

BORNEO OIL BERHAD

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

**QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE FOURTH QUARTER ENDED
31 JANUARY 2016**

(THE FIGURES HAVE NOT BEEN AUDITED)

BORNEO OIL BERHAD*(Company No. 121919-H)***Incorporated in Malaysia****QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE FOURTH QUARTER ENDED 31 JANUARY 2016****- THE FIGURES HAVE NOT BEEN AUDITED****CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	Fouth Quarter		Cummulative Quarter	
	Unaudited		Unaudited	
	Current Period 31-Jan-16 RM'000	Preceding Period 31-Jan-15 RM'000	Current Period 31-Jan-16 RM'000	Preceding Period 31-Jan-15 RM'000
Revenue	190,192	35,698	279,964	84,246
Cost of sales	(177,735)	(33,061)	(242,975)	(57,839)
Gross profit	12,457	2,637	36,989	26,407
Other income	412	4,606	1,267	3,440
Operating expenses	(8,497)	(2,502)	(24,833)	(21,806)
Profit from operations	4,372	4,741	13,423	8,041
Finance cost	(1,062)	(251)	(1,433)	(848)
Profit before tax	3,310	4,490	11,990	7,193
Taxation	(853)	33	(856)	(166)
Profit for the period	2,457	4,523	11,134	7,027
Other comprehensive income:				
Exchange difference arising from translation of foreign operations	-	-	-	(19)
Comprehensive profit for the period	2,457	4,523	11,134	7,008
Profit attributable to equity holders of the Company	2,457	4,523	11,134	7,008
Total comprehensive profit attributable to equity holders of the Company	2,457	4,523	11,134	7,008
Profit per share (sen)				
- basic (sen)	0.11	1.36	1.32	2.73
- fully diluted (sen)	n/a	n/a	n/a	n/a

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FOR THE FOURTH QUARTER ENDED 31 JANUARY 2016****- THE FIGURES HAVE NOT BEEN AUDITED****CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	Unaudited as at 31-Jan-16 RM'000	Audited as at 31-Jan-15 RM'000
Non Current Assets		
Property, plant & equipment	99,983	90,464
Investment properties	190,767	138,068
Prepaid lease payments	10,044	11,167
Intangible assets	14,012	12
Development expenditure	13,666	21,000
Investment in golf club membership	64	64
Investment in quoted shares.	1,681	61
	<u>330,217</u>	<u>260,836</u>
Current Assets		
Inventories	92,379	14,763
Trade receivables	4,707	4,832
Other receivables	116,452	13,543
Cash and bank balances	179,989	29,494
	<u>393,527</u>	<u>62,632</u>
Total Assets	<u><u>723,744</u></u>	<u><u>323,468</u></u>
Shareholders' Fund		
Share capital	296,180	35,129
Share premium	79,647	73,270
Other reserves	147,983	173,530
Retained profits	13,822	2,688
	<u>537,632</u>	<u>284,617</u>
Current Liabilities		
Trade Payables	3,695	1,782
Other Payables	84,111	14,977
Short term borrowings	95,394	4,642
Tax payable	1,818	722
	<u>185,018</u>	<u>22,123</u>
Non Current Liabilities		
Deferred taxation	1,094	227
Long term borrowings	-	16,501
	<u>1,094</u>	<u>16,728</u>
Total Equity and Liabilities	<u><u>723,744</u></u>	<u><u>323,468</u></u>
Net assets per share (RM)	<u><u>0.18</u></u>	<u><u>0.81</u></u>

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QUARTERLY REPORT ON CONSOLIDATED RESULTS
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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 Equity RM'000
Year ended 31 January 2015										
Balance as of 1 February 2014	210,245	24,165	-	(42)	(195)	46	15	2,673	(39,261)	197,646
Issue of shares	33,004	47,326	-	-	-	-	-	-	-	80,330
Reduction of share capital	(208,120)	-	207,379	-	-	-	-	-	-	(741)
Acc loss of co written off	-	-	(34,922)	-	-	-	-	-	34,922	-
Acquisition of treasury shares	-	-	-	-	(291)	-	-	-	-	(291)
Disposal of treasury shares	-	663	-	-	-	-	-	-	-	663
Effect of exercising ESOS	-	2	-	-	-	(2)	-	-	-	-
Effect of conversion of Warrant B	-	1,113	-	-	-	-	-	(1,113)	-	-
Other comprehensive income	-	-	-	-	-	-	-	-	-	-
- Exchange reserve	-	-	-	(18)	-	-	-	-	-	(18)
Net profit for the year	-	-	-	-	-	-	-	-	7,027	7,027
Balance as of 31 October 2014	35,129	73,269	172,457	(60)	(486)	44	15	1,560	2,688	284,616
Year ended 31 January 2016										
Balance as of 1 February 2015	35,129	73,269	172,457	(60)	(486)	44	15	1,560	2,688	284,616
Issue of shares	261,051	6,262	-	-	-	-	-	-	-	267,313
Rights issue expenses	-	-	-	-	-	-	-	-	-	-
Sale of treasury shares	-	116	-	-	486	-	-	-	-	602
Other comprehensive income	-	-	-	-	-	-	-	-	-	-
- Exchange reserve	-	-	-	(12)	-	-	-	-	-	(12)
Acquisition of treasury shares	-	-	-	-	(26,021)	-	-	-	-	(26,021)
Net profit for the year	-	-	-	-	-	-	-	-	11,134	11,134
Balance as of 31 January 2016	296,180	79,647	172,457	(72)	(26,021)	44	15	1,560	13,822	537,632

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.

BORNEO OIL BERHAD*(Company No. 121919-H)***Incorporated in Malaysia****QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE FOURTH QUARTER ENDED 31 JANUARY 2016****- THE FIGURES HAVE NOT BEEN AUDITED****CONDENSED CONSOLIDATED CASH FLOW STATEMENT**

	Unaudited Current year to date 31-Jan-16 RM'000	Preceding year to date 31-Jan-15 RM'000
Net cash from operating activities	2,926	1,533
Net cash (used in)/from investing activities	(73,980)	(65,107)
Net cash from/(used in) financing activities	221,561	86,990
Net decrease in cash and cash equivalents	150,507	23,416
Exchange reserve	(12)	(79)
Cash and Cash Equivalents at Beginning of Period	24,494	6,157
Cash and Cash Equivalents at End of Period*	174,989	29,494
* Cash and cash equivalents at end of financial period		
Cash and bank balances including money market	15,966	27,084
Fixed deposit with licensed bank	164,023	2,410
	-	-
	179,989	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 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 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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Notes on the quarterly report – 31 January 2016

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

- (a) Issuance of 2,315,152,386 new ordinary shares of RM0.10 each from rights issue exercise as stated in A9 below.
- (b) Conversion of 21,566,899 Warrant B into new ordinary shares of RM0.10 each.
- (c) Issuance of 273,790,000 ESOS shares of RM0.10 each.
- (d) Repurchased of 164,040,000 Company's own ordinary shares of RM0.10 each.

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 had on 17 November 2015 successfully implemented its proposed 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.

A10. Subsequent Events

There are no other material event after the quarter except for the followings:-

- (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.

Details of the same have been duly announced to BURSA.

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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-Jan-16		Preceding quarter to date 31-Jan-15	
	Profit/(Loss)		Profit/(Loss)	
	Revenue RM'000	before tax RM'000	Revenue RM'000	before tax RM'000
Head office & others	186	(1,856)	7,633	(2,402)
Fast food & franchise operation	50,909	8,848	37,314	5,241
Property, Management & operation	4,403	(3,175)	4,604	(1,656)
Mining, energy & related operation	224,466	8,173	34,695	6,010
<hr/>				
Group revenue and profit from operations	279,964	11,990	84,246	7,193

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

B1. Review of Performance

Comparatively, the Group performed much better especially from its fast food & franchise and mining, energy and related division. As in previous quarters, the former division continued to show its remarkable performance while the later division performed equally well as envisaged. The other divisions which are on consolidation stage performed as expected.

B2. Variation of results

In line with the above performances, the Group's results from the respective division were commendable.

B3. Current year prospects

The Board is optimistic of continuing good and improved performances in the coming quarters should all our plans, barring any unforeseen circumstances, are satisfactorily carried out.

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-16	31-Jan-15
	RM'000	RM'000
Short term borrowings :		
- Term loans	811	3,114
- Bank overdraft	94,583	-
- Hire purchase payables	-	1,528
	<u>95,394</u>	<u>4,642</u>
Long term borrowings :		
- Term loans	-	12,528
- Hire purchase payables	-	3,973
	<u>-</u>	<u>16,501</u>
Total borrowings	<u>95,394</u>	<u>21,143</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

	31-Jan-16	31-Jan-15	31-Jan-16	31-Jan-15
	RM'000	RM'000	RM'000	RM'000
Basic profit per share				
Profit for the period attributable to equity holders (RM'000)	2,457	4,523	11,134	7,008
Number Weighted average number of shares in issue ('000)	2,241,641	332,252	845,760	257,359
Basic profit per share (sen)	<u>0.11</u>	<u>1.36</u>	<u>1.32</u>	<u>2.72</u>

B11. Realised and Unrealised Profits/Losses Disclosure

	Current year to date	Preceding year to date
	31-Jan-16	31-Jan-15
	RM'000	RM'000
Accumulated losses of the Group and its subsidiaries		
- Realised	(83,298)	28,611
- Unrealised	83,239	(79,651)
	<u>(59)</u>	<u>(51,040)</u>
Less : Consolidation adjustments	13,881	18,806
Company accumulated losses written off	-	34,922
Total Group retained profits	<u>13,822</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) :

Directors' fee	100	78
Directors' remuneration	952	254
Hire of machineries	-	273
Impairment loss on project development	52	17
Interest expenses:		
- Finance lease interest	246	469
- Late payment interest	-	11
- Term loan interest	246	467
Loss from burglary	-	110
Loss on foreign exchange	14	7
Loss on disposal of property, plant & equipment	15	-
Non-executive directors' remuneration		114
Property, plant and equipment written off	1	11
Rental	-	56
Rental of equipment, machinery & motor vehicle	63	1,617
Rental of hostel	87	71
Rental of land	-	24
Rental of premises	1,007	1,194
Rental of office	7	-
And crediting the following items:		
Allowance for impairment written back	22	1,974
Dividend income	6	14
Gain on disposal of property, plant and equipment	8	30
Gain on foreign exchange	133	-
Gain on other investment	-	1,051
Insurance claim received	-	45
Interest income	583	85
Lease income	12	-
Licence fee received	18	-

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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	6,100	8,900
2. Purchase of machineries & Equipment for gold mining operation	30,000	Within 24 mths	4,963	25,037
3. Working capital for gold Mining operation	75,621	Within 30 mths	9,663	65,958
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	1,264	6,736
6. Working capital for fast food Operation	5,000	Within 12 mths	4,819	181
7. Future investments	60,000	Within 24 mths	11,760	48,240
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		73,728	155,052

(b) Private Placement Exercise:

The various proposals have been fully utilized except for the allocation of RM 5.0 million to set up a new food processing factory in which RM 354,888 was incurred up to the end of the current quarter.

By Order of the Board

Chin Siew Kim
 Company Secretary

29 March 2016

