
Non Current Liabilities		
Deferred taxation	227	227
Long term borrowings	7,064	16,501
	<u>7,291</u>	<u>16,728</u>
Total Equity and Liabilities	<u><u>451,638</u></u>	<u><u>323,468</u></u>
Net assets per share (RM)	<u><u>0.79</u></u>	<u><u>0.81</u></u>

BORNEO OIL BERHAD*(Company No. 121919-H)***Incorporated in Malaysia****QUARTERLY REPORT ON CONSOLIDATED RESULTS****FOR THE THIRD QUARTER ENDED 31 OCTOBER 2015****- THE FIGURES HAVE NOT BEEN AUDITED****CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

	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)/Profit RM'000	Total RM'000
Year ended 31 January 2015										
Balance as of 1 August 2014	231,245	24,165	-	3	(195)	46	15	2,673	(38,415)	219,537
Issue of shares	(202,211)	228,724	-	-	195	2,434	-	-	-	29,142
Acquisition of treasury shares	-	-	-	-	-	-	-	-	-	-
Other comprehensive income										
- Exchange reserve	-	-	-	20	-	-	-	-	-	20
Net profit for the year	-	-	-	-	-	-	-	-	1,470	1,470
Balance as of 31 October 2014	29,034	252,889	-	23	-	2,480	15	2,673	(36,945)	250,169
Year ended 31 January 2016										
Balance as of 1 August 2015	38,052	79,721	-	79	-	44	172,472	1,560	6,102	298,030
Issue of shares	534	-	-	-	-	-	-	-	-	534
Rights issue expenses	-	-	-	-	-	-	-	-	-	-
Sale of treasury shares	-	-	-	-	-	-	-	-	-	-
Other comprehensive income										
- Exchange reserve	-	-	-	(24)	-	-	-	-	-	(24)
Acquisition of treasury shares	-	-	-	-	-	-	-	-	-	-
Net profit for the year	-	-	-	-	-	-	-	-	5,263	5,263
Balance as of 31 October 2015	38,586	79,721	-	55	-	44	172,472	1,560	11,365	303,803

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 THIRD QUARTER ENDED 31 OCTOBER 2015****- THE FIGURES HAVE NOT BEEN AUDITED****CONDENSED CONSOLIDATED CASH FLOW STATEMENT**

	Unaudited Current year to date 31-Oct-15 RM'000	Preceding year to date 31-Jan-15 RM'000
Net cash from operating activities	(4,183)	1,533
Net cash (used in)/from investing activities	88,110	(65,107)
Net cash from/(used in) financing activities	9,161	86,990
Net decrease in cash and cash equivalents	<u>93,088</u>	<u>23,416</u>
Exchange reserve	115	(79)
Cash and Cash Equivalents at Beginning of Period	<u>29,494</u>	<u>6,157</u>
Cash and Cash Equivalents at End of Period*	<u><u>122,697</u></u>	<u><u>29,494</u></u>
* Cash and cash equivalents at end of financial period		
Cash and bank balances including money market	120,104	27,084
Fixed deposit with licensed bank	2,593	2,410
	<u>122,697</u>	<u>29,494</u>

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 conversion of 5,343,599 Warrant B 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

The Company's 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 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 Warrants C for every two (2) rights shares subscribed for, which was previously announced to BURSA was duly approved on 24 July 2015. The said Rights Issue with Warrant exercise was duly implemented and successfully completed on the 17 November 2015.

A10. Subsequent Events

There are no other material events after the quarter except for the issuance of 2,315,152,386 new ordinary shares of RM0.10 each and 1,157,576,189 Warrants C in addition to 28,673,787 additional Warrants B issued arising from the adjustment pursuant to the Rights Issues with Warrants exercise as referred to in A9 above which had been duly announced to BURSA on 17 November, 2015.

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A11. Changes in Composition of the Group

There was no change since the previous quarter.

A12. Changes in Contingent Liabilities or Contingent Assets

There were no major 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-Oct-15		Preceding quarter to date 31-Oct-14	
	Revenue RM'000	Profit/(Loss) before tax RM'000	Revenue RM'000	Profit/(Loss) before tax RM'000
Head office & others	9	(675)	5,822	(256)
Fast food & franchise operation	13,746	2,386	9,651	544
Property, Management & operation	1,050	(123)	896	(426)
Mining, energy & related operation	9,155	3,679	4,792	1,608
Group revenue and profit from operations	23,960	5,267	21,161	1,470

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

B1. Review of Performance

The Group performed well as envisaged during the quarter. The fast food division continued to perform remarkably well. In addition to the contribution from its existing fast food outlets, the opening of new pezzo franchise chain has further contributed to the overall turnover. The mining, energy & related division also performed satisfactorily while the other divisions performed as expected.

B2. Variation of results

The Group's overall result was satisfactory in line with the performances and contribution from the respective divisions as stated above.

B3. Current year prospects

The Board is optimistic of better performances and contribution from the Group's various divisions and operations especially with the recent successful completion of the rights cum warrant exercise as stated above which would provide the required funds and working capital for utilisation in expanding the existing businesses including new projects as planned.

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 which has since been completed.

B7. Borrowings and Debt Securities

	Unaudited current year to date	Preceding year to date
	31-Oct-15	31-Jan-15
	RM'000	RM'000
Short term borrowings :		
- Term loans	10,920	3,114
- Hire purchase payables	1,926	1,528
	<u>12,846</u>	<u>4,642</u>
Long term borrowings :		
- Term loans	3,211	12,528
- Hire purchase payables	3,853	3,973
	<u>7,064</u>	<u>16,501</u>
Total borrowings	<u>19,910</u>	<u>21,143</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		Cumulative period ended	
	31-Oct-15 RM'000	31-Oct-14 RM'000	31-Oct-15 RM'000	31-Oct-14 RM'000
Basic profit per share				
Profit for the period attributable to equity holders (RM'000)	5,263	1,470	8,677	2,316
Number Weighted average number of shares in issue ('000)	382,650	236,236	375,354	233,390
Basic profit per share (sen)	1.38	0.62	2.31	0.99

B11. Realised and Unrealised Profits/Losses Disclosure

	Current year to date 31-Oct-15 RM'000	Preceding year to date 31-Jan-15 RM'000
Accumulated losses of the Group and its subsidiaries		
- Realised	72,210	28,611
- Unrealised	(79,651)	(79,651)
	(7,441)	(51,040)
Less : Consolidation adjustments	18,806	18,806
Company accumulated losses written off	-	34,922
Total Group retained profits	11,365	2,688

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-Oct-15 RM'000	Current year to date 31-Jan-15 RM'000
Allowance for impairment	-	50
Amortisation of prepaid lease rental	843	1,190
Audit fee - current year	-	162
Depreciation	2,513	3,450
Directors' remuneration	166	332
Hire of machineries	-	273
Impairment loss on investment in quoted securities	-	17
Interest expenses:		
- Finance lease interest	30	475
- Late payment interest	-	11
- Term loan interest	341	373
Loss from burglary	-	110
Loss on foreign exchange	-	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	47	1,344
Rental of hostel	64	71
Rental of land	-	24
Rental of premises	821	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	4	27
Gain on foreign exchange	10	-

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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 October 2015 was as follows:

	Proposed Utilisation RM'000	Time frame for utilisation (Months)	Actual utilization RM'000	Balance unutilised RM'000	Remarks
1. Repayment of hire purchase	5,829	Within 3 mths	5,829	0	Note (1)
2. Purchase of new mining plant and equipment	5,000	Within 8 mths	5,000	0	-
3. Exploration expenditure	5,000	Within 12 mths	5,000	0	-
4. Setting up of new food Processing factory	5,000	Within 12 mths	60	4,940	Note (2)
5. Working capital	3,770	Within 9 mths	3,770	0	-
6. Expenses in relation to the Proposals	1,300	Within 1 mth	1,300	0	
	25,899		20,959	4,940	

Notes:

- (1) A balance of RM2.947 mil was reallocated to working capital as disclosed in 2nd Quarter Report.
- (2) A booking deposit of RM60,000, subject to an agreement, has been paid for 3 lots of Light Industrial Building in Muara Tuang Land District (Phase 2) Kuching, Sarawak. The property upon expected completion is June 2016, shall then be fully equipped with all the required facilities that will eventually serve as the processing plant for the fast food division. The total amount including the said property with a purchase consideration of RM3.34 mil will be in the region of RM5 million as allocated.

By Order of the Board
Chin Siew Kim
Company Secretary

28 December 2015