



ANNUAL REPORT 2025

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CORPORATE INFORMATION

BOARD OF DIRECTORS

TAN KOK CHOR

Chairman
Non-Independent
Non-Executive Director

DATUK JOSEPH LEE YOK MIN

@ AMBROSE
Managing Director

GEORGIA SUZANNE LINGAM

@ GEORGIANNE
Executive Director

**SRI GANESH A/L
K BALASUBRAMANIAM**

Executive Director

RIORN LEE KAH VUI

Executive Director

SEROOP SINGH RAMDAY

Senior Independent
Non-Executive Director

SUSIE CHUNG KIM LAN

Independent
Non-Executive Director

**SITI AINEE HANUM
BINTI SUHAIDI**

Independent
Non-Executive Director

AUDIT COMMITTEE
Susie Chung Kim Lan (Chairwoman)

Seroop Singh Ramday
Siti Ainee Hanum Binti Suhaidi

NOMINATION COMMITTEE
Seroop Singh Ramday (Chairman)

Susie Chung Kim Lan
Siti Ainee Hanum Binti Suhaidi

REMUNERATION COMMITTEE
Seroop Singh Ramday (Chairman)

Susie Chung Kim Lan
Siti Ainee Hanum Binti Suhaidi

SUSTAINABILITY STEERING COMMITTEE
Siti Ainee Hanum Binti Suhaidi (Chairwoman)

Datuk Joseph Lee Yok Min @ Ambrose
Georgia Suzanne Lingam @ Georgianne

RISK MANAGEMENT COMMITTEE
Susie Chung Kim Lan (Chairwoman)

Seroop Singh Ramday
Siti Ainee Hanum Binti Suhaidi

COMPANY SECRETARIES
Chin Siew Kim

License No.: (L.S. 0000982)
Practising Cert No. 202008004110

Andrea Huong Jia Mei

License No.: (MIA 36347)
Practising Cert No. 202008003125

Corporate Information (cont'd)

SHARE REGISTRAR

Labuan Corporate Services Sdn. Bhd.
(198401001624) (114145-H)
1st & 2nd Floor, Victoria Point,
Jalan OKK Awang Besar,
87007 W.P. Labuan.

Tel: 087-410748
Fax: 087-410515

AUDITORS

Thelyx Malaysia PLT
(LLP0019500-LCA) (AF001929)
Chartered Accountants
10-05, Mercu Aspire, No. 3,
Jalan Bangsar KL Eco City,
59200 Kuala Lumpur.

Tel: 03-22022125

SOLICITORS

Satem, Chai & Dominic Lai Advocates
Chung & Associates
Rozlan Khuen

PRINCIPAL BANKERS

Alliance Bank Malaysia Berhad (88103-W)
United Overseas Bank (Malaysia) Berhad
(271809-K)
Hong Leong Bank Berhad (97141-X)
Standard Chartered Bank Malaysia Berhad
(115793-P)
RHB Bank Berhad (6171-M)
HSBC Bank Malaysia Berhad (127776-V)
Public Bank Berhad (6463-H)
Ambank (M) Berhad (8515-D)
Malayan Banking Berhad (3813-K)
CIMB Bank Berhad (13491-P)

REGISTERED OFFICE

1st & 2nd Floor, Victoria Point,
Jalan OKK Awang Besar,
87007 W.P. Labuan.

Tel: 087-410509
Fax: 087-410515

STOCK EXCHANGE LISTING

Listed on Main Market of
Bursa Malaysia Securities Berhad
on 28 November 1997

Stock Name: BORNOIL
Stock Code: 7036

BORNEO OIL WEBSITE

www.borneo-oil.com.my



GROUP FINANCIAL HIGHLIGHTS

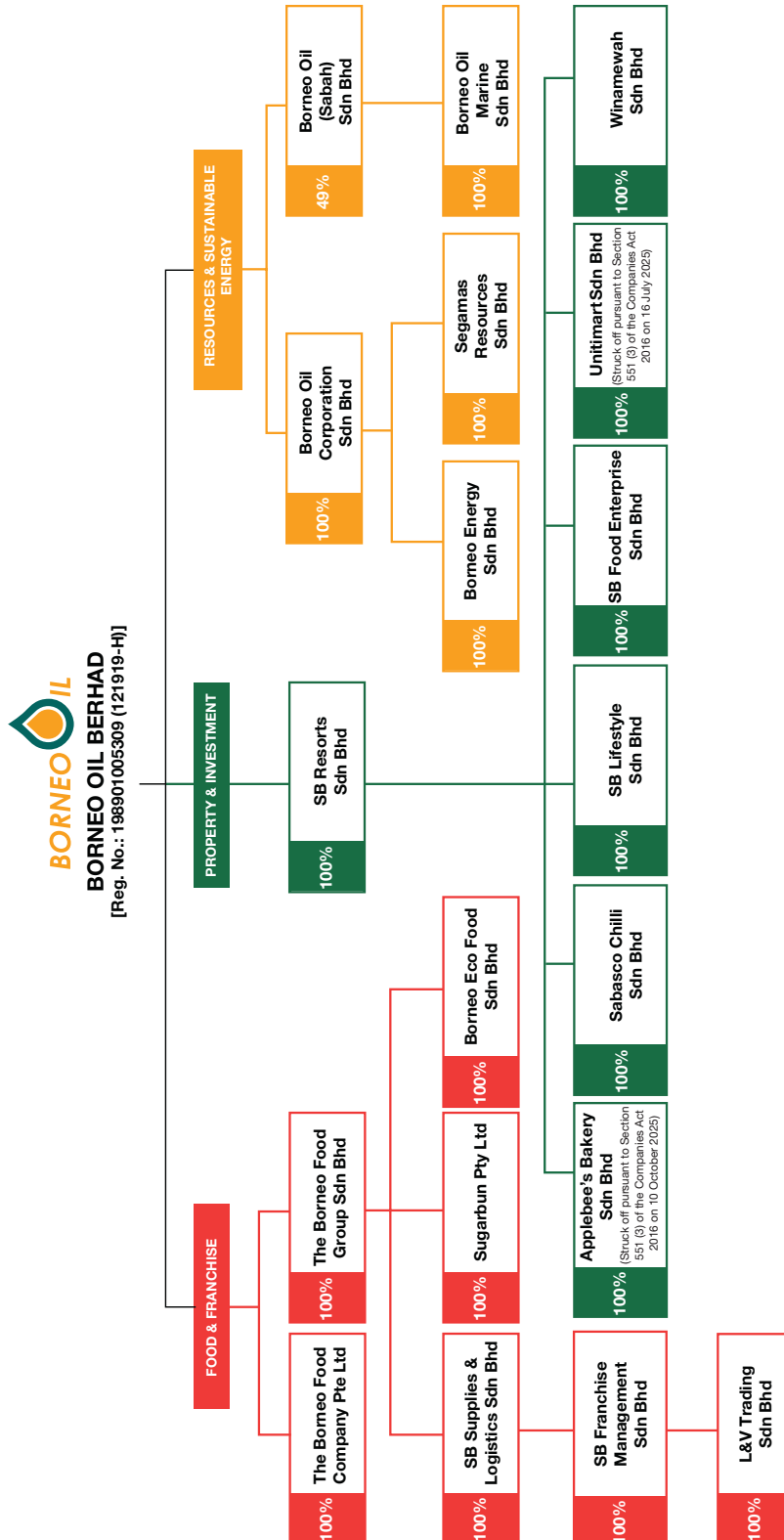
GROUP FINANCIAL SUMMARY

	FYE 30.06.2021 RM'000	FYE 30.06.2022 RM'000	FYE 30.06.2023 RM'000	FYE 30.06.2024 RM'000	FYE 30.06.2025 RM'000
For the Financial Year					
Revenue	51,409	87,494	84,987	78,561	82,357
Profit/(Loss) before interest and tax	29,382	55,225	44,323	77,341	(294,021)
Finance costs	909	1,364	1,659	4,288	4,655
Profit/(Loss) after tax	28,484	54,099	(13,040)	36,331	(300,108)
At Year End					
Shareholders' equity	767,442	875,509	888,093	929,402	647,420
Total assets	823,292	944,665	961,848	1,030,451	772,715
Total liabilities	55,850	69,156	73,755	101,050	125,295
	RM	RM	RM	RM	RM
Net asset per share	0.11	0.11	0.08	0.08	0.05
	sen	sen	sen	sen	sen
Earnings/(Loss) per share	0.46	0.67	(0.14)	0.30	(2.35)

Group Financial Highlights (cont'd)



GROUP CORPORATE STRUCTURE



EXISTING NUMBER OF OUTLETS 2025



<u>Sabah</u>		<u>Sarawak</u>		<u>Labuan</u>		<u>West MY</u>		<u>Brunei</u>		<u>Bangladesh</u>	
1	Office	1	Office	1	Office	1	Office	10	Sugarbun	1	Sugarbun
14	Sugarbun	60	Sugarbun	2	Sugarbun	7	Sugarbun	7	Pezzo		
15	Pezzo	26	Pezzo	1	Pezzo						
1	SBSL Plant	5	SBSL Plant								

CHAIRMAN'S STATEMENT



TAN KOK CHOR

Chairman

Non-Independent Non-Executive Director

Dear Shareholders,

On behalf of the Board of Directors of Borneo Oil Berhad ("the Group"), I am pleased to present the Annual Report and Audited Financial Statements for the financial year ended 30 June 2025 ("FYE2025").

Performance Review - FYE2025 vs FYE2024

FYE2025 presented a contrast to the preceding year. The Group achieved revenue of RM82.4 million, representing a modest growth of 4.83% compared with RM78.6 million in FYE2024. This improvement was supported by steady contributions from our core food and franchise operations, reflecting the resilience of our underlying businesses despite a challenging market environment.

However, this revenue growth was offset by a significant deterioration in profitability. The Group recorded a net loss of RM300.1 million in FYE2025, compared with a net profit of RM36.3 million in FYE2024. The sharp reversal was mainly attributable to a fair value loss of RM231.0 million on quoted investments and an unrealised foreign exchange loss of RM43.1 million. As a result, the Group reported a basic loss per share of 2.35 sen, compared with earnings of 0.30 sen per share in the previous year.

Strategic Response and Way Forward

FYE2025 marks a pivotal juncture for the Group. While our revenue performance demonstrates operational resilience, profitability was adversely affected by temporary valuation declines in our investment portfolio. These mark-to-market adjustments impacted short-term results but do not alter the Group's confidence in the long-term prospects of its investments.

Going forward, the Group will undertake a comprehensive portfolio review to identify assets capable of delivering sustainable returns and determine those requiring restructuring or divestment. These measures, together with prudent financial management, will be central to preserving liquidity, strengthening our balance sheet and supporting future growth.

The Board also reaffirms our commitment to Environmental, Social and Governance (ESG) principles. We believe long-term value creation requires not only financial discipline but also responsible practices and constructive engagement with our stakeholders.

Chairman's Statement (cont'd)

Outlook for FYE2026

The operating environment remains uncertain, with persistent cost pressures, inflationary trends and heightened competition. Nevertheless, the Board is confident that the steps we are implementing will provide a solid foundation for stabilisation and recovery.

FYE2026 will be a year of consolidation and discipline. Our key priorities are to restore financial stability, rebuild profitability and reinforce shareholder confidence in the long-term value of Borneo Oil Berhad.

Acknowledgements

On behalf of the Board, I extend my sincere appreciation to our employees for their dedication and resilience during this challenging year. I would also like to thank our business partners, suppliers, regulators and the communities we serve for their trust and continued support. Above all, I am deeply grateful to our shareholders for their patience and confidence as we navigate this difficult period and work towards a more sustainable future.

Tan Kok Chor

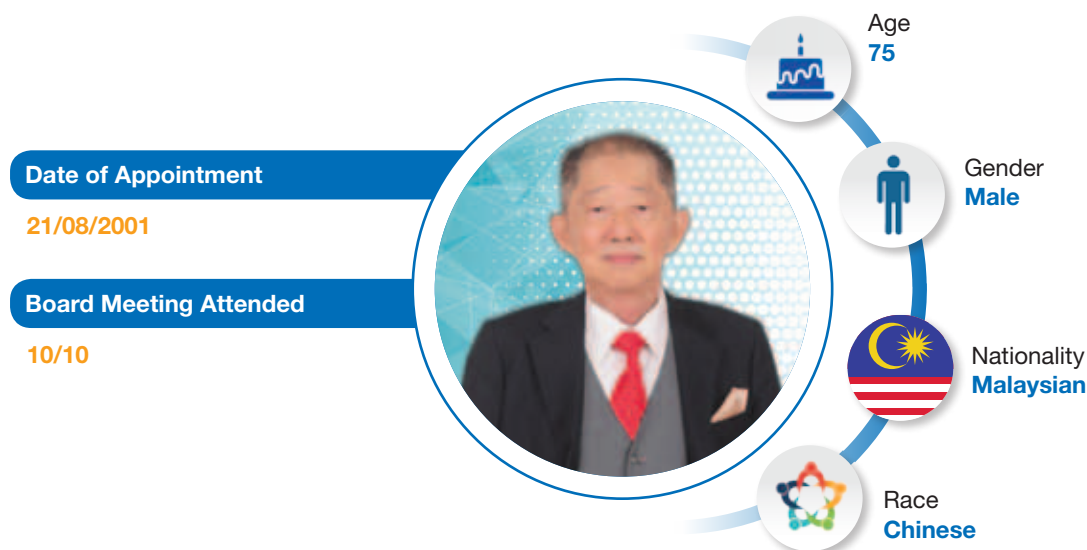
Chairman of the Board
23 October 2025

PROFILE OF DIRECTORS

TAN KOK CHOR

Chairman

Non-Independent Non-Executive Director



His role from an Independent Non-Executive Director to Non-Independent Non-Executive Director with effect from October 2023, reflected his deep commitment and evolving role within the organization. Over 14 years, he provided essential oversight and strategic guidance, significantly shaping the firm's direction and operational success.

With extensive experience in business, legal and administrative fields, he brings a comprehensive perspective to his current role. His background includes expertise in navigating complex regulations, ensuring legal compliance and streamlining processes, which helps him balance business acumen with rigorous standards.

Beyond his role with the organization, he serves on the boards of several private companies in Malaysia, highlighting his broad influence and recognition in the business community. His ongoing involvement underscores his dedication to effective governance and business excellence.

Profile of Directors
(cont'd)**DATUK JOSEPH LEE
YOK MIN @ AMBROSE**
Managing Director

Datuk Joseph Lee Yok Min @ Ambrose was appointed as an Executive Director of Borneo Oil Berhad on 27th March 2019. He has been promoted to Managing Director of the Company with effect from 1st April 2022.

He graduated with a Bachelor of Law (Honours) Degree from Central Lancashire University, United Kingdom (1980) and qualified as Barrister of Law (Lincoln's Inn) London in 1981.

He was called to the Sabah Bar in 1982 and is an Advocate and Solicitor of the High Court of Sabah and Sarawak. He currently spearheads the strategic and sustainable growth of Borneo Oil Berhad.

Profile of Directors (cont'd)

GEORGIA SUZANNE LINGAM @ GEORGIANNE Executive Director



Prior to joining the Group in 2001, she started her career in the timber Industry and later became an Insurance agent before embarking into the Food and Beverage business in 1995.

She ventured into various restaurants and bars before joining the Borneo Oil Berhad Group as part of the team involved in the evolution of the SugarBun 3-in-one concept, planning and opening of the SugarBun Destination Centres. Georgia was then seconded as business development manager and later became project manager for the group.

In 2007, she became the Group General Manager overseeing business development and various operational, corporate and legal aspects within the Group including the project management division.

Profile of Directors (cont'd)

SRI GANESH A/L K BALASUBRAMANIAM

Executive Director



Sri Ganesh is a confident, creative and strong-willed operational background professional with 33 years of distinguished performance in the Operations of Catering, Retail and QSR industry.

Broad-based background encompasses exceptional work ethics and commitment to organizational objectives within a highly competitive and rapidly changing marketplace domestically and abroad in F&B franchising.

He has vast experience in managing regional and multiple F&B outlets organisation during his stint with KFC Holdings and numerous consultancy projects overseas. Actively contributes to the country franchise industry and has been elected as the Main Council by Malaysia Franchise Association and Vice Chairman for Franchise International Malaysia 2018.

Profile of Directors (cont'd)

RIORN LEE KAH VUI Executive Director



Riorn Lee Kah Vui is a lawyer by profession with an extensive academic background, including dual degree in Bachelor of Laws (Honours) and Bachelor of Biomedical Science from Monash University.

He also graduated from CFA (Chartered Financial Analyst) Institute in 2011.

He has been admitted to the Bar in both Australia and Sabah as an integral part of the legal profession since 2012. He has been in legal practice since 2012. With his multifaceted expertise, he is positioned to drive significant contributions to both the legal and corporate division in the group.

Profile of Directors (cont'd)

SEROOP SINGH RAMDAY

**Senior Independent
Non-Executive Director**

Date of Appointment

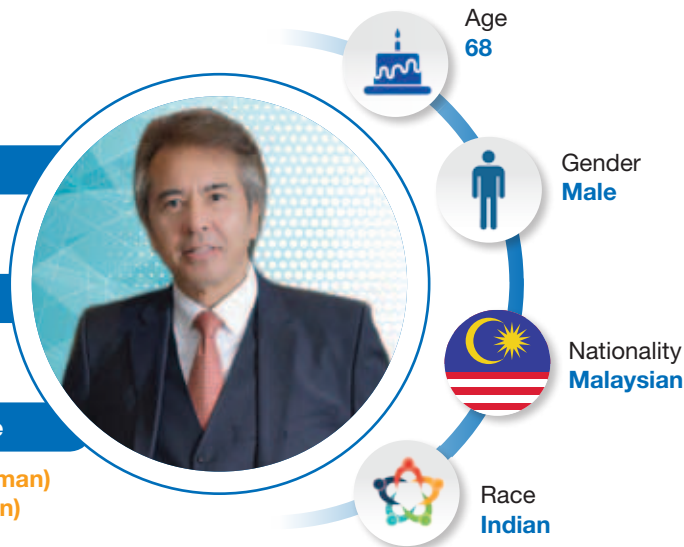
01/08/2014

Board Meeting Attended

10/10

Membership of Board Committee

Remuneration Committee (Chairman)
Nomination Committee (Chairman)
Audit Committee (Member)
Risk Management Committee (Member)



He is a business graduate with post graduate qualifications in Management from the University of Warwick UK and an MBA from the University of Aston UK. He has 41 years of extensive experience in international business based in both the UK and Malaysia.

He has experience in international business at CEO levels, he has also set up his own technology business in the UK successfully licensing proprietary technology to a Fortune 500 multinational.

He is a United Nations/ITU accredited independent consultant/expert on business growth, international trade, joint ventures and Social Economic Development Projects and have delivered assignments across Asia and Africa.

He is an accredited UK Trade and Investment consultant (Department for International trade development) and has delivered business growth support initiatives to SMEs across UK for both national and international markets.

Profile of Directors (cont'd)

SUSIE CHUNG KIM LAN

Independent
Non-Executive Director



She earned her Bachelor of Business in Accounting/Finance from Charles Sturt University in Australia in April 2003. Her academic background laid a strong foundation for her professional career in finance and accounting. Building on this, she has been a member of CPA Australia since July 2006 and also holds membership with the Malaysian Institute of Accountants (MIA) since November 2006, demonstrating her commitment to maintaining high standards in the accounting profession.

With over 24 years of extensive experience in Malaysia, she has developed a robust expertise in accounting, audit, tax and finance. Her career has been marked by her significant involvement in various financial matters, where she has provided strategic oversight and management. Her depth of experience has been instrumental in navigating complex financial landscapes and ensuring regulatory compliance.

She has played a key role in the growth of several companies, particularly in overseeing and managing their public listings on Bursa Malaysia Securities Berhad. Her expertise in guiding companies through the listing process has contributed to their successful market entry and growth, highlighting her valuable role in the financial sector.

Profile of Directors (cont'd)

SITI AINEE HANUM BINTI SUHAIDI

Independent
Non-Executive Director

Date of Appointment

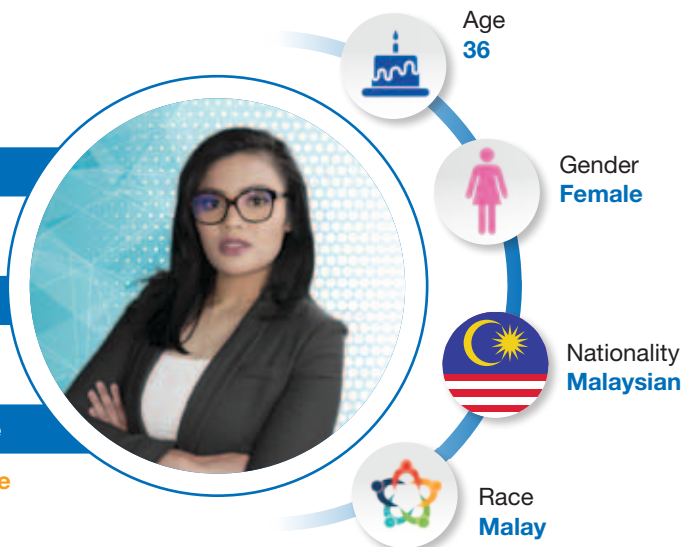
27/07/2023

Board Meeting Attended

8/10

Membership of Board Committee

Sustainability Steering Committee
(Chairwoman)
Audit Committee (Member)
Risk Management Committee (Member)
Nomination Committee (Member)
Remuneration Committee (Member)



Her role in Borneo Oil Berhad, involves providing strategic oversight and governance, drawing on her extensive industry experience. Her appointment reflects the board's commitment to enhancing its leadership with experienced professionals. Her involvement is expected to bring valuable insights and fresh perspectives to the company.

She holds a Bachelor's Degree in Accounting and Finance from the University of West London. This academic background has equipped her with a solid foundation in financial management and strategic planning. Her education supports her ability to provide sound financial oversight and make informed decisions. This expertise is essential for her role on the board.

With over 12 years of experience across fashion, public relations, marketing and online businesses, she brings a diverse skill set to her role. Her broad experience integrates financial and strategic skills, enhancing her ability to contribute effectively to the board's initiatives. This varied background provides her with a unique perspective that benefits the company's governance. Her expertise will be instrumental in driving the company's growth and success.

Profile of Directors (cont'd)

Notes to Directors' Profile

1. There are no family relationship amongst the Directors and / or major shareholders of the Company.
2. None of the Directors have any business arrangement with the Company in which he has personal interest or have any conflict of interest with the Company.
3. None of the Directors have any conviction for any offence within the past five (5) years, other than traffic offences, if any and no public sanction or penalty was imposed by the relevant regulatory bodies during the financial year.
4. The details of attendance of each Director at Board Meetings are set out in page 65 of this Annual Report.
5. The details of the Directors' interest in the shares of the Company are set out in pages 119 to 120 of this Annual Report.

MANAGEMENT DISCUSSION AND ANALYSIS

Borneo Oil Berhad and its Group of Companies (“**BOB**” or the “**Group**”) operate across several key business segments, primarily within Malaysia:-

Food and Franchise Operations (“**FFO**”)

- This segment encompasses the ownership and management of restaurant chains, food manufacturing and franchise operations.
- It includes a diverse range of food-related businesses, notably quick-service restaurants (SugarBun, Borneo Asian Food and Pezzo) and the distribution of branded food products such as Sabacco Hot Sauce and Tuhau Chili Sauce.

Property Investment and Management (“**PIM**”)

- The PIM segment focuses on the acquisition, ownership and long-term management of real estate assets.
- Its activities include property maintenance and portfolio optimisation to maximise investment returns.

Resources and Sustainable Energy (“**RSE**”)

- The RSE segment is involved in natural resources and sustainable energy ventures.
- Operations cover areas such as mining and the supply of mineral resources.

All of the Group’s operations are entirely based in Malaysia, contributing 100% of the Group’s total revenue for the financial year ended 30 June 2025, consistent with the previous financial year.

GROUP’S FINANCIAL PERFORMANCE

The Group’s financial performance for the financial year under review, together with the comparative figures for the preceding year, is summarised below:

	FYE2025		FYE2024	
	1 Jul 2024 to 30 Jun 2025		1 Jul 2023 to 30 Jun 2024	
	Revenue RM’000	Profit/(Loss) Before Tax RM’000	Revenue RM’000	Profit/(Loss) Before Tax RM’000
Head office & others	36	(282,732)	36	152,529
Food and franchise operations	71,141	2,059	66,292	7,041
Property investment & management	1,550	(13,221)	4,427	(55,809)
Resources & sustainable energy	9,630	(4,782)	7,806	(26,777)
Share of result of an associate	–	–	–	(36,068)
Impairment loss of an associate	–	–	–	(3,932)
Group revenue and profit/(loss) from (net of finance cost)	82,357	(298,676)	78,561	36,984

The Group’s overall revenue increased from RM78.56 million in FYE2024 to RM82.36 million in FYE2025, marking an increase of around 4.8%. Despite the improvement in revenue, the Group registered a loss before tax of RM298.68 million, compared to a profit before tax of RM36.98 million in the prior year.

The loss for the current year was mainly attributable to the fair value loss of RM230.96 million on quoted securities in Verde Resources, Inc. (OTC Markets: **VRDR**) and coupled with the related unrealised exchange loss of RM43.13 million. While these mark-to market movements affected short-term results, the company remains confident in VRDR’s long-term outlook and expects a potential rebound in its market performance.

Management Discussion and Analysis (cont'd)

FOOD AND FRANCHISE OPERATIONS (“FFO”)

In the current financial year, the Food and Franchise Operations (“FFO”) segment recorded a notable revenue of RM71.14 million, representing a 7.3% increase compared to RM66.29 million in the previous year.

This growth was mainly driven by the opening of 10 additional SugarBun Express outlets and 4 new Pezzo outlets, coupled with higher sales of supplies from the central kitchen arising from an approximately 11% increase in franchisees’ sales.

Despite recording higher revenue, the FFO segment posted a lower profit before tax of RM2.06 million, compared to a profit before tax of RM7.04 million in the preceding year. The reduction in profit was mainly due to non-cash expenses, including a share-based payment of RM2.01 million for the ESOS, recognised in accordance with the Malaysian Financial Reporting Standards.

As at 30 June 2025, the total number of SugarBun and Pezzo outlets increased to 143, up from 130 in the previous financial year. This growth underscores the strong market presence of our brands and affirms that our offerings remain well-aligned with evolving consumer preferences, particularly within the competitive and fast-changing quick service restaurant (“QSR”) sector.



Sabacco Hot Sauce and Borneo Tuhau Chilli Sauce



SugarBun Grand Opening at Lintas Jaya, Kota Kinabalu (Jul 2025)

Management Discussion and Analysis (cont'd)

星島日報 華僑財經 2025年7月26日(星期六) A9

SugarBun 快餐億達再也分店盛大開業

全新“舒閣邦快捷店”概念正式亮相

【亞庇廿五日訊】舒閣邦 (SugarBun) 快餐億達再也 (Lintas Jaya) 分店今日盛大開業，同時標誌著全新“舒閣邦快捷店” (SugarBun Express) 概念正式亮相。

於開業禮中，除了傳統的剪綵儀式外，現場還安排了精彩的舞龍舞獅表演，為活動增添喜慶氣氛。

億達再也分店位於亞庇市中心的繁忙地段，佔地約一千呎，裝修現代化，環境舒適。店內提供多種快速、健康的餐食選擇，包括漢堡、薯條、沙拉等，滿足不同顧客的需求。

舒閣邦快餐集團表示，此次在億達再也開設分店，是其在馬來西亞擴張計劃的重要一步。集團將繼續致力於提供高品質、快速服務的快餐體驗。

億達再也分店將繼續秉承舒閣邦“快捷、健康、美味”的宗旨，為廣大顧客提供優質的快餐服務。歡迎各界人士光臨指導。

舒閣邦快餐集團在馬來西亞已有多家分店，深受當地顧客喜愛。集團計劃未來在更多地區開設分店，進一步擴大市場佔有率。

億達再也分店位於亞庇市中心的繁忙地段，交通便利，方便顧客光臨。店內環境整潔，服務周到，是家庭聚餐、朋友聚會的理想場所。

萬寶龍古鎮的店舖下，組合製作蛋糕師傅。

古寶龍與米蘭亞斯在亞庇開設分店慶祝開業。

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億達再也分店將繼續秉承舒閣邦“快捷、健康、美味”的宗旨，為廣大顧客提供優質的快餐服務。歡迎各界人士光臨指導。

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萬寶龍古鎮的店舖下，組合製作蛋糕師傅。

古寶龍與米蘭亞斯在亞庇開設分店慶祝開業。

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寶PERTAMA 39周年

7月25-27日

2025年

消費即有獎 大獎高達 RM50,000

FERTAMA LINTAS
 100, Jalan Lintas, 10000 Kuala Lumpur

Management Discussion and Analysis (cont'd)

The continued expansion highlights not only the strength and scalability of our franchise model but also our commitment to market growth—both through new market entries and deeper penetration in existing territories. By opening more outlets, we further position our brands as adaptive and innovative, catering to the rising demand for quick-service, value-driven dining experiences that resonate with modern consumers.

This strategic growth aligns with our broader business objectives of enhancing market presence, maintaining brand relevance and ensuring the long-term success of both SugarBun and Pezzo. The increase in outlets also reflects the resilience and effectiveness of our franchise partners, who continue to operate successfully across diverse markets. In turn, this fosters stronger community engagement, enhances customer loyalty and reinforces our competitive advantage within the industry.

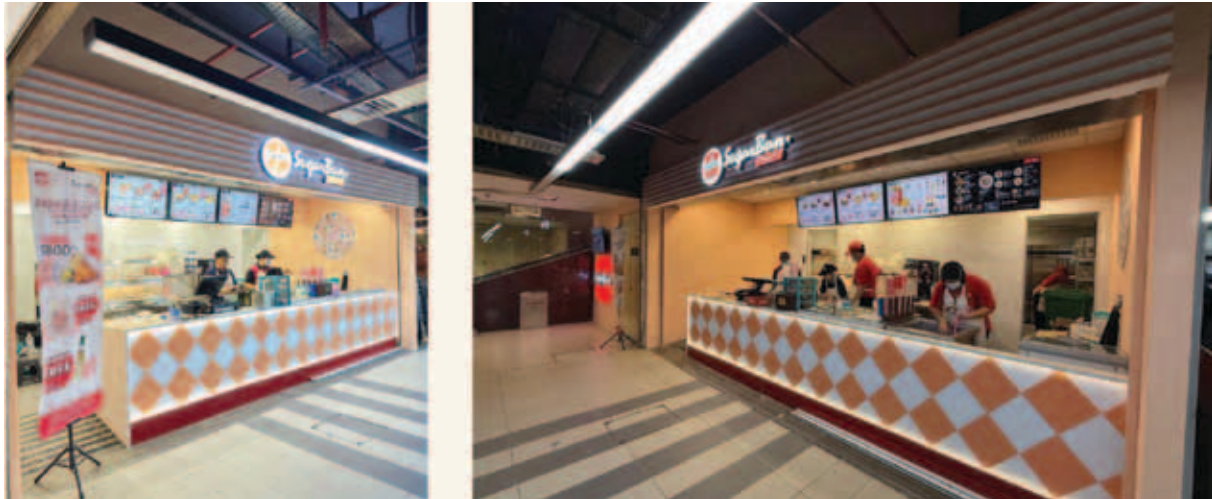


During the year, the much-anticipated SugarBun & Pezzo First Franchisee Convention united franchisees, staff and key stakeholders in a celebration of success, collaboration and shared vision. Held in Kota Kinabalu, the convention drew over 250 franchisees from across Brunei, Singapore, Selangor, Sarawak, Labuan, Tawau, Sandakan and Keningau. The diverse participation underscored the expanding footprint of both brands and reaffirmed the vital role of teamwork in driving collective growth.



First SugarBun & Pezzo Franchisee Convention 2024

Management Discussion and Analysis (cont'd)



SugarBun Express opened in Nov 2024 at Centre Point, Kota Kinabalu

A key highlight of the event was the launch of the SugarBun Express kiosk concept, also known as the “Little Kiosk.” This innovative model is tailored for compact, high-traffic locations such as kiosks and food halls, offering lower entry investment requirements and opening up opportunities for emerging entrepreneurs.

During the convention, plans were also unveiled for the opening of 30 new SugarBun Express and Pezzo outlets across Brunei, West Malaysia, Sarawak and Sabah in the coming year, marking the next phase of strategic expansion for both brands.

All our SugarBun and Pezzo outlets, including franchise-operated locations, remain committed to upholding the Group’s sustainability policies. As a food and beverage business with broasted chicken as our core menu offering, our company-owned SugarBun outlets collectively generate approximately 20,000 kilograms of used cooking oil (“UCO”) each year. To promote responsible waste management, we have established Standard Operating Procedures (“SOPs”) mandating that all UCO, including that generated by franchisees, be collected exclusively by authorised vendors for recycling into soap and detergent products, in support of our circular economy initiatives. This initiative helps reduce environmental pollution and contributes to the sustainable recovery of resources.

In line with our commitment to minimising single-use plastics, biodegradable packaging materials are currently used for takeaway orders in Kuala Lumpur and Labuan territories, with plans to expand their adoption to other states in the near future. Cold beverages are now served with strawless lids and drinking straws are provided only upon customer request.

Furthermore, all utensils and cutlery used in our outlets are non-disposable to reduce plastic and paper waste.



Food contact and recycling compliance symbols on SugarBun packaging

Additionally, empty beverage cans are systematically collected and channelled for recycling, reinforcing our ongoing efforts to promote responsible consumption and waste reduction across our operations.

Management Discussion and Analysis (cont'd)

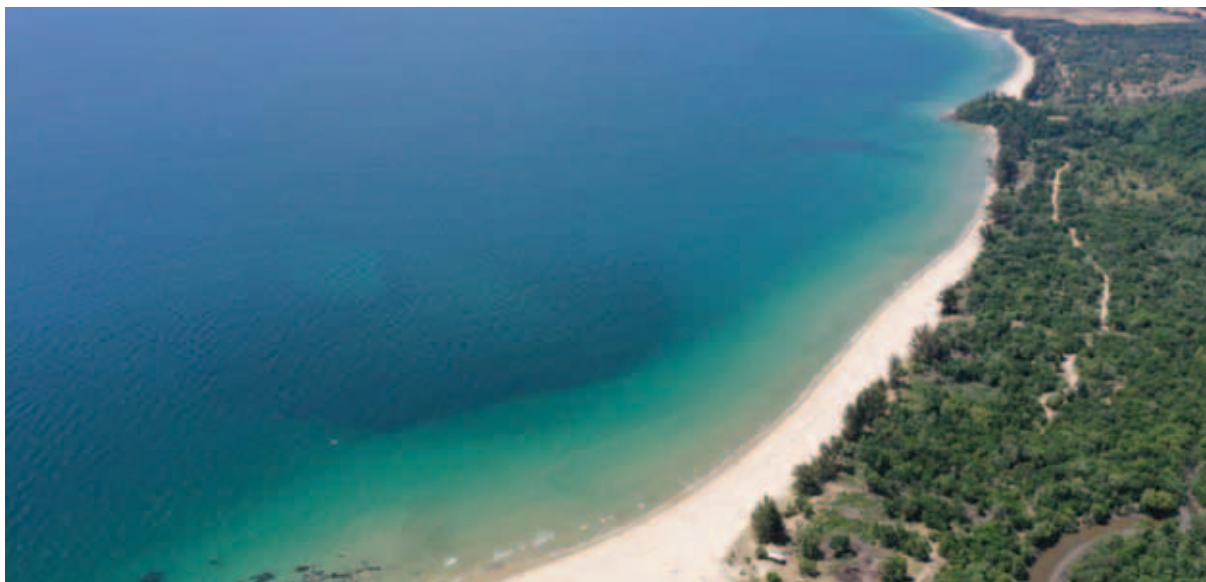
PROPERTY INVESTMENT AND MANAGEMENT (“PIM”)



FFB collection at Lahad Datu, Sabah

The Property Investment and Management (“PIM”) segment recorded a lower revenue of RM1.55 million for FYE2025, compared to RM4.43 million in FYE2024. The substantial decline in revenue was primarily attributable to the completion of on-site installation activities related to the project management of the Integrated Limestone Processing Plant (“ILPP”). For the current year, revenue from this segment was mainly derived from the sale of fresh fruit bunches (“FFB”) amounting to RM1.41 million, compared to RM1.19 million in the previous year.

The PIM segment reported a loss before tax of RM13.22 million for the current financial year, compared to a loss of RM55.81 million in the prior year. The current year's loss was mainly due to a fair value loss on quoted investments amounting to RM1.11 million and an impairment on amount owing by an associate of RM3.09 million. In contrast, the previous year's loss was largely attributed to a RM40.03 million impairment on amount owing by an associate and a RM2.22 million impairment on finance lease receivables.



Beach land at Kampung Sarang, Kota Belud, Sabah

The Group holds several prime land parcels in Kokol Hills, Kiansom and Kota Belud of Sabah, which are well-suited for tourism and hospitality development. In addition, the Group owns substantial mineral reserve lands on the east coast of Sabah. Several interested parties have approached the Group to explore potential development opportunities for these properties and management remains optimistic about the progress of these discussions.

Management Discussion and Analysis (cont'd)



View from Kokol Hills, Sabah

RESOURCES AND SUSTAINABLE ENERGY (“RSE”)

The Resources and Sustainable Energy (“RSE”) segment recorded a revenue of RM9.63 million for the financial year ended 2025, representing an increase of RM1.82 million compared to the previous year. This growth was primarily driven by higher sales of limestone and other mineral resources during the year.



Limestone crushing at Lahad Datu, Sabah

Alongside the increase in revenue, the RSE segment reported a reduced loss before tax of RM4.78 million, a notable improvement compared to the loss before tax of RM26.78 million recorded in the preceding year. The losses in the prior year were mainly attributable to several factors, including impairments on property, plant and equipment amounting to RM10.62 million and impairments on trade and other receivables totalling RM0.86 million.

Management Discussion and Analysis (cont'd)

ASSOCIATE COMPANY

Currently, Sabah lacks local clinker production facilities and relies on imports of approximately 800,000 tonnes of cement annually to meet total demand estimated between 1.2 and 1.5 million tonnes. The existing plant, with an initial production capacity of 270,000 tonnes per annum, offers expansion potential of up to fivefold to accommodate growing market demand.

As one of Malaysia's less developed states, Sabah presents substantial opportunities for growth in the cement industry. The associate company is presently engaged in discussions with several Chinese cement plant operators regarding upgrading the existing facility and exploring potential joint venture arrangements.

DIVIDEND POLICY

The Group does not maintain a formal dividend payout policy. For the financial year ended 30 June 2025, the Board has resolved not to recommend any dividend distribution, consistent with the Group's strategy to preserve cash resources for working capital requirements and capital expenditure.

OUTLOOK AND PROSPECT

In the first half of 2025, business operations remained resilient, supported by resilient domestic demand and sustained economic activity. However, profitability was constrained by persistent cost pressures, particularly in sectors affected by higher labour and material costs. Despite these challenges, businesses maintained their financial strength. The median interest coverage ratio stood at 6.2 times, while the share of firms-at-risk remained stable at 24.4%.

Against this backdrop, it is vital for both the government and businesses in Malaysia to remain adaptive and responsive to evolving market conditions. To overcome the challenges faced by the Group's loss-making segments and associate company, management will continue implementing measures to enhance efficiency and control operational costs.

Looking ahead, management will closely track market developments and shifts in consumer demand to identify strategic expansion opportunities that complement existing operations. These efforts are aimed at ensuring disciplined, synergistic and sustainable long-term growth for the Group.

SUSTAINABILITY STATEMENT

CREATING VALUE THROUGH ECONOMIC, ENVIRONMENTAL, SOCIAL AND GOVERNANCE (“EESG”)

PEOPLE, PLANET, PROFIT



At Borneo Oil Berhad (“BOB”), we are committed to creating a sustainable future by integrating a proactive approach across our operations, prioritizing the planet, people, society and profit. Guided by the principles of Economic, Environmental, Social and Governance (“EESG”), we emphasize a balanced approach to growth, ensuring equity while addressing environmental, social and governance concerns. This framework underpins our strategy for long-term success and resilience. Our corporate governance has embedded “action-oriented principles” into the heart of our business, fostering responsible practices that drive both profitability and positive societal impact. Sustainability is not just a goal; it is an ongoing commitment woven into every aspect of our operations.

ABOUT THIS STATEMENT

Statement of Use

The Board, as the Group’s highest decision-making body, acknowledges its responsibility for the following statement of use. The information reported for FYE 2025 has been prepared in accordance with the Bursa reporting guidelines.

Assurance

The Board has undertaken independent auditing and assurance for financial data presented in this report, where the figures can be cross-referenced with the Financial Statements. Nevertheless, the Group shall, when necessary, explore third party external advice for the whole or part of this Statement. Our key operations and internal control documentation adhere to standards and has been audited internally, highlighting areas where improvements are required. We remain committed to enhancing our data and documentation to strengthen our disclosures moving forward, including where necessary, procuring the involvement of third parties for assurance.

Forward-Looking Statements

This Statement contains forward-looking statements that discuss the Group’s targets, future plans, operations and performance based on reasonable and current assumptions and factors. The Group advises readers to refrain from solely relying on such statements as our business is subject to risks and uncertainties beyond our control. Actual results may differ. Our website will be updated from time to time on our ongoing EESG activities and relevant policies.

Feedback and Enquiries

As the Group seeks to continuously improve its sustainability reporting to deliver a meaningful disclosure of its EESG performance, we appreciate questions, comments and suggestions from our stakeholders.

Sustainability Statement (cont'd)

SUSTAINABILITY HIGHLIGHTS



Leadership and Management anti-bribery training attendance

20.93%
(decrease)



CSR

RM 28,619.14
(decrease)



No. of beneficiaries of CSR

12
(decrease)



Workforce below 50 years old

79.45%
(decrease)



Energy consumption intensity

2.758×10^{-5} MWRM⁻¹
(decrease)



Employees trained in health and safety standard

5%
(decrease)



Total training hours

1,460 hours
(increase)



Spending on local suppliers

99.76%
(decrease)



Breaches of customer privacy / losses of customer data

Zero



Total volume of water used

37.47028 Megalitres
(increase)



Total waste generated

279.20
Metric Tonnes

20.00
Metric Tonnes diverted
from disposal

259.20
Metric Tonnes
direct to disposal



GHG emission intensity

0.000022
kgCO₂eRM⁻¹

Sustainability Statement (cont'd)

SUSTAINABILITY GOVERNANCE

In accordance with our commitment to EESG principles, Borneo Oil Berhad is pleased to announce the formation of a Sustainability Steering Committee ("SSC") established on 8 January 2024. Strong governance structures and clear accountability are integral to BOB ability to deliver on its sustainability commitments. In shaping our sustainability strategies and priorities, the Board maintains diligent oversight of all matters deemed material across the EESG spectrum. To ensure effective governance, the Board is supported by various committees within our sustainability framework, including the Board of Directors ("BOD"), Board of Sustainable Steering Committee ("BSSC"), Head of Sustainability ("HS") and Sustainability Management Team ("SMT"). Each committee has distinct subgroups that focus on specific EESG issues.




The Sustainability Steering Committee ("SSC"), chaired by our Independent Non-Executive Director, Ms Siti Ainee Hanum Binti Suhaidi, provides strategic advice to the Board and is responsible for driving the sustainability agenda. The SSC regularly reviews progress on sustainability initiatives throughout the reporting period. This comprehensive governance structure ensures that our Board and Senior Management are consistently informed on emerging EESG matters, facilitating effective communication across the organisation. This enables us to align objectives and directives, incorporate feedback and make timely adjustments to our strategies, in line with our growing capacity, capabilities and sustainability goals. This structure facilitates accountability and transparency in our sustainability efforts. The Terms of Reference ("TOR") of the SSC are available on our website at www.borneo-oil.com.my.



Note: This disclosure may include both historical and forward-looking statements. The Company cautions that there is no guarantee that the indicative results will be realised and that there are various important factors beyond the Company's reasonable control, such as climate change and other external events affecting global, political and environmental conditions. In making this disclosure, all reasonable efforts have been made to gather information and where required, expert assistance will be sought, together with continuous monitoring.



Sustainability Statement (cont'd)

SUSTAINABILITY GOVERNANCE (CONT'D)

	Composition	Functions	Frequency
Board of Directors 	<ul style="list-style-type: none"> Board Members 	<p>Role: Board members are responsible for overseeing EESG performance, guiding sustainability strategies, ensuring effective integration of EESG factors into decision-making and maintaining accountability for the company's long-term economic, environmental, social and governance goals.</p> <p>Responsibilities:</p> <ul style="list-style-type: none"> Exercise oversight on all materials on EESG topics. Guides the Company's sustainability agenda. Holds ultimate accountability to ensure management integrates EESG considerations into corporate strategies, governance and decision-making. 	Quarterly
Board of Sustainability Steering Committee ("SSC") 	<ul style="list-style-type: none"> Chaired by Independent Non-Executive Director Member shall comprise Managing Director and Executive Director 	<p>Role: The SSC is responsible for the oversight and execution of sustainability initiatives across business operations. The committee ensure that sustainability integrated into the corporate strategy and that key sustainability issues are addressed in the boardroom and throughout the company's operations.</p> <p>Responsibilities:</p> <ul style="list-style-type: none"> Formulating and monitoring sustainability strategies and integrating them with business objectives. Reviewing sustainability reports and initiatives, ensuring compliance with EESG standards. Addressing sustainability risks and opportunities across various departments and subsidiaries. 	Minimum once a year
Head of Sustainability ("HS") 	<ul style="list-style-type: none"> Sustainability Manager Sustainability Financial Compliance 	<p>Role: There are two (2) key heads responsible for overseeing sustainability across different dimensions and reports directly to the SSC:</p> <ul style="list-style-type: none"> Sustainability Manager: Focuses on operational sustainability initiatives and collection of data covering all sectors of the company. Sustainability Financial Compliance: Ensures that financial and compliance aspects of sustainability are adequately addressed, including adherence to governance frameworks and financial disclosure. <p>Responsibilities:</p> <p>Leading the execution of sustainability programs and initiatives across the company's operations.</p> <ul style="list-style-type: none"> Monitoring performance metrics related to EESG Criteria. Overseeing compliance with financial and regulatory reporting obligation related to sustainability. Managing stakeholder engagement to foster transparency and responsiveness in sustainability practices. Reporting on sustainability progress to the SSC. 	Minimum once a year

Sustainability Statement (cont'd)

SUSTAINABILITY GOVERNANCE (CONT'D)

	Composition	Functions	Frequency
Sustainability Management Team ("SMT") 	<ul style="list-style-type: none"> Head of Food & Franchise Operations Head of Property & Investment Head of Resources & Sustainable Energy 	<p>Role: The SMT oversees the effective operational implementation of the company's sustainability efforts. This team comprises heads from key business divisions, demonstrating the importance of a cross-functional approach.</p> <p>Responsibilities:</p> <ul style="list-style-type: none"> Head of Food & Franchise Operations: Oversees sustainability practices within the food and franchise sectors, focusing on responsible sourcing, waster reduction and promoting sustainable products. Head of Property & Investment: Ensures sustainability in property management and investment decisions, focusing on energy efficiency, sustainable development and environmental impact reduction. Head of Resources & Sustainable Energy: Responsible for managing resources optimization and promoting renewable energy initiatives focusing on reducing the company's carbon footprint and improving resources efficiency. 	Minimum once a year
Employee & Stakeholder Engagement 	<ul style="list-style-type: none"> All employees & Stakeholders 	<p>Role: All employees, including our stakeholders are encouraged to participate in sustainability initiatives and contribute to the company's sustainability goals.</p> <p>Responsibilities:</p> <ul style="list-style-type: none"> Employees: Participating in sustainability training programs to build awareness and understanding of best practices, engaging in community service and volunteering efforts as part of the company's CSR initiatives, providing feedback and suggestions to improves sustainability practices and outcomes. Stakeholders: Engaging in dialogues and consultations to contributes to the development and improvement of sustainability performance, ensuring alignment with the interests of various stakeholders, collaborating on initiatives that drive shares value, supporting community well-being and sustainable business growth. 	Quarterly

MATERIALITY MATRIX ASSESSMENT

The Group conducts a comprehensive materiality assessment to identify key sustainability issues that significantly impact both the company's long-term value creation and its stakeholders. The assessment helps prioritise four (4) areas of focus across EESG dimensions, guiding our business operations and decision-making process. The following materiality matrix reflects the prioritisation of these sustainability indicators based on their relevance to the Group and its stakeholders. This assessment helps us to identify key EESG matters by identifying key issues significant to our stakeholders. It allows us to develop strategies for building a robust sustainability management and to capitalise on opportunities more effectively.

Sustainability Statement (cont'd)

MATERIALITY MATRIX ASSESSMENT (CONT'D)

THE PROCESS

REPORTING SCOPE & PERIOD

This Sustainability Statement covers all principal business activities in Malaysia. This Statement covers the financial year ended 2025 ("FYE2025") from 1 July 2024 to 30 June 2025, unless otherwise stated.

REFERENCES, DATA & RESTATEMENT

All references to "BOB" or "Group" or collectively refer to Borneo Oil Berhad and all operating companies. "The Company" refers to the corporation being mentioned. Where available, data is collected and reported utilising existing management control and information systems to ensure information flow reliability and accurate monitoring of sustainability performance.

ACCURACY & RELIABILITY

BOB's Board of Directors ("BOD") approved of the Sustainability Statement 2025 after thorough review by the management.

REPORTING GUIDELINES & REFERENCES

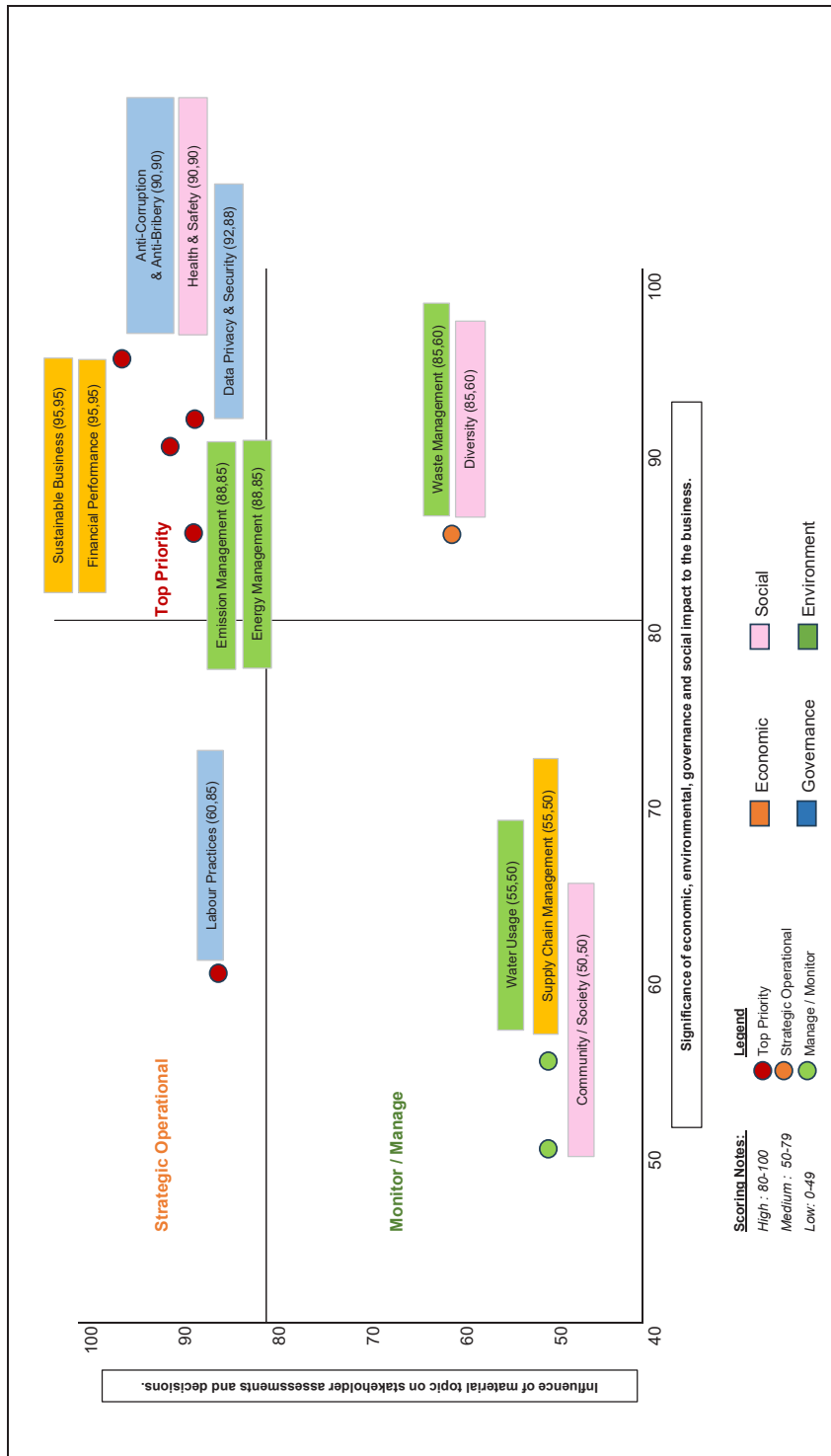
Bursa Malaysia Sustainability Reporting Guide [Sustainability Reporting Guide (3rd Edition) & the Toolkit Governance (3rd Edition) and United Nations Sustainable Development Goals ("UNSDG")

In alignment with best practices for sustainability reporting, BOB conducts a full-scale materiality assessment on an annual basis. This ensures that we continuously identify and prioritise the most relevant EESG issues impacting our business and stakeholders. The results of these assessments guide our strategic decisions and reporting processes. Our annual review also allows us to remain responsive to changes in the business environment and stakeholder expectations, ensuring that our sustainability initiatives remain aligned with our corporate goals.

Sustainability Statement (cont'd)

MATERIALITY MATRIX ASSESSMENT (CONT'D)

BORNEO OIL BERHAD'S MATERIALITY MATRIX - 2025



Sustainability Statement (cont'd)

MATERIALITY MATRIX ASSESSMENT (CONT'D)

DEFINITION OF MATERIALITY TOPICS

ECONOMIC	
Financial Performance	Positive values of economic growth
Sustainable Business	Strategic business strategy
Supply Chain Management	99.76% local suppliers
GOVERNANCE	
Anti-corruption & Anti-Bribery	Training, risk assessment, zero incidents
Labour Practices	Training, turnover, contract staff
Data Privacy & Security	Zero privacy breaches
SOCIAL	
Community/Society	Investment & beneficiaries
Diversity	Gender, age, board composition
Health & Safety	Zero incidents, LTIR, training
ENVIRONMENT	
Energy Management	Total energy usage
Water	Water usage
Waste Management	Total waste generated, zero diversion
Emissions Management	Scope 1 & 2 emissions

SUSTAINABILITY FRAMEWORK

Vision	Driving sustainable growth through innovation, ethical leadership and shared value for future generations.			
Mission	Driving sustainable growth, innovation and shared prosperity.	Protecting natural resources and reducing ecological impact.	Supporting communities, inclusivity and equitable opportunities for all.	Upholding transparency, ethics and accountable decision-making.
Theme and Value Proposition	Fostering sustainable growth, innovation and long-term shared value.	Championing climate action and resource-efficient business practices.	Ensuring integrity, accountability and transparent leadership always.	Empowering communities through inclusion, equity and collaboration.
13 identified Material Topics	Financial Performance, Sustainable Business, Supply Chain Management	Energy Management, Water Management, Waste Management, Emission Management	Community/ Society Engagement, Diversity & Inclusion, Health & Safety	Anti-Corruption & Anti-Bribery, Labour Practices, Data Privacy & Security
Core Values	Integrity, Responsibility, Innovation, Collaboration, Inclusivity, Environmental Stewardship and Continuous Improvement.			

Sustainability Statement (cont'd)

SUSTAINABILITY FRAMEWORK (CONT'D)

The BOB materiality matrix provides a strategic overview of how economic, environmental, governance and social factors influence business performance and stakeholder decisions. The horizontal axis reflects the significance of impact on business, while the vertical axis indicates the influence on stakeholder assessments. This model can be effectively analysed through the lens of the United Nations Sustainable Development Goals (UNSDGs), which emphasize inclusive economic growth, responsible governance, environmental protection and social well-being. The matrix categorizes issues into three levels: Top Priority, Strategic Operational and Monitor/Manage. High-scoring areas such as sustainable business, financial performance, anti-corruption and emissions management align strongly with key SDGs, underscoring their central role in sustainable business strategies.

Economic Perspective

From an economic standpoint, the matrix places Sustainable Business (95,95) and Financial Performance (95,95) at the highest level of priority. This reflects their strong influence on both business impact and stakeholder decisions. These areas directly support **SDG 8 (Decent Work and Economic Growth)** and **SDG 9 (Industry, Innovation and Infrastructure)**. Financial performance ensures organizational resilience, while sustainable business practices promote long-term value creation. The high scores indicate that economic sustainability is not limited to profit but integrated with responsible business strategies. Additionally, Labour Practices (60,85), although slightly lower in business significance, have strategic operational importance, aligning with **SDG 8**, ensuring fair employment and productivity.

Environmental Perspective

Environmental priorities include Emission Management (88,85), Energy Management (88,85) and Waste Management (85,60). These are central to **SDG 13 (Climate Action)**, **SDG 7 (Affordable and Clean Energy)**, and **SDG 12 (Responsible Consumption and Production)**. Their high scores reflect strong stakeholder demand for environmental stewardship and sustainable operations. Effective emission and energy management strategies reduce carbon footprints and support national and global climate goals. Waste management, while slightly lower in stakeholder influence, remains critical for resource efficiency and environmental compliance. Water Usage (55,50), though categorized under monitor/manage, presents an area for potential improvement and alignment with **SDG 6 (Clean Water and Sanitation)**.

Social Perspective

The social dimension is represented by Health & Safety (90,90) and Diversity (85,60). These align with **SDG 3 (Good Health and Well-being)** and **SDG 5 (Gender Equality)**. A strong emphasis on employee health and safety reflects an organization's commitment to protecting its workforce, which is essential for productivity and social responsibility. Diversity, though at a slightly lower influence level, is crucial for fostering inclusion and innovation. Meanwhile, Community/Society (50,50) is categorized as a monitoring area, indicating an opportunity for further development to strengthen community engagement and local impact closely linked to **SDG 11 (Sustainable Cities and Communities)**.

Sustainability Statement (cont'd)

SUSTAINABILITY FRAMEWORK (CONT'D)

Governance Perspective

Governance issues like Anti-Corruption & Anti-Bribery (90,90) and Data Privacy & Security (92,88) are among the top priorities. These issues align strongly with **SDG 16 (Peace, Justice and Strong Institutions)**, highlighting transparency, accountability and ethical business practices. Anti-corruption measures enhance stakeholder trust, reduce operational risks and strengthen brand reputation. Data privacy and cybersecurity are critical in the digital age, ensuring compliance with global standards and safeguarding stakeholder interests. Governance excellence supports business continuity, investor confidence and stakeholder engagement, emphasizing that good governance is fundamental to sustainable development.

The BOB materiality matrix clearly demonstrates how economic, governance, social and environmental priorities align with UNSDGs to build a responsible and resilient business model. High-priority issues such as financial performance, sustainable business, anti-corruption, emissions and health and safety highlight the integrated nature of sustainability. Strategic operational and monitoring areas—like labour practices, diversity and water usage—represent growth opportunities. By aligning corporate strategy with UNSDGs, organizations can enhance long-term value creation, meet stakeholder expectations and contribute to global sustainable development. This balanced approach ensures that economic growth goes hand in hand with ethical governance, social responsibility and environmental protection.



The United Nations Sustainable Development Goals.

Sustainability Statement (cont'd)

CORE SUSTAINABILITY PILLARS

Our Group embraces four (4) pillars of sustainability that align with the UNSDGs as detailed below:

SUSTAINABILITY PILLAR	BOB COMMITMENT	HIGHLIGHTS AND ACHIEVEMENT
ECONOMIC DEVELOPMENT Relevant UNSDGs:   	<ul style="list-style-type: none"> • Drive economic growth by investing in sustainable projects and diversifying operations to provide long-term value for shareholders and stakeholders. • Prioritise local sourcing and increase supply chain resilience in all sectors to benefit local economies. • Invest in innovation and technology to enhance operational efficiency, reduce environmental impact and remain competitive in the market. • Maintain financial stability and deliver consistent returns to shareholders, ensuring the long-term sustainability of the company. 	<ul style="list-style-type: none"> • Drive long-term economic growth through sustainable projects and diversification, creating lasting value for stakeholders. • Prioritize local sourcing and supply chain resilience, benefiting local economies and supporting regional businesses. • Invest in innovative technologies to improve efficiency, reduce environmental impact and stay competitive in the market. • Maintain financial stability and ensure consistent returns to shareholders, securing the company's long-term sustainability.
ENVIRONMENTAL STEWARDSHIP Relevant UNSDGs:   	<ul style="list-style-type: none"> • Prioritise the energy-efficient practices across all operations. Invest in renewable energy & sustainable practices to reduce environmental footprint. • Promoting waste management and recycling initiatives. • Conducting environmental assessments and audits. 	<ul style="list-style-type: none"> • Continued our commitment on rainwater harvesting system as alternative water source for our operations site and buildings. • Continued our commitment on proper wastewater sanitation system to protect the ecosystem. • Maintained our food compost project to reduce solid waste. • Participating in 3B Campaign (<i>Bawa Beg Bah!</i>) to reduce the usage of plastic bag.

Sustainability Statement (cont'd)

CORE SUSTAINABILITY PILLARS (CONT'D)







Our Group embraces four (4) pillars of sustainability that align with the UNSDGs as detailed below: (Cont'd)

SUSTAINABILITY PILLAR	BOB COMMITMENT	HIGHLIGHTS AND ACHIEVEMENT
SOCIAL RESPONSIBILITY Relevant UNSDGs:   	<ul style="list-style-type: none"> Providing a conducive working environment, with continuous training and development programs to enhance skills and career progression across all sectors. Fostering a culture of diversity and inclusion in the workplace, ensuring equal opportunities and fair treatment for all employees. Maintaining high standards of product quality and safety in the food and franchising sector, ensuring customer satisfaction and trust. Supporting local communities through sponsorships and charitable initiatives. 	<ul style="list-style-type: none"> Safe Workplace and Operations Group Worldwide. Continued our commitment to preserved society harmony and unity in diversity. Continued developing our competencies, skill sets and workforce diversity.
GOVERNANCE PRACTICES Relevant UNSDGs:  	<ul style="list-style-type: none"> Adhere to the highest governance principles, ensuring transparency, integrity and accountability in all business dealings. To ensure compliance with environmental regulations, food safety standards and property laws and other relevant legal requirements across all operations. Develop and implement comprehensive risk management strategies to address sector-specific risks and mitigate potential impacts on operations. Promote ethical conduct in all aspects of business, including fair trade practices, anti-corruption measures and responsible sourcing. 	Attending courses on:- <ul style="list-style-type: none"> Anti Bribery and Corruption Course Understand HIRARC Sabah Labour Ordinance (Amendment) 2024 Occupational Health and Safety Coordinator

Sustainability Statement (cont'd)

STAKEHOLDER'S ENGAGEMENT

We recognise the importance of our stakeholders to the sustainability of our business, making it essential to build and maintain strong connections through effective communication. Our commitment is to provide high-quality products at fair and reasonable price point, ensuring that agreed-upon conditions and promised quality are consistently met. We engaged with key stakeholders through various approaches as follows:

STAKEHOLDERS	KEY ISSUES	ENGAGEMENT PLATFORM	ACTIONS
CUSTOMERS 	<ul style="list-style-type: none"> Customer Satisfaction Product & Services Customer Safety 	<ul style="list-style-type: none"> O Customer Surveys O Feedback Platforms 	<ul style="list-style-type: none"> Continue to enhance customer satisfaction level with continuous improvement of our products & services
SUPPLIERS 	<ul style="list-style-type: none"> Ethically Sourced Quality Assurance Supply Chain Management Fair Price Open Tender 	<ul style="list-style-type: none"> M Supplier's Code of Conduct N Suppliers Visit 	<ul style="list-style-type: none"> Quality control checks Regular suppliers review
FRANCHISEE 	<ul style="list-style-type: none"> Quality Of Service Continuous Support & Training Growth & Expansion Relationship Management 	<ul style="list-style-type: none"> N Meetings Q Visits To Outlets on Rotation O Customer Service 	<ul style="list-style-type: none"> Training Programmes Audit Checks Sales & Marketing Technical Support Customer Service
EMPLOYEES 	<ul style="list-style-type: none"> Talent Retention & Attraction Training & Well-Being Safety & Health Career Development Diversity & Inclusivity 	<ul style="list-style-type: none"> A Annual Performance Appraisal M Regular Department Meetings A Whistle-Blowing Policy A Events & Gathering 	<ul style="list-style-type: none"> Remuneration & benefits Career progression Continuous learning & skills upgrade Safe working environment Education assistance & financial aids Welfare
COMMUNITIES 	<ul style="list-style-type: none"> Responsible Corporate Citizenship Transparency 	<ul style="list-style-type: none"> A Festive Season Events A Charity Events A Donation A Sponsorships A CSR Projects N Newspapers N Social Media 	<ul style="list-style-type: none"> Fostering strong community ties Assisting the needy
INVESTORS 	<ul style="list-style-type: none"> Financial Stability Long-Term Growth Risk Management Corporate Governance 	<ul style="list-style-type: none"> Q Quarterly & Annual Reports A Annual General Meeting (AGM) N Media N Public / Bursa Announcements 	<ul style="list-style-type: none"> Performance & financial results Strategy Research Exploring new business & new markets

Frequency of
Engagement

O

Ongoing

M

Monthly

Q

Quarterly

A

Annually

N

When
Needed

Sustainability Statement (cont'd)

GOVERNANCE

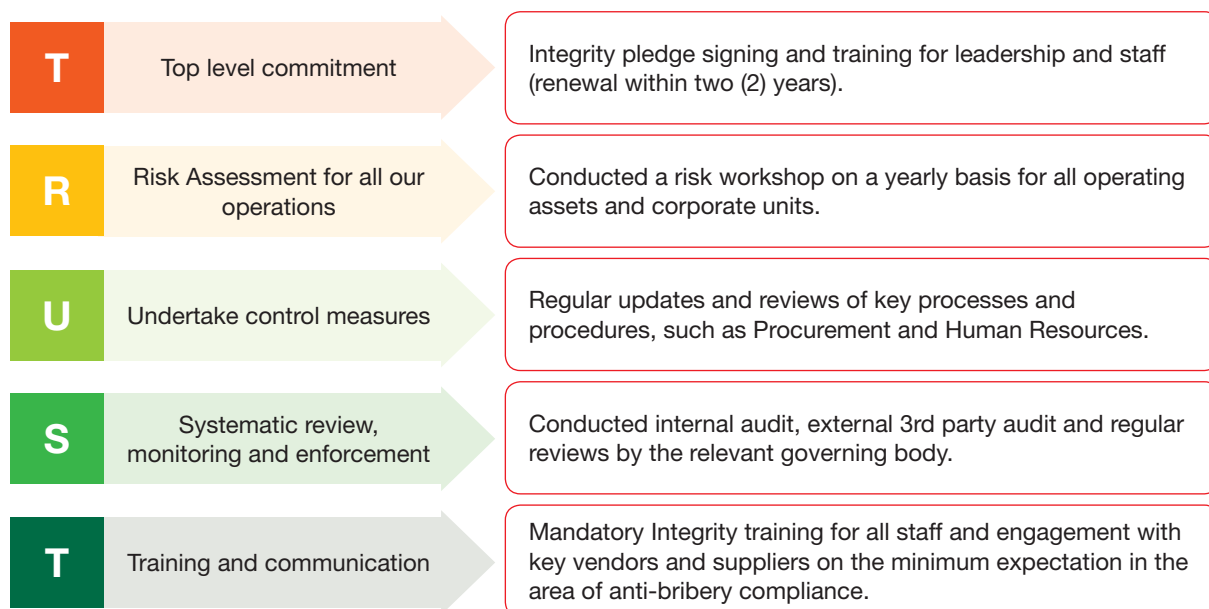
In this segment of the report, we featured all materiality topics identified that will have major impact on the performance of strategic governance of the organisation.

ANTI BRIBERY AND CORRUPTION ("ABC")

Our company is committed to the highest standards of integrity, implementing a strict Anti-Bribery and Corruption ("ABC") policy that applies to all employees, contractors, suppliers and business partners. The policy prohibits bribery, kickbacks or improper payments and emphasizes avoiding conflicts of interest. We ensure compliance through regular training and encourage employees to report unethical behaviour via confidential channels, with protection against retaliation. Additionally, we conduct thorough due diligence with third parties to maintain alignment with our ABC standards. This commitment promotes transparency, accountability and trust, safeguarding our reputation and supporting the company's long-term success.

The Group's anti-bribery management system has also adopted the TRUST principles that was issued by the Malaysia's Prime Minister Department in 2018. The principles are based on Section 17A of the MACC Act 2009 (Amendment 2018). Our main anti-corruption activities and monitoring during the reporting period are based on TRUST Principles as follows:-

SECTION 17A OF MACC



Five (5) keys of Adequate Procedures Principles.

During the reporting period, there were no confirmed cases of bribery for BOB. As previously disclosed, we continue to support together with the MACC (Sabah) programme in Sabah. We plan to continue monitoring and engaging with the stakeholders of the programme to ensure it supports the set objectives.

Sustainability Statement (cont'd)

GOVERNANCE (CONT'D)

REGULATORY COMPLIANCE AND RISK MANAGEMENT

For detailed information on the Group's regulatory compliance framework and risk management practices, please refer to the Statement on Risk Management and Internal Control ("SORMIC") on pages 95 to 98 of this Annual Report.

DATA PRIVACY AND SECURITY

The Group's ongoing digital transformation and modernization efforts have increased its exposure to cyber threats due to a growing dependence on digital data. Cybersecurity breaches, leading to the loss of confidential information, could disrupt business operations, cause financial losses, damage reputation and weaken competitiveness. The certification received during this reporting cycle has equipped the Group with a systematic approach to managing these cybersecurity risks. By implementing effective data management practices, the Group enhances trust among stakeholders and ensures improved operational efficiency through secure digital processes.

There were no data privacy or security incidents reported during this period.

13 November 2024

SugarBun & Pezzo's First Franchisee Convention

On 13 November 2024, SB Supplies & Logistics Sdn Bhd successfully hosted the First SugarBun Franchise Convention, bringing together a total of 243 participants. Among them were 186 franchisees and invited guests, 51 employees and representatives from Borneo Oil Berhad ("BOB") and SB Supplies & Logistics Sdn Bhd ("SBSL") along with members of the media.



Participants at the Franchise Convention 2024.

Sustainability Statement (cont'd)

GOVERNANCE (CONT'D)



Soulful Performance by Anabelle



*Traditional Magunatip
Bamboo Dance*



SugarBun Mascot



*Dance Performance by
SugarBun's Crew*



*Dance Performance by
Pezzo's Crew*



SugarBun Merchandise



*Launching gimmick for SugarBun &
Pezzo's First Franchisee Convention.*

Sustainability Statement (cont'd)

GOVERNANCE (CONT'D)

SUGARBUN FRANCHISE CONVENTION 2024

The event was officiated by Group Managing Director, Datuk Joseph Ambrose Lee, who welcomed all franchisees and partners while expressing appreciation for their continued support and commitment. A key highlight of the convention was the launch of the new SugarBun Express concept, reflecting the Group's vision of evolving with consumer trends and strengthening the SugarBun brand presence.

The evening concluded with a gala dinner and lucky draw session, where prizes; including iPhones worth RM28,000; were given out, adding excitement and celebration to the gathering.

In total, the convention involved an investment of approximately RM510,000, underscoring the Group's commitment to the growth and success of the franchise network and at the same time, building stronger relationships and having meaningful dialogues with our franchisees and management.



First SugarBun Franchise Convention
(45 Years Anniversary)

T.E.A.M SUCCESS BLUEPRINT

BUILDING A THRIVING FRANCHISE

S	Shared Vision	Shared Vision: The franchisor, franchisees, and staff unite under a shared vision: to expand SugarBun by delivering high quality food and exceptional service, creating memorable experiences that inspire purpose in everyone involved.
U	Unity In Teamwork	Unity in Teamwork: Cultivate a culture of teamwork, where everyone supports one another, creating a positive work environment that contributes collectively to the franchise's success.
G	Growth Mindset	Growth Mindset: Encourage continuous learning and improvement at all levels, embracing new ideas, innovations, and opportunities for both personal and business growth.
A	Attitude	Attitude: Attitude is the difference maker. Cultivate positivity and proactivity to drive success, enhance customer experiences, and strengthen the franchise.
R	Responsibility	Responsibility: Take 100% Responsibility for achieving results and upholding high standards to contribute to a sustainable future for all and the environment. Everyone contributes to the franchise's reputation, from product quality to operational efficiency.
B	Brand Consistency	Brand Consistency: Maintain SugarBun's brand integrity by ensuring consistent food and service quality across all locations, so customers enjoy the same experience everywhere they dine.
U	Uphold QSCV	Uphold QSCV: Continue adhering to the highest Quality, Service, Cleanliness, and Value (QSCV) standards, ensuring each meal reflects SugarBun's excellence.
N	Nurturing Leaders	Nurturing Leaders: Franchisor and franchisees lead by example, providing guidance, training, and motivation. Staff are encouraged to take initiative, contribute ideas, and grow within the franchise.

Hexcellence™ Team Development Program © 2024



Sabacco Products of the year.

Sustainability Statement (cont'd)

GOVERNANCE (CONT'D)

13 November 2024

Accelerating Team Dynamics

As part of the program, a specialized training session titled “Accelerating Team Dynamics”, conducted by Mr. Poh Ted Ang, was held during the convention to equip participants with valuable insights into leadership and effective teamwork.



Our Executive Director, Mr. Sri Ganesh, delivered an inspiring and energetic talk.

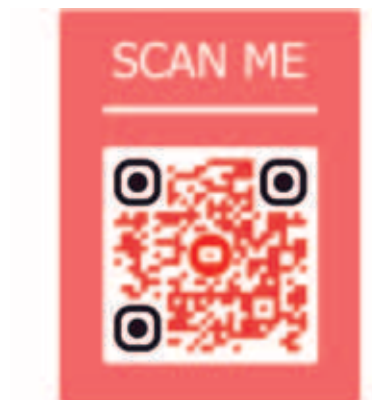


Participants actively joined the ice breaking activities.



Accelerating Team Dynamics 2024 Program facilitated by HRD accredited Trainer, Mr. Poh Ted Ang.

This training session also involved the Board of directors of Borneo Oil Berhad together with senior management together with 186 Franchisees and their team members. The event received a lot of positive feedback from the attendees and the Group will continue to engage the Group's Stakeholders in impactful ways. Watch the full highlights here by YHP Event at the Youtube Channel by scanning the QR Code below:-



Sustainability Statement (cont'd)

SOCIAL

In this segment of the report, we focus on two main aspects which are internal practices and broader community impact. Internally, it prioritizes safe, healthy working conditions, employee rights, fair labor practices and an inclusive work environment that supports diversity and well-being. This enhances employee morale and productivity. Externally, the company engages in initiatives that support the wider community, focusing on social welfare through education, health and economic empowerment. By fostering strong relationships with external stakeholders and supporting social causes, the company ensures its operations benefit both employees and society, promoting long-term social harmony and sustainable development.

CORPORATE SOCIAL RESPONSIBILITY ("CSR")

For detailed information on the Group's Corporate Social Responsibility ("CSR"), please refer to the CSR Statement at pages 99 to 112 of this Annual Report.

PRIORITIZING SAFETY: BOB'S HIRARC-DRIVEN SAFETY & HEALTH POLICY

In line with our commitment to maintaining a safe and healthy working environment, BOB has adopted the BOB Safety & Health Policy, effective from 1 January 2025. This policy is founded on the Hazard Identification, Risk Assessment and Risk Control ("HIRARC") process, a systematic approach designed to identify potential hazards, assess risks and implement appropriate control measures to mitigate or eliminate risks in the workplace.

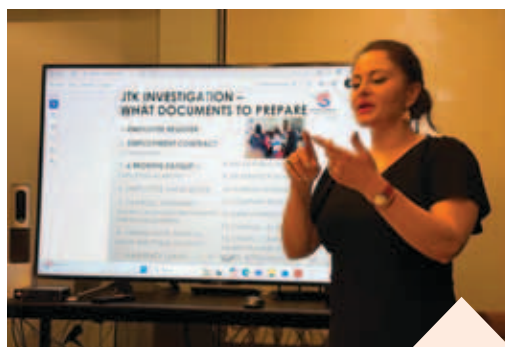
We ensure that all workplace hazards are proactively identified, evaluated and controlled to safeguard the well-being of our employees, contractors and stakeholders. The policy emphasizes the importance of regular safety audits, risk assessments and continuous monitoring of safety measures across all operations.

The implementation of the HIRARC process enables us to maintain high standards of safety by ensuring that potential risks are systematically addressed and mitigated through practical safety measures, regular training and the proper use of safety equipment.

This proactive approach not only ensures compliance with legal safety requirements but also fosters a culture of safety and responsibility across the organization. We practice workplace safety, we aim to reduce incidents and injuries, enhance employee productivity and create a safer working environment that aligns with our long-term sustainability goals.

EMPOWERING SAFETY

BOB has launched an awareness and implementation program focused on workplace safety especially with the new amendment of Sabah Labour Ordinance 2024 and other relevant Malaysian labour laws guide. This initiative includes educating employees and management about the ordinance's requirements, emphasizing key aspects such as safety assessments, risk management and emergency response protocols. Through training sessions and informational materials, we ensure that all personnel understand their roles in maintaining a safe work environment. Regular monitoring and assessments will be conducted to track progress, ensuring the full integration of the law into daily operations. This proactive approach enhances safety standards and fosters a culture of responsibility.



Our Executive Director, Ms Georgia briefing the SLO (Amendment) 2024

Sustainability Statement (cont'd)

SOCIAL (CONT'D)

TRAINING AND EDUCATION

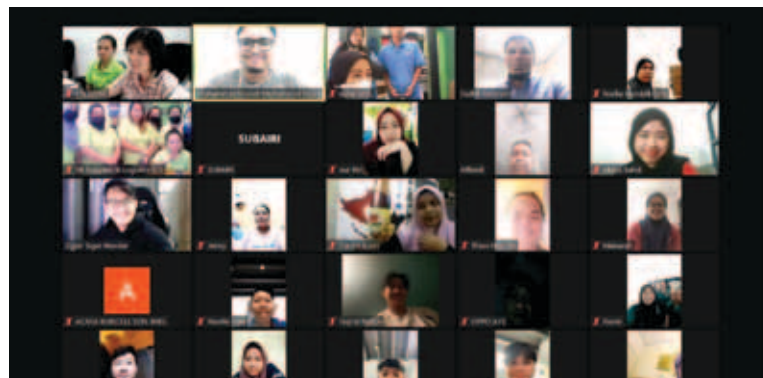
FOOD SECURITY

We recognize that the ongoing growth and development of our employees are essential for building a sustainable and thriving organization. In alignment with **SDG 4 (Quality Education)** and **SDG 8 (Decent Work and Economic Growth)**, BOB Group is dedicated to offering continuous, vital training programs. These include customer service, food handling and hygiene and Halal awareness training. Our initiatives are designed to strengthen employee and franchisee skills, ensure high standards of service and uphold food safety protocols, all while fostering professional growth and contributing to a well-equipped and knowledgeable workforce. Throughout this financial year, we have implemented several key training programs to support these goals.

- i. **Halal Awareness Training:** Dedicated to upholding our commitment to Halal standards in food preparation and services, reinforcing compliance with religious and regulatory requirements. This training has been conducted for 32 outlet employees between period of July 2024 to June 2025, demonstrating our commitment to maintaining the integrity of our products.
- ii. **Professional Halal Executive Program:** This training was designed to equip one of our executive staff participants with advanced knowledge of Halal standards and certification processes. The course focuses on enhancing skills related to Halal compliance, ensuring that products and services meet rigorous religious and regulatory requirements. This program is aimed at strengthening the expertise of employees in Halal industry practices and certification.
- iii. **Halal Competency Training for Internal Halal Committee:** The purpose of the Halal Competency Training for the Internal Halal Committee is to enhance the knowledge and expertise of 20 outlet employees in Halal certification, standards and compliance. This training ensures that the team is well-equipped to manage Halal practices, maintain consistency across all outlets and uphold rigorous standards, ensuring the integrity and credibility of Halal-certified operations.



Halal Awareness Training by Coach Wan at SugarBun Boulevard Kuching outlet.



Halal Awareness Training conducted via Zoom Meeting.

Sustainability Statement (cont'd)

SOCIAL (CONT'D)

TRAINING AND EDUCATION (CONT'D)

SUSTAINABLE BUSINESS

BOB Group is committed to supporting the career and personal development of employees through a variety of training programs aimed at enhancing their skills, knowledge and professional growth. These initiatives empower staff to reach their full potential, fostering a motivated workforce aligned with organizational success. As part of embracing the digital era, BOB Group offers specialized training in e-invoice accounting, supporting the Malaysian government's e-invoicing initiative. This training streamlines financial processes, ensures tax compliance and maximizes allowable expense deductions, fostering operational efficiency and contributing to the company's digital transformation.

i. E-invoice accounting in business operation and maximizing tax allowable expense deductions:

E-invoice accounting streamlines business operations by digitizing the invoicing process, ensuring accuracy, transparency and reducing the risk of fraud. It integrates with financial systems to automatically capture and track transactions, making it easier for businesses to comply with tax regulations. With proper e-invoice accounting, companies can ensure that all tax-deductible expenses are accurately recorded, maximizing allowable tax deductions. This efficiency not only saves time but also helps businesses optimize their tax positions by ensuring they claim all eligible expenses.



Our staff and other participants attending E-invoice accounting in business operation and maximizing tax allowable expense deductions by Mr. Tan Kok Kee on 5 – 6 September 2024 at Pullman Hotel, Kuching, Sarawak.

ii. Corporate Tax Planning, Transfer Pricing & withholding tax: Corporate tax planning involves strategically managing a company's tax liability through various techniques and structures to minimize tax expenses while ensuring legal compliance. Transfer pricing refers to setting prices for transactions between related entities within a corporate group, ensuring they reflect market value to comply with tax laws. Effective corporate tax planning must account for the potential implications of withholding tax, which involves taxes withheld on certain payments made to foreign entities, such as dividends or royalties. By strategically managing these areas, businesses can reduce their global tax burden while avoiding penalties and maintaining compliance.

Sustainability Statement (cont'd)

SOCIAL (CONT'D)

TRAINING AND EDUCATION (CONT'D)

SUSTAINABLE BUSINESS (CONT'D)

- iii. **Environmental, Sustainability & Governance (“ESG”) Fundamental Training:** ESG training introduces key concepts surrounding environmental sustainability, social responsibility and corporate governance to help businesses align their operations with ethical and regulatory standards. This training emphasizes how companies can minimize their environmental impact, ensure social equity and adopt governance practices that promote transparency and accountability. With growing consumer and regulatory pressure for businesses to act responsibly, ESG-focused companies are better positioned to attract investment and maintain a positive brand image. The training equips employees and executives with the tools to implement sustainable practices and contribute to long-term value creation.
- iv. **Effective Communication Skills enhance your ability to persuade and influence:** Effective communication is essential for leadership, negotiation and decision-making, as it enhances your ability to convey ideas clearly and persuasively. Developing strong communication skills allows you to influence others by presenting arguments and information logically and compellingly. Active listening, emotional intelligence and adapting your message to different audiences are critical components that can improve communication effectiveness. Mastering these skills helps build trust, resolve conflicts and foster collaboration, ultimately driving both personal and organizational success.

SAFETY & HEALTH

We place a high priority on maintaining a safe and healthy work environment in every moment. To further strengthen our commitment, we have enrolled our staff in specialized training programs designed to enhance their understanding and support the effective implementation of workplace safety and health policies. These initiatives reflect our ongoing efforts to ensure that employees are well-equipped with the necessary knowledge and skills to comply with safety protocols, ultimately promoting a culture of well-being and operational efficiency across the organization.

- The **HACCP Principles and HACCP Plan Application** training at BOB is designed to equip employees with a comprehensive understanding of the Hazard Analysis and Critical Control Points (“HACCP”) system. This training ensures food safety compliance and industry best practices by focusing on the identification, evaluation and control of potential food safety hazards. Participants gain the necessary skills to develop and implement effective HACCP plans within their respective roles.



Our Executive Director, Ms Georgia briefing
the SLO (Amendment) 2024



Our Executive Director, Ms Georgia briefing
the SLO (Amendment) 2024

Sustainability Statement (cont'd)

SOCIAL (CONT'D)

TRAINING AND EDUCATION (CONT'D)

SAFETY & HEALTH (CONT'D)



Our staff from various outlets attending Occupational Safety and Health Coordinator training.



Our staff attending Occupational Safety and Health Coordinator training at Kuala Lumpur.



Another team from our staff attending Occupational Safety and Health Coordinator training.

HEALTH & SAFETY RESPONSIBILITY

Health and Safety is one of the most important aspects of the Group's focus in conducting its businesses. FYE2025, the Group reported no death nor serious injury at any of its operations. Notwithstanding, the Group continues to make every effort to always be alert and strive to improve the understanding and upskilling of its employees in matters relating to Health and Safety.

During the period of July 2024 until June 2025, The Group send 16 employees to attend training for Health and Occupational Safety Training as follows:

	Name of Staff	Designation
1	FELICIA FOO SU YI	Restaurant Operations Manager
2	NORYATI BINTI ISHAK	Stock Asst.
3	SAID BIN BONTOK	Senior branch executive
4	TING MING WAI	Senior Branch Exec.
5	MOHD HAFIZ BIN ABD KADIR	Restaurant Manager
6	SANKAR A/L SEHANDRESKARAN	Assistant Manager (Succession)
7	NOR AFFSHAH BINTI SAIRI	Training Executive – Operations

Sustainability Statement (cont'd)

SOCIAL (CONT'D)

TRAINING AND EDUCATION (CONT'D)

HEALTH & SAFETY RESPONSIBILITY (CONT'D)

During the period of July 2024 until June 2025, The Group send 16 employees to attend training for Health and Occupational Safety Training as follows: (Cont'd)

	Name of Staff	Designation
8	PETER SAM CASSY ANAK JITON	Supervisor
9	NATASHA ALEXANDER MALIBIN	Plant Manager (Stakan)
10	TAN TONG LIENG	Plant Manager
11	JUSNI BIN SARUDIN	Plant Manager
12	CHONG KON TET	Restaurant Manager
13	SITI AJAH BINTI KINAR	Senior Branch Manager
14	HAKMA BINTI UMAR	Restaurant Manager
15	EPIPHANIE CHRITIE BIANUS	Supervisor
16	GEORGIA SUZANNE LINGAM (BOB)	Executive Director

DIVERSITY AND OPPORTUNITY

BOB focuses on nurturing a workplace where all employees feel safe, respected and protected. The Group has made the following commitment:

Zero Harassment	Zero Discrimination	Support Diversity and Equal Opportunities
Do not tolerate any form of harassment against any employees.	Maintain a zero-tolerance stance on any form of workplace discrimination.	Will continue to take action to improve workforce diversity and equal opportunities or reduce discrimination based on race, gender, age, sexual orientation, religion, caste, marital status, nationality or disability.

In 2025, BOB demonstrated a strong commitment to gender diversity, with a workforce composition of 54% male and 46% female. This near-balanced representation highlights BOB's continued efforts to foster an inclusive and equitable workplace. Historically male-dominated due to labour-intensive in franchisee operations, BOB is actively working to narrow the gender gap by ensuring equal opportunities across all employment in terms of hiring, promotion, compensation and training.

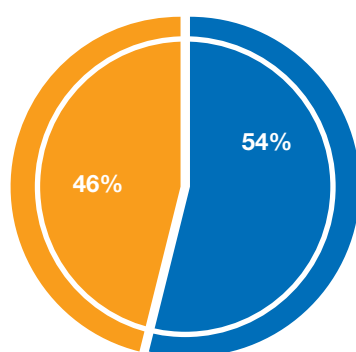
The company does not discriminate against female candidates and remains committed to attracting, retaining and promoting women in its workforce. BOB believes that a diverse, talented and engaged team is essential to its long-term success. As the company continues to grow and embrace a sustainable energy future, empowering all employees, regardless of gender, is key to delivering on strategic goals. BOB's inclusive approach not only enhances innovation and collaboration but also strengthens its ability to transform vision into meaningful, measurable action across its operations.

Sustainability Statement (cont'd)

SOCIAL (CONT'D)

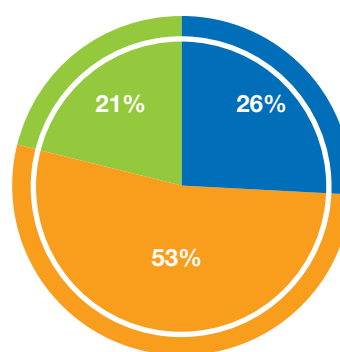
DIVERSITY AND OPPORTUNITY (CONT'D)

Please refer to pages 10-18 and page 63 of this Annual Report for our Board of Directors and Leadership gender diversity data.



**GENDER DIVERSITY FOR
EMPLOYEES IN 2025**

■ Male ■ Female



**GENDER DIVERSITY FOR
EMPLOYEES IN 2025**

■ Below 30 years old
■ 30 to 50 years old
■ 50 years old and above

BOB compensation and benefits programmes focus on attracting and retaining a highly skilled workforce. We validate the competitiveness of these programmes by reviewing them periodically through industry-specific surveys to identify and address compensation inequities, including pay parity based on gender, race and ethnicity.

BOB does not condone any discrimination based on gender. There is no remuneration difference between men and women holding the same position.

CELEBRATING UNITY IN DIVERSITY: A YEAR OF CULTURAL HARMONY

At BOB, we take great pride in celebrating the rich cultural diversity that defines our workforce. We recognize that our strength lies in the unity of our people, who come together from different backgrounds, traditions and beliefs to form a cohesive, forward-thinking team. Our celebration of various cultural events, such as Chinese New Year, Hari Raya and Christmas, is a testament to this spirit of inclusivity.

Each celebration provides an opportunity for us to honor the values and customs of our colleagues, fostering mutual respect and understanding. Chinese New Year brings an air of renewal and prosperity, while Hari Raya symbolizes gratitude, reflection and community bonding. Christmas, a time for giving and togetherness, reminds us of the importance of compassion and collaboration.

These festivities not only enhance the work environment but also reinforce the importance of diversity in our workplace. As we come together to celebrate, we strengthen the ties that unite us and reaffirm our commitment to working collaboratively toward common goals. At BOB, we believe that embracing diversity is essential to our success and we are proud to celebrate the unique cultures that make our team stronger, more resilient and more dynamic.

Sustainability Statement (cont'd)

SOCIAL (CONT'D)

CELEBRATING UNITY IN DIVERSITY: A YEAR OF CULTURAL HARMONY (CONT'D)



Chinese New Year 2025 Celebration.



Hari Raya 2025 Celebration.



Christmas 2024 Celebration.

Sustainability Statement (cont'd)

ENVIRONMENTAL

BORNOIL vision is to preserve the environment where we operate. We are committed to fostering solid environmental stewardship and achieving operational excellence.

This is where the environmental aspect and environmental impact of our operation being assessed.

There are four (4) material topics under the Environment:

- Energy Management
- Water consumption
- Waste Management
- GHG Emission

ENERGY MANAGEMENT

BOB is considering the implementation of the energy management system in the future. Most of the energy used are from the electricity purchase. The summary of the comparative figure of energy consumption within 2024 and 2025 is as follows:

Energy Type	2025	2024
Electricity Purchase	2,271.19	2,265.38
Total Energy Consumption (MW)	2,271.19	2,265.38
Energy Intensity (Energy Used / Total Revenue – MW/RM)	2.758×10^{-5}	2.883×10^{-5}

* **Revenue for FYE2024: RM78,561,000.00 and FYE2025: RM 82,356,741.00**

In 2025, BOB achieved a notable improvement in energy efficiency compared to 2024. Total energy consumption recorded a slight increase from 2,265.38 MW in 2024 to 2,271.19 MW in 2025, equivalent to a 0.26% rise. However, total revenue grew at a much faster rate, increasing by 4.83% from RM78.56 million to RM82.36 million. This growth outpaced the increase in energy use, leading to a reduction in energy intensity from 2.883×10^{-5} MW RM⁻¹ in 2024 to 2.758×10^{-5} MW RM⁻¹ in 2025. The 4.33% decline in energy intensity indicates that BOB used less energy to generate each ringgit of revenue, reflecting better operational efficiency and cost control.

This improvement suggests that the company's energy management strategies, optimization measures and possibly technology upgrades contributed to more efficient energy use, supporting BOB's sustainability goals and strengthening its overall business performance in 2025.

WATER CONSUMPTION

BOB is committed to environmental sustainability, with a strong focus on water conservation across its operations and franchisee network. In alignment with **SDG 6 (Clean Water and Sanitation)**, the Group has implemented rainwater harvesting systems at key operational and plantation sites including its corporate office. These systems capture rainwater for non-potable uses such as irrigation, toilet flushing and cleaning. At operational facilities, three water catchments hold approximately 100,000 litre, while the office has four 600 litre tanks, supporting a greener environment. This year we add another 6 tank each 1,500 litre for rainwater collection at site facility.

Sustainability Statement (cont'd)

ENVIRONMENTAL (CONT'D)

WATER CONSUMPTION (CONT'D)



Improving rainwater harvesting system by addition of 6 tank each 1,500 Litre in site facility.

Table 1: Overview of the rainwater harvesting system's specifications and usage for both corporate and operational sites.

Location	Type of rainwater harvesting system	Size / Capacity	Purpose
Corporate Office	Rainwater Harvesting Tanks	4 tanks, each 600 Litres capacity	Toilet flushing, facility cleaning, watering indoor and outdoor plants to reduce dependence on municipal water.
Facility	Rainwater Catchment Areas	3 catchment, total capacity of 100,000 Litres, 6 tank each 1,500 Litre	Non-potable application such as landscape irrigation, toilet flushing, cleaning and cooling processes.

Additionally, BOB has extended its water management practices to franchisee locations, encouraging them to adopt similar rainwater harvesting and water saving measures. A comprehensive 2-year strategy aims to reduce water consumption across both company owned and franchisee sites. This includes improving water collection efficiency, expanding non-potable applications and monitoring water bills for cost saving opportunities.

Energy Type	2025	2024
Water Consumptions (ML)	37.47028	36.20343

Through these initiatives, BOB aims to reduce its dependence on municipal water supplies by optimizing water usage through rainwater harvesting and efficient treatment systems. Leveraging natural water sources and enhancing the efficiency of water management practices, the Company can lower operational costs associated with water procurement and usage.

Sustainability Statement (cont'd)

ENVIRONMENTAL (CONT'D)

WATER CONSUMPTION (CONT'D)



Harvested rainwater were collected for landscaping and farming purpose.

Additionally, the integration of these practices across both corporate and franchisee locations fosters a unified approach to sustainability, ensuring consistent resource management across the entire network. Ultimately, these efforts will contribute to BOB's long-term environmental goals, supporting both cost-efficiency and sustainability in operations.



Water catchment area at plantation sites for various purposes.

Water Conservation in Operations

- ✓ **Low-Flow Fixtures:** Install low-flow faucets, toilets and urinals in all franchisee outlets. This will significantly reduce water usage in restrooms and kitchen areas without compromising functionality.
- ✓ **Efficient Dishwashing Systems:** Use commercial dishwashers that consume less water per cycle. Additionally, encourage employees to fully load dishwashers to maximize water efficiency.
- ✓ **Water Recycling Systems:** Implement greywater recycling systems where safe and feasible. For example, water used for rinsing vegetables can be filtered and reused for non-potable purposes like outdoor landscaping.
- ✓ **Leak Detection and Maintenance:** Regularly inspect all water lines, fixtures and appliances to prevent leaks and waste. This could be achieved with automated sensors to detect leaks early.

Sustainability Statement (cont'd)

ENVIRONMENTAL (CONT'D)

WATER CONSUMPTION (CONT'D)

Employee Awareness and Training

- ✓ **Water Usage Training:** Regularly train staff on the importance of water conservation and the proper techniques for minimizing water usage in the kitchen and throughout the restaurant.
- ✓ **Sustainability Campaigns:** Create campaigns to raise awareness among employees about the impact of water usage and encourage them to adopt water-saving practices.

Water-Efficient Landscaping

- ✓ **Drought-Resistant Plants:** If BOB outlets have outdoor landscaping, use drought-resistant plants that require minimal water to maintain.

Water Conservation in Operations

- ✓ **Rainwater Harvesting:** Install rainwater harvesting systems to collect and store rainwater for use in irrigation or non-potable needs like cleaning.

Data Tracking and Reporting

- ✓ **Monitor Water Usage:** Implement a water metering system at each location to track water consumption. This will allow BOB to identify areas of inefficiency and set realistic water reduction targets.
- ✓ **Annual Water Management Report:** Include water management data in BOB's sustainability reporting to track progress and ensure accountability for water-saving goals.

WASTEWATER MANAGEMENT

Efficient wastewater management is critical to minimizing environmental impact. BOB ensures that all wastewater, including kitchen wash water and sewage, is treated in accordance with environmental regulations. At plantation sites, wastewater is not directly discharged into rivers. Instead, it is collected in dedicated ponds for initial treatment.



Water treatment ponds at plantation sites.

These ponds allow for the filtration and settling of contaminants before the water undergoes further treatment to meet environmental standards. This process ensures that wastewater is safely treated, reducing the risk of pollution and protecting nearby water resources. Whenever possible, the treated wastewater is either reused or discharged in a manner that minimizes harm to local ecosystems.

Sustainability Statement (cont'd)

ENVIRONMENTAL (CONT'D)

SOLID WASTE MANAGEMENT

BOB has continued to implement proactive waste management initiatives aimed at reducing our environmental footprint and promoting resource conservation. We have maintained our composting practices, focusing on converting organic waste, such as dry leaves, paper waste and food scraps, into valuable compost. This compost is then used to enrich the soil for planting and nurturing plants within our office premises, contributing to a greener and more sustainable environment. We also practice regenerative planting, ensuring that the plants nurtured through our composting efforts support soil health and contribute to ecosystem restoration.

	Unit	2025
Total waste diverted from disposal	Metric tonnes	20.00
Total waste directed to disposal	Metric tonnes	259.20



We expanding our organic compost project at Kokol's site.

While this remains a small part of the broader sustainability challenge, we firmly believe that every action counts. We are consistently doing our part in the ongoing sustainability efforts for a more sustainable future. Our waste management initiatives are just the beginning of our larger commitment to fostering responsible consumption and production throughout our operations.

These initiatives align with **SDG 12 (Responsible Consumption and Production)**, which encourages the efficient use of natural resources, waste reduction and the promotion of recycling and reuse. Through these actions, we continue to support the global goal of waste reduction and resource efficiency, contributing to the collective pursuit of sustainability.



Transforming organic waste into compost to enhance soil fertility.

Sustainability Statement (cont'd)

ENVIRONMENTAL (CONT'D)

SOLID WASTE MANAGEMENT (CONT'D)

As for solid waste, BOB committed to participating in 3B Campaign (“Bawa Beg Bah!”) launched in August 2024 by Kota Kinabalu’s Mayor, Datuk Seri Dr. Sabin Samitah, aimed at reducing plastic waste and promoting sustainable waste management. The campaign encourages the public to adopt Reduce, Reuse and Recycle practices, with a focus on eliminating plastic bags.

In support, SugarBun reduce the plastic bags usage at its outlets, urging customers to bring their own reusable bags. Aligned with the 3B Campaign, SugarBun through its selected franchisee outlets had launched Free SugarBun Tote Bag for any purchase limited to terms and conditions, while stock last.



Additionally, BOB has implemented waste segregation in its head office and in certain locations, sorting waste into recyclable, compostable and general categories to reduce landfill waste. Aligning with the 3B Campaign, BOB is contributing to a cleaner, greener Kota Kinabalu and setting a positive example for other businesses and the community in responsible waste management practices. This partnership underscores BOB’s commitment to sustainability and environmental stewardship.



Carrying sustainability with every step, our eco-friendly tote bags in action.

Sustainability Statement (cont'd)

ENVIRONMENTAL (CONT'D)

GHG EMISSION

BOB has officially disclosed its greenhouse gas (GHG) emissions under Scope 1 and Scope 2 for the first time, marking a major step in its environmental performance journey. This aligns with Malaysia's national goal to achieve Net Zero emissions by 2050. For greater transparency in our reporting, we have adopted international standard guidelines on GHG emission methodology such as the GHG Protocol's A Corporate Accounting and Reporting Standards (revised edition – 2004), GHG Protocol Scope 2 Guidance (2015). We also used the UK Government GHG Conversion Factors for Company Reporting (2024) as issued by the Department for Energy Security & Net Zero throughout the disclosure calculation unless stated otherwise.

Scope 1 emissions are direct emissions from company-controlled sources like diesel combustion and flaring. In BOB, the diesel purchased by the company for the genset are measured under Scope 1. Meanwhile Scope 2 refers to indirect emissions from purchased electricity. For FYE 2025, BOB reported a total of 1,810.70 tonnes of CO₂e emissions under Scope 1 and 2. The GHG intensity was recorded at 0.000022 kgCO₂e per RM, based on a total revenue of RM 82.36 million.

	Unit	2025
GHG Emission – Scope 1 and 2 only	Tonne CO ₂ e	1,810.70
GHG Intensity (GHG Emission / Total Revenue)	kgCO ₂ e / RM	0.000022

* Revenue for FYE 2025: RM 82,356,741.00

* Diesel emission factor is 2.68 kg/l

* Grid emission factor for Sabah/Sarawak 2024-2025 is 0.620

Sustainability Statement (cont'd)

BURSA MALAYSIA EESG REPORTING PLATFORM PERFORMANCE DATA TABLE

Indicator	Measurement Unit	2025
Bursa (Anti-corruption)		
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category		
Management	Percentage	6.98
Executive	Percentage	12.12
Non-executive/Technical Staff	Percentage	1.83
General Workers	Percentage	0.00
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	100.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0.00
Bursa (Community/Society)		
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	28,619.14
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	12
Bursa (Diversity)		
Bursa C3(a) Percentage of employees by gender and age group, for each employee category		
Age Group by Employee Category		
Management Under 30	Percentage	2.33
Management Between 30-50	Percentage	51.16
Management Above 50	Percentage	46.51
Executive Under 30	Percentage	6.06
Executive Between 30-50	Percentage	60.61
Executive Above 50	Percentage	33.33
Non-executive/Technical Staff Under 30	Percentage	35.16
Non-executive/Technical Staff Between 30-50	Percentage	52.05
Non-executive/Technical Staff Above 50	Percentage	12.79
General Workers Under 30	Percentage	16.13
General Workers Between 30-50	Percentage	58.06
General Workers Above 50	Percentage	25.81
Gender Group by Employee Category		
Management Male	Percentage	62.79
Management Female	Percentage	37.21
Executive Male	Percentage	48.48
Executive Female	Percentage	51.52
Non-executive/Technical Staff Male	Percentage	47.95
Non-executive/Technical Staff Female	Percentage	52.05
General Workers Male	Percentage	93.55
General Workers Female	Percentage	6.45
Bursa C3(b) Percentage of directors by gender and age group		
Male	Percentage	61.54
Female	Percentage	38.46
Under 30	Percentage	0.00
Between 30-50	Percentage	23.08
Above 50	Percentage	69.23
Bursa (Energy management)		
Bursa C4(a) Total energy consumption	Megawatt	2,271.19
Bursa (Health and safety)		
Bursa C5(a) Number of work-related fatalities	Number	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0
Bursa C5(c) Number of employees trained on health and safety standards	Number	16
Bursa (Labour practices and standards)		
Bursa C6(a) Total hours of training by employee category		
Management	Hours	521
Executive	Hours	564
Non-executive/Technical Staff	Hours	368
General Workers	Hours	7
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	0
Bursa C6(c) Total number of employee turnover by employee category		
Management	Number	0
Executive	Number	3
Non-executive/Technical Staff	Number	3
General Workers	Number	0
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0
Bursa (Supply chain management)		
Bursa C7(a) Proportion of spending on local suppliers	Percentage	99.76
Bursa (Data privacy and security)		
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0
Bursa (Water)		
Bursa C9(a) Total volume of water used	Megalitres	37.47028
Bursa (Waste management)		
Bursa C10(a) Total waste generated	Metric tonnes	279.20
Bursa C10(a)(i) Total waste diverted from disposal	Metric tonnes	20.00
Bursa C10(a)(ii) Total waste directed to disposal	Metric tonnes	259.20
Bursa (Emissions management)		
Bursa C11(a) Scope 1 emissions in tonnes of CO ₂ e	Metric tonnes	402.56
Bursa C11(b) Scope 2 emissions in tonnes of CO ₂ e	Metric tonnes	1,408.14

(*) Restated

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors (“Board”) of Borneo Oil Berhad (“BOB” or “the Company”) is pleased to present this Corporate Governance Overview Statement (the “Statement”) to provide an overview of the Corporate Governance practices adopted by the Company in achieving the intended outcomes as set out in the latest Malaysian Code on Corporate Governance 2021 (“the Code” or “MCCG 2021”) with reference to the following three (3) key principles, under the stewardship of the Board:-

- (a) Principle A - Board Leadership and Effectiveness;
- (b) Principle B - Effective Audit and Risk Management; and
- (c) Principle C - Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders.

This Statement outlines the corporate governance practices adopted by the Board of the Company during the financial year ended 30 June 2025 (“FYE 2025”), where possible, and applicable laws to be a dynamic framework within which the Group would conduct its businesses.

This Statement also serves as a compliance with Paragraph 15.25(1) of the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”) and should be read together with the Corporate Governance Report of the Company for the FYE 2025 as published on the Company’s website at www.borneo-oil.com.my.

A. BOARD LEADERSHIP AND EFFECTIVENESS

PART 1 - BOARD RESPONSIBILITIES

Intended Outcome 1.0

Every company is headed by a board, which assumes responsibility for the company’s leadership and is collectively responsible for meeting the objectives and goals of the company.

1.1 STRATEGIC AIMS, VALUES AND STANDARDS

The Board is responsible for the leadership, oversight and overall management of the Company. An effective Board is made up of a combination of Executive Directors with intimate knowledge of the business and Independent Non-Executive Directors from diversified industry/business backgrounds to bring wide-ranging business and commercial experience to the Group. The Board has the overall responsibility for corporate governance, establishing goals, strategies and direction, reviewing the Group’s performance and critical business issues and ultimately the enhancement of long-term shareholders’ value. It monitors and delegates the implementation of the strategic direction to the management.

The Directors collectively, with their different backgrounds and specialisations, bring with them a diverse wealth of experience and expertise in areas such as business, finance, legal, regulatory and operations which is relevant to the Group. A brief profile of each individual Director is set out in this Annual Report.

At each Audit and Risk Management Committee (“ARMC”) meeting and Board meeting, and as and when the need arises, the respective personnel from the Management would brief the Directors on current operations, issues faced and plans of the Group in order for the Board to be kept abreast of the conduct, business activities and development of the Group and to discuss and advise the Management in its formulation of the Group’s business strategies, both short-term and long-term. Discussions would include the deployment of resources efficiently and effectively in achieving the objectives to be met. In making its decisions, the Board would be guided by the Group’s values and standards.

Corporate Governance Overview Statement (cont'd)

A. BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART 1 - BOARD RESPONSIBILITIES (CONT'D)

1.1 STRATEGIC AIMS, VALUES AND STANDARDS (CONT'D)

The Board's role is to oversee the performance of the Management to determine whether the business is properly managed. The Board gets updates from Management at the quarterly Board meetings when reviewing the quarterly results. During such meetings, the Board participates actively in the discussion on the performance of the Company and of the Group and also assesses the performance of the Management.

The Board has a formal schedule of matters reserved for its decision which includes, among others, the following:-

- Reviewing and adopting strategic plans for the Company and the Group to enhance future growth;
- Overseeing the conduct of the Group's business to evaluate whether the business are being properly managed;
- Identifying principal risks of the business and ensuring the implementation of appropriate systems to manage these risks;
- Reviewing the adequacy and integrity of the Group's internal control systems and management information systems;
- Reviewing and evaluating key policies adopted by the Company and the Group;
- Establishing Board committees and be responsible for all decisions made by the committees;
- Reviewing and approving unaudited quarterly results and audited financial statements;
- Ensuring all candidates appointed to senior management positions are of sufficient caliber and satisfied that there are programmes in place to provide for the orderly succession of senior management; and
- Overseeing the development and implementation of shareholders' communications policy for the Company.

As part of its efforts to ensure the effective discharge of its duties, the Board has delegated certain functions and responsibilities to the following respective Board Committees:-

- Nomination Committee ("NC")
- Remuneration Committee ("RC")
- Audit and Risk Management Committee ("ARMC")
- Sustainability Steering Committee ("SSC")

The Board Committee assist the Board in overseeing the Company and the Group's affairs and deliberate on issues within the respective functions and respective terms of reference. These terms of reference clearly outline the objectives, duties and powers of each Board Committee. The Chairman of each Board Committee will report to the Board key issues deliberated at the respective Committee's meetings.

Corporate Governance Overview Statement (cont'd)

A. BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART 1 - BOARD RESPONSIBILITIES (CONT'D)

1.2 THE CHAIRMAN OF THE BOARD

The Board is helmed by the Non-Independent Non-Executive Chairman together with the Managing Director are working closely with the rest of the other Board members (Executive and Independent Non-Executive Directors) to form policies and strategies to align business activities driven by the Management team.

1.3 SEPARATION OF THE POSITIONS OF CHAIRMAN AND THE EXECUTIVE DIRECTOR

The Board has established clear roles and responsibilities in discharging its fiduciary and leadership functions. The roles of the Chairman and Executive Directors ("EDs") are held by two (2) different individuals with clearly defined divisions and responsibilities between them to ensure the balance of control, power and authority, such that no one (1) individual has unfettered powers of decision-making. The Chairman has been acting as facilitator at meetings of Directors and to ensure smooth functioning of the Board in the interest of good CG practice. The Chairman is also responsible to provide leadership for the Board so that the Board can perform its responsibilities effectively.

The Non-Executive Directors are independent of Management and free from any business relationship and decision-making that could interfere with the exercise of their independent judgement to the Company and Group.

Non-Independent Non-Executive Chairman

Mr. Tan Kok Chor

(Appointed on 21 August 2001 and re-designated on 04 October 2023)

Managing Director

Datuk Joseph Lee Yok Min @ Ambrose

(Appointed on 27 March 2019 and re-designated on 1 April 2022)

Executive Directors

Ms. Georgia Suzanne Lingam @ Georgianne

(Appointed on 1 April 2022)

Mr. Sri Ganesh A/L K Balasubramaniam

(Appointed on 1 April 2022)

Mr. Riorn Lee Kah Vui

(Appointed on 2 December 2024)

Senior Independent Non-Executive Director

Mr. Seroop Singh Ramday

(Appointed on 1 August 2014)

Independent Non-Executive Directors

Ms. Susie Chung Kim Lan

(Appointed on 1 April 2022)

Ms. Siti Ainee Hanum Binti Suhaidi

(Appointed on 27 July 2023)

Current Board Age Diversity

2/8 25.00%

30 – 49 Years old

6/8 75.00%

50 Years old and above

Current Board Balance and Composition

1/8 12.50%

Non-Independent Non-Executive Chairman

1/8 12.50%

Managing Director

3/8 37.50%

Executive Directors

1/8 12.50%

Senior Independent Non-Executive Directors

2/8 25.00%

Independent Non-Executive Directors

Current Board Tenure

2/8 25.00%

1 – 3 Years

6/8 75.00%

More than 3 years

Current Board Gender Diversity

3/8 37.50%

Female

5/8 62.50%

Male

Corporate Governance Overview Statement (cont'd)

A. BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART 1 - BOARD RESPONSIBILITIES (CONT'D)

1.4 BOARD MEETINGS

The Board meets at least once every quarter, to consider all matters relating to the overall control, business performance and strategy of the Company and of the Group. Additional meetings will be called when necessary.

All Board and Board Committee meetings and the Annual General Meeting ("AGM") for each financial year end are scheduled before the end of the preceding financial year to ensure sufficient time is given to the Directors to plan their schedules and enable them to attend the meetings.

Prior to the scheduled meetings, Directors will be provided with a structured agenda together with management reports and proposal papers in a timely manner. All Directors have full and timely access to information through the Board papers distributed in a timely manner prior to the Board meetings. The Board papers provide, among others, periodic financial information, annual budget, operational and corporate issues, investment proposals and Management proposals that require the Board's approval.

Management staff may be invited to attend Board Meetings to provide the Board with detailed explanations and clarifications on certain matters that are tabled to the Board. All Directors have unrestricted access to information within the Group. The Directors may seek advice from the Management on issues under their respective purview. The Directors may also interact directly with the Management or request further explanation, information or updates on any aspect of the Group's operations or business concerns. In this way, the Board has full access to all information on the Company's and the Group's affairs to enable the proper discharge of duties.

All deliberations and decisions made at the Board meetings are recorded by the Company Secretaries including whether any Directors abstained from voting or deliberating on a particular matter. Minutes of the meeting are circulated to the Board and the Management for review and comments in a timely manner before the minutes of the last Board meeting are confirmed at the next Board meeting.

All minutes of the Board or Board Committee meetings are approved by the respective Board and Board Committees and the Chairman of the respective Board or Board Committees signs the Minutes as an accurate record. These documents are kept in the Minutes Books at the registered office of the Company to be made available for inspection.

Directors are expected to give sufficient time and attention to carry out their responsibilities. For FYE 2025, the Board held ten (10) meetings and the attendance record of the Directors was satisfactory.

Corporate Governance Overview Statement (cont'd)

A. BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART 1 - BOARD RESPONSIBILITIES (CONT'D)

1.4 BOARD MEETINGS (CONT'D)

This is evidenced by the attendance record of the Directors at the Board meetings as set out below:-

Members Of The Board	Designation	Attendance
Mr. Tan Kok Chor	Non-Independent Non-Executive Chairman	10/10
Datuk Joseph Lee Yok Min @ Ambrose	Managing Director	10/10
Mr. Sri Ganesh A/L K Balasubramaniam	Executive Director	10/10
Ms. Georgia Suzanne Lingam @ Georgianne	Executive Director	10/10
Mr. Riorn Lee Kah Vui (Appointed on 02.12.2024)	Executive Director	7/10
Mr. Seroop Singh Ramday	Senior Independent Non-Executive Director	10/10
Ms. Susie Chung Kim Lan	Independent Non-Executive Director	10/10
Ms. Siti Ainee Hanum Binti Suhaidi	Independent Non-Executive Director	8/10

For FYE 2025, all the Directors have complied with the minimum 50% attendance requirement in respect of the Board Meeting as stipulated in the MMLR of Bursa Securities. In the intervals between Board Meetings, for any matters requiring the Board's decisions, the Board's approvals are obtained by way of resolution in writing. The resolutions passed by way of such resolutions are then noted at the next Board Meeting.

1.5 COMPANY SECRETARIES

QUALIFIED AND COMPETENT COMPANY SECRETARIES

The Company complies with Practice 1.5 of the MCCG 2021 where the Board is supported by two (2) suitably qualified and competent Company Secretaries. The Board has ready and unrestricted access to the advice and services of the Company Secretaries, who are considered capable of carrying out the duties associated with their positions.

In performing their duties, the Company Secretaries carry out, among others, the following tasks:-

- Statutory duties as required under the Companies Act 2016, MMLR of Bursa Securities and Capital Market and Services Act 2007;
- Facilitating and attending Board Meetings and Board Committee Meetings;
- Facilitating and attending General Meeting(s);
- Ensuring that Board Meetings and Board Committee Meetings are properly convened, and the proceedings are properly recorded;
- Ensuring timely communication of the Board level decisions to the management for further actions;
- Ensuring that all appointments to the Board and/or Board Committees are properly made in accordance with the relevant regulations and/or legislation;

Corporate Governance Overview Statement (cont'd)

A. BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART 1 - BOARD RESPONSIBILITIES (CONT'D)

1.5 COMPANY SECRETARIES (CONT'D)

QUALIFIED AND COMPETENT COMPANY SECRETARIES (CONT'D)

In performing their duties, the Company Secretaries carry out, among others, the following tasks:- (cont'd)

- Maintaining records for the purpose of meeting statutory obligations of applicable jurisdictions;
- Facilitating the provision of information as may be requested by the Directors from time to time in a timely manner and ensuring adherence to Board policies and procedures;
- Facilitating the conduct of the assessments to be undertaken by the Board and/or Board Committees as well as to compile the results of the assessments for the Board and/or Board Committee's notation;
- Assisting the Company with the lodgements of documents with relevant statutory and regulatory bodies;
- Assisting the Board with the preparation of announcements for release to Bursa Securities; and
- Rendering advice and support to the Board and Management.

The Company Secretaries keep the Board abreast of the latest regulatory updates and also ensure that deliberations at Board and Board Committee meetings are well documented.

During FYE 2025, the Company Secretaries discharged their duties and responsibilities accordingly, and they had and will continue to constantly keep themselves abreast of matters concerning company law, the capital market, corporate governance, and other pertinent matters, and with changes in the regulatory environment through continuous training and industry updates.

The Board is satisfied with the performance and support rendered by the Company Secretaries in discharging their functions and duties.

Intended Outcome 2.0

- There is demarcation of responsibilities between the board, board committees and management.
- There is clarity in the authority of the board, its committees and individual directors.

2.1 BOARD CHARTER

The Board understands the importance of the roles and responsibilities between the Board and Management. The Board has a Board Charter, which includes a formal schedule of matters reserved for the Board. The said schedule details the responsibilities of the Board and Board-Management relationship, including management limitations. With this, the respective functions, roles and responsibilities of the Directors and Management are clearly set out in the Board Charter as guidance and clarity to enable them to effectively discharge their duties.

The Board Charter of the Company encompasses the governance and structure of the Board, authority, major responsibilities and terms of reference of the Board and Board Committees, matters reserved for the Board, and guidance on the Board's conduct.

The Board reviews the Board Charter periodically, to ensure it remains relevant and effective at the prevailing time and business environment.

The Board Charter is available on the Company's website at www.borneo-oil.com.my.

Corporate Governance Overview Statement (cont'd)

A. BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

DIRECTORS' INDUCTION, TRAINING AND DEVELOPMENT

Continuing Education Program

All the Directors who were appointed have attended the Mandatory Accreditation Programme as required under the MMLR of Bursa Securities and they have also attended external training courses and programmes during the FYE 2025.

The Directors are encouraged to devote sufficient time to update their knowledge and enhance their skills through appropriate continuing education programmes to enable them to sustain their active participation in board deliberations.

The Board is also updated by the Company Secretaries on the latest update/amendments on MMLR, MCGG 2021 and other regulatory requirements relating to the discharge of the Directors' duties and responsibilities periodically.

During the financial year under review, the Directors have attended the following training, webinars, and online conferences:-

Members of the Board	Seminars/ Conference/ Trainings Attended	Date Attended
Mr. Tan Kok Chor	Anti-Bribery And Corruption	09.06.2025
	Understand HIRARC Process	09.06.2025
Datuk Joseph Lee Yok Min @ Ambrose	Anti-Bribery And Corruption	09.06.2025
	Understand HIRARC Process	09.06.2025
Mr. Sri Ganesh A/L K Balasubramaniam	Anti-Bribery And Corruption	09.06.2025
	Understand HIRARC Process	09.06.2025
Ms. Georgia Suzanne Lingam @ Georgianne	Bengkel OSH Coordinator (OSH-C) (Bengkel 1)	07.05.2025
	Bengkel OSH Coordinator (OSH-C) (Bengkel 2)	08.05.2025
	Bengkel OSH Coordinator (OSH-C) (Bengkel 3)	09.05.2025
	Anti-Bribery And Corruption	09.06.2025
	Understand HIRARC Process	09.06.2025
	The Success that Drives Leadership Transformation (Course Serial No: 1001412309)	02.08.2025 until 04.08.2025
	Sabah Labour Ordinance (SLO)	08.08.2025
Mr. Riorn Lee Kah Vui	Mandatory Accreditation Programme Part I (MAP)	23.04.2025 and 24.04.2025
	Anti-Bribery And Corruption	09.06.2025
	Understand HIRARC Process	09.06.2025
	Mandatory Accreditation Programme Part II: Leading for Impact (LIP)	25.06.2025 and 26.06.2025

Corporate Governance Overview Statement (cont'd)

A. BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

DIRECTORS' INDUCTION, TRAINING AND DEVELOPMENT (CONT'D)

Continuing Education Program (cont'd)

During the financial year under review, the Directors have attended the following training, webinars, and online conferences:- (cont'd)

Members of the Board	Seminars/ Conference/ Trainings Attended	Date Attended
Mr. Seroop Singh Ramday	Anti-Bribery And Corruption	09.06.2025
	Understand HIRARC Process	09.06.2025
Ms. Susie Chung Kim Lan	Understanding the MACC Act Section 17A Corporate Liability and ISO 37001:2016 ABMS	11.07.2024
	Carbon Accounting for CFOs and Finance Professionals	09.09.2024
	Carbon Accounting and Reporting: From Basics to Best Practices	30.09.2024 until 01.10.2024
	Anti-Bribery And Corruption	09.06.2025
	Understand HIRARC Process	09.06.2025
Ms. Siti Ainee Hanum Binti Suhaidi	Anti-Bribery And Corruption	09.06.2025
	Understand HIRARC Process	09.06.2025

Intended Outcome 3

- The Board is committed to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness.
- The Board, management, employees and other stakeholders are clear on what is considered acceptable behaviour and practice in the Company.

3.1 CODE OF CONDUCTS AND ETHICS

The Board has established and implemented policies to guide Directors, employees and stakeholders that engender integrity, transparency and fairness. This is to actively nurture a strong corporate culture throughout the Group which promotes commitment to performance with integrity.

Employees are introduced to the ethical corporate culture of the Group during employee induction and thereafter, employees are constantly monitored to ensure the culture is upheld in their dealings within the Group and also in their association with customers, distribution, suppliers, governmental and regulatory authorities and other business associates. Any employee may report directly to the Managing Director any ethical misconduct discovered within the Group.

Corporate Governance Overview Statement (cont'd)

A. BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

3.1 CODE OF CONDUCTS AND ETHICS (CONT'D)

The members of the Board conduct themselves in an ethical manner while executing their duties and functions and comply with the Company's Code of Conduct and Ethics.

In addition to the Company's Code of Conduct and Ethics, the Group also gives emphasis on the behavioural ethics and conduct that sets out the sound principles and standards of good practice within the Group's business landscape, which are expected to be observed by the Directors and employees. Both Directors and employees are required to uphold the highest integrity in discharging their duties and in dealings with various stakeholders such as shareholders, customers, fellow employees and regulators.

3.2 GROUP ANTI-BRIBERY AND ANTI-CORRUPTION POLICY

In line with the MMLR of Bursa Securities in relation to anti-corruption measures, an Anti-Bribery and Anti-Corruption Policy and Guidelines has been adopted by the Group which sets out the parameters and guidelines to prevent the occurrence of bribery and corrupt practices and to maintain integrity and work ethics in the conduct of the Group's business and operations. The Anti-Bribery and Anti-Corruption Policy and Guidelines (in accordance with Section 17A of the Malaysian Anti-Corruption Commission Act 2018 on corporate liability for corruption) provides guidance to all employees and associates of the Group relating to acts of bribery and corruption.

3.3 CONFLICT OF INTEREST

Members of the Board are required to make a declaration to that effect at the Board meeting in the event that they have interests in proposals being considered by the Board, including where such interest arises through family members, in line with various statutory requirements on disclosure. Any Director with an interest in a proposed subject shall abstain themselves from deliberations and decision of the Board.

Intended Outcome 4.0

The Company addresses sustainability risks and opportunities in an integral and strategic manner to support its long term strategy and success.

4.1 INSIDER TRADING

In line with the MMLR of Bursa Securities and the relevant provisions of the Capital Markets and Services Act 2007, all Directors, Key Management Personnel and principal officers of the Company are prohibited from trading in securities on any kind of price-sensitive information and knowledge, which have not been publicly announced.

4.2 DIRECTOR FIT AND PROPER POLICY

In line with Paragraph 15.01A of the MMLR of Bursa Securities, the Board had adopted the Directors' Fit and Proper Policy which serves as a guide to the Nomination Committee ("NC") and the Board in their review and assessment of the potential candidates for appointment to the Board as well as the retiring Directors who are seeking re-election at the AGM.

The Directors' Fit and Proper Policy shall be reviewed periodically by the Board and be revised at any time as it may deem necessary to ensure that they remain consistent with the Board's objectives, current law and practices. The Directors' Fit and Proper Policy is available on the Company's website at www.borneo-oil.com.my.

Corporate Governance Overview Statement (cont'd)

A. BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

4.3 GOVERNANCE OF SUSTAINABILITY

The Board considers sustainability a part of its strategy formulation and in determining material Economic, Environmental, Social and Governance ("EESG") actors of the Group. The Board is responsible for overseeing the development and adoption of a sustainability framework. These sustainability efforts are steered and implemented by the Managing Director and all the Executive Directors and the Sustainability Working Group who manages the day-to-day sustainability projects and initiatives and also ensures that the Key Business Functions are able to complete their plans, meet their timelines and also provide accurate information for sustainability disclosures.

4.4 COMMUNICATION OF COMPANY'S SUSTAINABILITY STRATEGIES, PRIORITIES, TARGETS AND PERFORMANCE

In determining the Company's long-term strategy and success, the Board ensures that the sustainability strategies, priorities and targets are communicated well to the internal and external stakeholders. In order to communicate these updates to the stakeholders, a comprehensive description of the Company's sustainability path has been outlined in the annual Sustainability Statement which is part of the Company's Annual Report. This information is accessible both in hard copy and on the Company's website.

4.5 BOARD KEEP ABREAST OF THE RELEVANT SUSTAINABILITY ISSUES

The Board will take part in initiatives to stay abreast of sustainability issues to the Group and the business. The Board will also take the necessary steps to undertake professional training and development programmes and activities related to sustainability and governance issues which will include climate-related risks and opportunities.

4.6 PERFORMANCE EVALUATION OF BOARD AND SENIOR MANAGEMENT

The Board recognises the importance of sustainability in all its business operations and has included the review of efforts to address material sustainability risks and opportunities as a vital criterion in the performance evaluation of its board members in FYE 2025. The criteria set were broadly based on the assessment framework by the MCCG and the MMLR of Bursa Securities.

4.7 SUSTAINABILITY STRATEGY

The Managing Director is the designated Board member to ensure that the sustainability framework is adhered to within the Group and continuously engages with relevant internal and external stakeholders such as employees, customers, suppliers, regulators, investors, business associates and the community to ensure the Group's sustainability focus areas remain relevant and also to identify new ones that could add value to the businesses and stakeholders.

Corporate Governance Overview Statement (cont'd)

A. BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Intended Outcome 5.0

Board decisions are made objectively in the best interests of the Company taking into account diverse perspectives and insights.

BOARD COMPOSITION

Board Composition and Balance

The Board currently comprises of eight (8) members and out of which consist of:-

- A. one (1) Non-Independent Non-Executive Chairman;
- B. one (1) Managing Director;
- C. three (3) Executive Directors; and
- D. three (3) Independent Non-Executive Directors.

Accordingly, the following prescribed requirements have been fully complied by the Board:-

- Paragraph 3.04(1) of the MMLR of Bursa Securities which stipulates that at least two (2) Directors or one-third (1/3) of the Board of Directors, whichever is higher, are Independent Directors.

The Independent Non-Executive Directors of the Company are independent of management and free from any business relationship which could materially interfere with the exercise of their judgement. They provide guidance, unbiased, fully balanced and independent views, advice and judgement on various aspects of the Group's strategy to safeguard the interests of minority shareholders and to ensure that the highest standards of conduct and integrity were maintained by the Group.

The Board places great importance on its Independent Directors where they serve as an essential source of impartial and professional guidance to protect the interest of the shareholders. The Independent Non-Executive Directors are professionals of high calibre and credibility who play a pivotal role in corporate accountability by contributing their knowledge, advice and experience towards making independent judgement on issues of strategies, performance, resources and standards of conducts.

Any material and important proposals that will significantly affect the policies, strategies, directors and assets of the Group will be subject to approval by the Board. None of the members of the Board has unfettered powers of decision. All Independent Non-Executive Directors do not participate in the day-to-day management of the Group and do not engage in any business dealings or other relationship with the Group.

The Board is satisfied that the Independent Directors represent the interest of public shareholders in the Company.

Tenure of Independent Directors

The Board is mindful that the recommendation of Practice 5.3 of the MCCG 2021 which require the tenure of an independent director does not exceed a cumulative term limit of nine (9) years. Upon completion of the nine (9) years, an independent director may continue to serve on the Board as a Non-Independent director. If the Board intends to retain an independent director beyond nine (9) years, it should justify and seek annual shareholders' approval through a two-tier voting process.

Corporate Governance Overview Statement (cont'd)

A. BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

BOARD COMPOSITION (CONT'D)

Tenure of Independent Directors (cont'd)

The Board through the Nomination Committee assesses the Independent Directors on an annual basis, with a view of ensuring the Independent Directors bring independent and objective judgement to the Board and this mitigates arising from conflict of interest or undue influence from interested parties. Where there is a likely conflict of interest, the Board in any manner under deliberation, he/she is required to disclose his/her interest and abstain from participating discussions on the matter.

In ascertaining the independence status of the Directors, the Board believes that tenure should not form part of the assessment criteria. It is of the view that the fiduciary duties of the Directors are the primary concern of all Directors, regardless of their status. The Board firmly believes that the ability of a Director to serve effectively is dependent on his/her calibre, qualification, experience and personal qualities, particularly his/her integrity and objectivity. It also believes there are significant advantages to be gained from long-serving Directors who possess insight and knowledge of the Company's businesses in view of the continuous challenges faced by the Company.

Mr. Seroop Singh Ramday was appointed to the Board as an Independent Non-Executive Director on 1 August 2014 and his tenure in office has been more than nine (9) years and the twelfth (12th) year tenure will be due on 31st July 2026.

The Nomination Committee and Board reviewed and assessed the application of two-tier voting as recommended by MCCG. However, it is noted that the Company will seek shareholders' approval for retaining Mr. Seroop Singh Ramday who has served more than nine (9) years as Independent Director through the usual voting practice at this forthcoming 41st AGM. This is in accordance with the general rule of voting as provided by the Companies Act 2016 which states that every shareholder has one (1) vote for every share he holds and resolutions are to be passed by a simple majority for Ordinary Resolutions and 75% of votes for Special Resolutions.

New candidates for Board Appointment

The principal function of making recommendations for new appointments or re-election of retiring Directors has been delegated to the NC.

The evaluation of suitable candidate is not only based on academic but also through experience in this industry to ensure that valuable contribution which will be beneficial to the Company can be given to encourage growth of the Company. In making a recommendation to the Board on the candidates for directorship, the NC will consider and nominate the candidates based on the objective criteria, including:-

- (a) skills, knowledge, expertise and experience;
- (b) professionalism;
- (c) integrity;
- (d) time commitment to the Company based on the number of directorships held; and
- (e) in the case of candidates for the position of Independent Non-Executive Directors, the NC will also evaluate the candidates' ability to discharge such responsibilities/functions as expected from Independent Non-Executive Directors. All Directors shall not hold more than five (5) directorships in other listed issuers as required under Paragraph 15.06 of the MMLR of Bursa Securities.

Corporate Governance Overview Statement (cont'd)

A. BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

BOARD COMPOSITION (CONT'D)

Boardroom Diversity and Senior Management Team

The Company has adopted a policy on diversity of gender, ethnicity and age in Financial Year 2025. In seeking potential candidate for new appointments, the Board shall take into account the various diversity factors including ethnicity, gender and age distribution of the Directors to maintain a balanced Board composition. The Board shall also review the participation of women in Senior Management to ensure there is a healthy talent pipeline.

During the FYE 2025, women directors form approximately 37.5% of the Board members. The age of the female Directors ranges from 36 to 54 years old and above as the Board believes that this creates an environment where each generation brings different skills, experience and talents to the Board.

The Board through its NC conducted an annual review of the Board's size, composition and balance and concluded that the Board's dynamics are healthy and effective. The present members of the Board possess the appropriate skills, experience and qualities to steer the Group forward. The NC is also satisfied that the existing structure, size, composition, current mix of skills, competence, knowledge, experience and qualities of the existing Board members are appropriate to enable the Board to carry out its responsibilities effectively.

NOMINATION COMMITTEE REPORT

The NC is entitled to the services of the Company Secretary who would ensure that all appointments are properly made upon obtaining all necessary information from the Directors. All the assessments and evaluations carried out during the year was properly documented and minuted by the Company Secretaries.

The present NC comprises of entirely all three (3) Independent Non-Executive Directors, of which the Chairman is the Senior Independent Non-Executive Director of the Company.

Name of Member(s)	Designation	Role in NC
Mr. Seroop Singh Ramday	Senior Independent Non-Executive Director	Chairman
Ms. Susie Chung Kim Lan	Independent Non-Executive Director	Member
Ms. Siti Ainee Hanum Binti Suhaidi	Independent Non-Executive Director	Member

During the financial year under review, the NC has undertaken the following activities in discharging its duties:-

- Conducted an annual assessment of the performance of the Board as a whole and made its recommendation to the Board; and
- Conducted an annual assessment of the Independent Directors and made its recommendation to the Board.

Corporate Governance Overview Statement (cont'd)

A. BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

NOMINATION COMMITTEE REPORT (CONT'D)

Board Appointment and Re-Appointment Process






The NC is tasked by the Board to make independent recommendations for appointments to the Board. In evaluating the suitability of candidates, the NC considers, inter-alia, the character, experience, integrity, commitment, competency, qualification and track record of the proposed new nomination for appointment to the Board. In the case of a nomination for the position of Independent Non-Executive Directors, NC evaluates the nominee's ability to discharge such responsibilities/functions as expected from Independent Non-Executive Directors.

In accordance with the MMLR of Bursa Securities and the Company's Constitution, one-third (1/3) of the Directors of the Company for the time being shall retire at the AGM of the Company provided always that all Directors, shall retire from office at least once in every three years but shall be eligible for re-election at the AGM. Additionally, the Directors appointed to fill a casual vacancy or as an addition to the Board shall hold office only until the conclusion of the next AGM and shall be eligible for re-election.

In assessing the candidates' eligibility for re-election, the NC considers their competencies, commitment, contribution, performance based on their respective performance evaluation to the Board and their ability to act in the best interest of the Company. The Board makes recommendations concerning the re-election, re-appointment and the continuation in office of any Director for shareholders' approval at the AGM.

Activities of the NC

During the FYE 2025, the NC had one (1) meeting and the following activities were carried out by the Committee:-

-  Reviewed the composition of the Board of Directors;
-  Assessed the effectiveness of the Board and Board Committee;
-  Assessed and evaluated the performance and contribution of each Director;
-  Reviewed the profile of each Director; and
-  Reviewed the training needs of the Directors to ensure that they are acquainted with the latest development and changing environment in which the Group operates.

Corporate Governance Overview Statement (cont'd)

A. BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

BOARD & DIRECTORS EFFECTIVENESS EVALUATION

Evaluation for Board, Board Committees and Individual Directors

The NC is responsible for evaluating performance and effectiveness of the entire Board, the Board Committees and individual Director on a yearly basis. The evaluation process is led by the NC Chairman and supported by the Company Secretaries via questionnaires.

The Group's nomination process of Directors are as follows:-



The effectiveness of the Board is assessed in the areas of the Board's roles and responsibilities and composition, attendance record, the intensity of participation at meetings, quality of interventions and special contributions. Besides, the effectiveness of the Board Committees is assessed in terms of structure and processes, accountability and responsibility, as well as the effectiveness of the Chairman of the respective Board Committees.

During the financial year 2025, the NC was satisfied with the existing Board composition and concluded that each Director has the requisite competence to serve on the Board and has sufficiently demonstrated their commitment to the Company in terms of time and participation during the financial year under review, and recommended to the Board the re-election of retiring Directors at the Company's forthcoming 41st AGM. All assessments and evaluations carried out by the NC while in the stage of discharging their functions have been properly documented.

REMUNERATION COMMITTEE REPORT

Intended Outcome 8.0

Stakeholder are able to assess whether the remuneration of Directors and Senior Management is commensurate with their individual performance, taking into consideration the Company's performance.

The Remuneration Committee ("RC") shall ensure that the levels of remuneration are sufficient to attract and retain Directors of the quality required to manage the business of the Group. The RC is entrusted under its Terms of Reference ("TOR") to assist the Board, amongst others, to recommend to the Board the remuneration of the Executive Directors, by linking their rewards to corporate and individual performance with the Director concerned abstaining from deliberations and voting on decisions in respect of his remuneration package. In the case of Non-Executive Directors, the level of remuneration shall reflect the experience and level of responsibilities undertaken by the Non-Executive Directors concerned and is determined by the Board as a whole.

Corporate Governance Overview Statement (cont'd)

A. BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

REMUNERATION COMMITTEE REPORT (CONT'D)

Therefore, the Board has established RC and developed the remuneration policy to assist the Board in discharging its duties and responsibilities in the matters relating to the remuneration of the Board and Senior Management. The present RC consists of all three (3) Independent Non-Executive Directors. The RC comprises of the following Directors:

Name of Member(s)	Designation	Role in NC
Mr. Seroop Singh Ramday	Senior Independent Non-Executive Director	Chairman
Ms. Susie Chung Kim Lan	Independent Non-Executive Director	Member
Ms. Siti Ainee Hanum Binti Suhaidi	Independent Non-Executive Director	Member

Remuneration Procedures

The Board recognises that the level and composition of remuneration of Directors and Senior Management should take into account the Company's desire to attract and retain the right talent in the Board and Senior Management to drive the Company's long-term objectives. Therefore, the Board has adopted a Remuneration Policy to assist the RC in carrying out its duties within its TOR.

The remuneration of each Director reflects the responsibility and commitment, which goes with the Board membership. In the case of Executive Directors, the component parts of remuneration are structured to link rewards to individual and corporate performances while ensuring that the level of remuneration commensurate with the market, the experience and the level of responsibilities undertaken. For Non-Executive Directors, the level of fees is linked to the contribution and level of responsibilities undertaken by the individual director, including the time spent on the group's matters, as well as the size of the Group's business.

The RC recommends to the Board the remuneration packages for the Executive Directors. None of the Executive Directors participated in any way in determining their own individual remuneration. The Board as a whole determines the remuneration of Non-Executive Directors, with individual Directors abstaining from making decisions in respect of their individual remuneration. The Directors' fees are approved by the shareholders during the 41st AGM held on 12 December 2025 by the company.

During the financial year under review, the RC has undertaken the following activities in discharging its duties:-

- Reviewed the performance of the Executive Directors and submitted recommendations to the Board on specific adjustments in remuneration and/or reward payments; and
- Reviewed and recommended Directors' fees and benefits payable to the Directors of the Group for Board's approval.

Corporate Governance Overview Statement (cont'd)

A. BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

REMUNERATION COMMITTEE REPORT (CONT'D)

Remuneration Procedures (cont'd)

The summary of the Directors' remunerations at Group level for the FYE 2025 are as follows:-

GROUP

Category	ED's RM	Non-ED's RM	Total RM
Fees	1,499,000.00	408,000.00	1,907,000.00
Salaries, Allowances and Bonus	426,760.00	–	426,760.00
Other Emolument	46,865.05	–	46,865.05
Total	1,972,625.00	408,000.00	2,380,625.05

The detailed breakdown of the Directors' fees and benefits paid (both Company and Group level) for the FYE 2025 are as follows:-

Directors of BOB

Name	By Group				By Company			
	Fees (RM)	Salaries, Allowances and Bonuses (RM)	Other Emolument (RM)	Total (RM)	Fees (RM)	Salaries, Allowances and Bonuses (RM)	Other Emolument (RM)	Total (RM)
Mr. Tan Kok Chor	192,000.00	–	–	192,000.00	192,000.00	–	–	192,000.00
Datuk Joseph Lee Yok Min @ Ambrose	1,450,000.00	–	–	1,450,000.00	900,000.00	–	–	900,000.00
Ms. Georgia Suzanne Lingam @ Georgianne	25,000.00	175,160.00	19,422.60	219,582.60	25,000.00	116,760.00	14,840.35	156,600.35
Mr. Sri Ganesh A/L K Balasubramaniam	24,000.00	181,600.00	18,230.10	223,830.10	24,000.00	–	–	24,000.00
Mr. Riorn Lee Kah Vui	–	70,000.00	9,212.35	79,212.35	–	70,000	9,212.35	79,212.35
Mr. Seroop Singh Ramday	120,000.00	–	–	120,000.00	120,000.00	–	–	120,000.00
Ms. Susie Chung Kim Lan	60,000.00	–	–	60,000.00	60,000.00	–	–	60,000.00
Ms. Siti Ainee Hanum Binti Suhaidi	36,000.00	–	–	36,000.00	36,000.00	–	–	36,000.00
Total	1,907,000.00	426,760.00	46,865.05	2,380,625.05	1,357,000.00	186,760.00	24,052.70	1,567,812.70

Corporate Governance Overview Statement (cont'd)

A. BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

REMUNERATION COMMITTEE REPORT (CONT'D)

Remuneration Procedures (cont'd)

The detailed breakdown of the Directors' fees and benefits paid (both Company and Group level) for the FYE 2025 are as follows:-

Directors of Subsidiary

Name	By Group				By Company			
	Fees (RM)	Salaries, Allowances and Bonuses (RM)	Other Emolument (RM)	Total (RM)	Fees (RM)	Salaries, Allowances and Bonuses (RM)	Other Emolument (RM)	Total (RM)
Ms. Ting Lah Ching	36,000.00	226,890.00	22,866.10	285,756.10	—	—	—	—
Mr. Christopher Chin Cheong Vui	—	76,400.00	8,549.90	84,949.90	—	—	—	—
Total	36,000.00	303,290.00	31,416.00	370,706.00	—	—	—	—
Grand Total	1,943,000.00	730,050.00	78,281.05	2,751,331.05	1,357,000.00	186,760.00	24,052.70	1,567,812.70

Remuneration of Senior Management

The remuneration paid to the top five (5) Senior Management including salaries, other allowances and defined contribution plans in bands of RM50,000 during the financial year under review are as follows:-

Range of Remuneration	Number of Senior Management
RM50,000 to RM100,000	—
RM100,001 to RM150,000	3
RM150,001 to RM200,000	1
RM200,001 and above	1

Corporate Governance Overview Statement (cont'd)

B. EFFECTIVE AUDIT AND RISK MANAGEMENT

Intended Outcome 9.0

- There is an effective and independent Audit Committee.
- The Board is able to objectively review the Audit Committee's findings and recommendations. The company's financial statements is a reliable source of information.

AUDIT COMMITTEE REPORT:-

The Audit Committee ("AC") of the Company comprises three (3) Independent Non-Executive Directors. The Chairwoman of the AC is not the Chairman of the Board. The AC is fully informed about significant matters related to the Company's audit and its financial statements. The AC also reviewed the internal audit programme and invited the internal auditors to the meeting for discussion on the internal audit findings. Besides, such discussion also served as an avenue for the AC to appropriately communicate its insights, views and concerns about relevant transactions and events to the Internal and External Auditors.

The AC comprises of the following Directors:-

Name of Member(s)	Designation	Role in NC
Ms. Susie Chung Kim Lan	Independent Non-Executive Director	Chairwoman
Mr. Seroop Singh Ramday	Senior Independent Non-Executive Director	Member
Ms. Siti Ainee Hanum Binti Suhaidi	Independent Non-Executive Director	Member

The AC met five (5) times during the FYE 2025. The activities of the AC during the year are described in the AC Report in this 2025 Annual Report on pages 86 to 88.

The Board took note on Practice 9.2 of the MCCG 2021 on the policy that requires a former key audit partner to observe a cooling-off period of at least three (3) years before being appointed as a member of the AC. Thus, the AC shall observe the said application in the event that a former key audit partner is appointed to the Board of the Company.

The Company does not have any precedent or intention to appoint a former auditor as a member of the AC. Therefore, no such policy was implemented for the time being.

Further details on the work performed by AC in furtherance of its oversight role are set out in the AC Report on pages 86 to 88 of this 2025 Annual Report.

Corporate Governance Overview Statement (cont'd)

B. EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)

RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

Intended Outcome 10.0

- Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.
- The Board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is mitigated and managed.

10.1 Establishment of risk management and internal control framework

The Board acknowledges that risk management is an integral part of the Group business operations. It is an ongoing process which involves different levels of management to identify, evaluate, monitor, manage and mitigate the risks that may affect the achievement of its business and corporate objectives.

The Management is responsible for creating a risk awareness culture and building the necessary environment for effective risk management. Significant issues related to internal controls and risk management are highlighted to the Board. If deemed necessary, the Board may seek assistance from external parties for opinions on pertinent issues.

The Company has established the Risk Management Team which is under the purview of the ARMC to oversee the risk management of the Group. The Risk Management Framework was adopted by the Board. The Board through the ARMC obtains the report from the Internal Audit Consultant, outsourced regarding the periodic checks on the internal system.

10.2 Features of its risk management and internal control framework

The details of the Company's internal control system and framework are set out in the Statement on Risk Management and Internal Control on page 95 to 98 of this 2025 Annual Report.

Intended Outcome 11.0

- Companies have an effective governance, risk management and internal control framework and stakeholders are able to assess the effectiveness of such a framework.

11.1 Internal Audit Function

The Board's responsibility is to maintain sound systems of internal controls to safeguard shareholders' investments.

As the system of internal controls are designed to mitigate rather than eliminate the likelihood of errors or fraud, these systems can only provide reasonable assurance against material misstatement or loss.

None of the internal audit personnel had any relationship or conflict of interest that could impair their objectivity and independence in conducting their internal audit functions.

Corporate Governance Overview Statement (cont'd)

C. INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

PART 1 - COMMUNICATION WITH STAKEHOLDERS

Intended Outcome 12.0

- There is continuous communication between the company and stakeholders to facilitate mutual understanding of each other's objectives and expectations.
- Stakeholders are able to make informed decisions with respect to the business of the company, its policies on governance, the environment and social responsibility.

12.1 Effective, transparent and regular communication with its stakeholders

The Board is committed to ensure that the shareholders and other stakeholders are well informed of the Group's strategy performance and major developments of the Company and the information is communicated to them through the following:-

- ✓ the Annual Report;
- ✓ the various disclosures and announcements made to Bursa Malaysia Securities Berhad including the quarterly results and annual results; and
- ✓ the website at www.borneo-oil.com.my which shareholders as well as members of the public are invited to access for the latest information on the Group.

The Minutes of the Annual General Meeting of the Company are made available to the shareholders within 30 business days from the conclusion of the AGM at the Company's corporate website at www.borneo-oil.com.my.

PART 2 - CONDUCT OF GENERAL MEETINGS

Intended Outcome 13.0

- Shareholders are able to participate, engage the Board and Senior Management effectively and make informed voting decisions at General Meetings.

13.1 Notice for an Annual general Meeting

The Company's AGM remains one of the most important platforms for communication and engagement between the Company and its shareholders, as it encompasses a two-way discussion on the Company's achievements and performance in the past financial year, as well as its plans and strategies for the near and long-term future.

The Annual Report 2025, which contained the Notice of the 41st AGM, was issued more than 28 days prior to the meeting date to give sufficient time to shareholders to consider the resolutions that would be discussed and decided at the 41st AGM. The Notice of AGM, which set out the Agenda of the AGM, was also published in the nationally circulated daily newspaper. The notes to the Notice of AGM also provided the necessary explanations for each resolution proposed to enable Shareholders to make informed decisions when exercising their voting rights.

To further promote the participation of members through proxy(ies), in line with the insertion of Paragraph 7.21 of the MMLR of Bursa Securities, the Company's Constitution included explicitly the right of proxies to speak at general meetings. It allows a member who is an exempt authorised nominee to appoint multiple proxies for each omnibus account it holds and expressly disallows any restriction on the qualification of proxies.

Corporate Governance Overview Statement (cont'd)

C. INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (CONT'D)

PART 2 - CONDUCT OF GENERAL MEETINGS (CONT'D)

13.2 Interaction with Shareholders in General Meetings

To ensure effective participation of and engagement with shareholders at the AGM in 2025, all Directors, including members of the AC, NC and RC, attended and participated in the AGM. Shareholders who are unable to attend the AGM are advised that they can appoint proxies to represent them and vote on their behalf in accordance with their Company's Constitution to attend and vote on their behalf.

13.3 Voting

Pursuant to Paragraph 8.29A(1) of the MMLR, any resolutions set out in the notice of any general meeting, or in any notice of resolution which may properly be moved and is intended to be moved at any general meeting of the Company will be subjected to poll voting by the shareholders. The votes cast at the general meeting will be validated by a scrutineer, who is independent of the person undertaking the polling process, is not an officer of the Company and is not interested in the resolution to be passed at the general meeting.

13.4 Minutes of the General Meeting

The recording of the proceedings in the form of minutes reflects the matters that were deliberated, explanations, agreements as well as resolutions reached between the shareholders and Directors of the Company in the respective AGM.

The minutes of the 41st AGM documented the proceedings, issues and concerns raised by shareholders and the responses by the Company were made available on the Company's website at www.borneo-oil.com.my within 30 business days after the conclusion of the 41st AGM, so as to provide useful information to shareholders and investors especially for absentee shareholders who were unable to attend the AGM.

KEY FOCUS AREAS AND FUTURE PRIORITIES

The Company's key focus during the year was to comprehend the Principles and Practices introduced in the MCCG 2021, for the subsequent application and disclosure in the Annual Report for the FYE 2025. Consequently, the Group's existing Board Charter, TOR of the Board Committees and Code of Conduct and Ethics have been reviewed and revised to be in line with the MCCG 2021.

COMPLIANCE STATEMENT

The Board has deliberated, reviewed and approved this Statement, and considers that this overview statement provides the information necessary to enable shareholders to evaluate how the MCCG 2021 has been applied. The Board considers and is satisfied that the Group has fulfilled its obligation under the MCCG 2021, MMLR of Bursa Securities and all applicable laws and regulations throughout the financial year under review.

This Statement is made in accordance with a resolution of the Board dated 23 October 2025.

ADDITIONAL COMPLIANCE INFORMATION DISCLOSURE

The information disclosed below is in compliance with the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad.

OTHER DIRECTORSHIP OF PUBLIC COMPANIES

None of the directors and key senior management of the Company have any directorship in other public companies.

OPTIONS, WARRANTS OR CONVERTIBLE SECURITIES

There were certain options, warrants or convertible securities still existing at the FYE 30 June 2025.

The exercise period for the warrants C 2015/2025 is ten years commencing from 9 November 2015 and expiring 8 November 2025.

The exercise period for the warrants D 2017/2027 is ten years commencing from 30 May 2017 and expiring 29 May 2027.

The exercise period for the warrants E 2025/2030 is five years commencing from 21 March 2025 and expiring 20 March 2030.

AMERICAN DEPOSITORY RECEIPT (ADR) OR GLOBAL DEPOSITORY RECEIPT (GDR) PROGRAMME

During the financial year, the Group did not sponsor any ADR or GDR programme.

AUDIT AND NON-AUDIT SERVICES

During the financial year ended 30 June 2025 under review, the audit and non-audit fees paid/payable to the Company’s external auditors, THELYX MALAYSIA PLT are as follows:

Type of fees	Company RM	Group RM
Audit Fees	93,000	348,400
Non-Audit Fees	25,000	25,000

Non-audit fee payable to the External Auditor for the financial year ended 30 June 2025 by the Group comprises of fees for the review of 4th Quarterly interim financial information, Statement on Risk Management & Internal Control and Annual Report.

PROFIT GUARANTEES

There were no profit guarantees given by the Group during the financial year ended 30 June 2025.

Additional Compliance Information Disclosure (cont'd)

VARIANCE IN RESULTS

There were no material variances of 10% or more in the loss after tax and minority interest between the audited and unaudited results announced for the financial year ended 30 June 2025.

SANCTIONS AND/OR PENALTIES

There were no public sanctions and/or penalties imposed on the Company and its subsidiaries, directors or management by the relevant regulatory bodies during the financial year ended 30 June 2025.

MATERIAL CONTRACTS

The Company and its subsidiaries which involve Director's and major substantial shareholders has not entered into any material contracts that were still subsisting as at the end of the financial year ended 30 June 2025.

EMPLOYEES SHARE OPTION SCHEME ("ESOS")

There has been an establishment of a new employees' share option scheme of Bornoil 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 31 December 2024, the Company announced that the effective date for the implementation of the New ESOS is 31 December 2024, 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.

During the effective period of the New ESOS as at 30 June 2025, a total of 1,800,000,000 options were granted and fully exercised.

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) Borneo Oil Berhad ("BornOil" Or The "Company")

- i. Proposed Bonus Issue of Warrants;
 - ii. Proposed Termination of Existing ESOS; and
 - iii. Proposed New ESOS
- (Collectively Referred to As The "Proposals")

On 19 December 2024, the Company announced that all the above Proposals were approved by shareholders through poll voting at the Extraordinary General Meeting ("EGM") held on the same date.

On 24 March 2025, the Company announced that 3,448,033,541 Warrants issued pursuant to the Bonus Issue of Warrants will be admitted to the Official List of Bursa Malaysia Securities Berhad and the listing and quotation of the Warrants on the Main Market under the "Industrial Products & Services" sector will be granted with effect from 9.00 a.m., Wednesday, 26 March 2025. The Stock Short Name, Stock Number and ISIN Code of the Warrants are "BORNOIL-WE", "7036WE" and "MYL7036WE034" respectively.

Additional Compliance Information Disclosure (cont'd)

STATUS OF CORPORATE PROPOSALS (CONT'D)

As of the reporting date, a cumulative total of 257,435,000 Warrant E have been exercised at RM0.01 per share.

On 31 December 2024, the Company announced that the effective date for the implementation of the New ESOS is 31 December 2024, 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.

During the effective period of the New ESOS as at 30 June 2025, a total of 1,800,000,000 options were granted and fully exercised. There are no outstanding options that were granted but remain unexercised under the existing ESOS.

RECURRENT RELATED PARTY TRANSACTIONS

During the financial year ended 30 June 2025, the Company did not enter into any recurrent related party transactions of revenue or trading nature.

AUDIT COMMITTEE REPORT



The Audit Committee ("AC") currently comprises of the following members:-

	Name of Director(s)	Designation	Date of appointment
Chairwoman	Ms. Susie Chung Kim Lan	Independent Non-Executive Director	Appointed on 1 April 2022
Members	Mr. Seroop Singh Ramday	Senior Independent and Non-Executive Director	Appointed on 24 April 2015 (initially as an Independent Non-Executive Director. Thereafter on 27 April 2018 re-designated as Senior Independent Non-Executive Director)
	Ms. Siti Ainee Hanum Binti Suhaidi	Independent Non-Executive Director	Appointed on 27 July 2023

The present AC comprised exclusively of three (3) Non-Executive Directors, all being Independent Directors who are in compliance with Paragraph 15.09 of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities") and Malaysian Code on Corporate Governance 2021 ("MCCG 2021").

The AC is chaired by Ms. Susie Chung Kim Lan, who is a Chartered Accountant. She holds membership in CPA Australia and is also a member of the Malaysian Institute of Accountants ("MIA"). The Company is also in compliance with the requirement of Paragraph 15.09(1)(a)(i) under the Main Market Listing Requirement ("MMLR"), which requires at least one (1) member of the Committee to be a qualified accountant.

Audit Committee Report (cont'd)

AC MEETINGS AND ATTENDANCE

During the financial year ended 30 June 2025 ("FYE 2025"), five (5) AC meetings were held and the details of attendance of each member are as follows:-

Audit Committee	Directors' Name	Status of Directorship	Meetings Attended
Chairwoman	Ms. Susie Chung Kim Lan	Independent Non-Executive	5/5
Member	Mr. Seroop Singh Ramday	Senior Independent Non-Executive	5/5
Member	Ms. Siti Ainee Hanum Binti Suhaidi	Independent Non-Executive	5/5

ACTIVITIES OF THE AC

During the FYE 2025, the AC, in discharging its functions and duties, carried out the following activities:-

Financial Reporting

- ✓ Reviewed the quarterly reports of the Group prior to submission to the Board of Directors for consideration and approval;
- ✓ Reviewed the performance of the Group;

External Audit

- ✓ Reviewed the audited financial statements of the Company and of the Group for the FYE 2025 prior to submission to the Board of Directors for consideration and approval;
- ✓ Recommended the re-appointment of External Auditors and the payment of audit fees;
- ✓ Reviewed the competency and effectiveness of the External Auditors;
- ✓ Reviewed and approved the Audit Planning Memorandum and Internal Audit Plan;

Internal Audit

- ✓ Reviewed and discussed the Internal Audit Reports and the Follow-up Internal Audit Report;
- ✓ Reviewed the competency and effectiveness of the Internal Auditors;

Other Activities

- ✓ Reviewed the Statement on Risk Management and Internal Control ("SORMIC") in respect of the FYE 2025 and the external auditors' report on the SORMIC prior to submission to the Board of Directors for consideration and approval;
- ✓ Reviewed the AC's Report in respect of the FYE 2025 prior to submission to the Board of Directors for consideration and approval;
- ✓ Reviewed on related Party Transactions and Conflict of Interest, if any.

Audit Committee Report (cont'd)

ACTIVITIES OF THE AC (CONT'D)

Internal Audit Function

The internal audit function is outsourced to an independent professional firm, Valens Consult Services Sdn. Bhd. ("Valens") to perform the independent risk-based internal audit review on the key operational areas of the Group. Their main role is to undertake independent and systematic review of the system of internal control so as to provide independent assurance on the adequacy and effectiveness of risk management, internal controls and governance process of the Group.

Valens does not have any other business engagements with Borneo Oil Berhad ("the Company") other than the provision of Internal Audit services. None of its directors and shareholders are common directors of the Company or its significant shareholders.

The internal audit report is prepared in accordance to the Institute of Internal Auditors ("IIA") International Standard for the Professional Practice of Internal Auditing ("IPPF"), a copy of which had been shared with the Management prior to the audit engagement. Preparation of the report had been sighted by Professional Member of the IIA.

The overall purpose of the audit is relating to key compliance matter in the preparation of Sustainability Statement in accordance to the Bursa Reporting Guide (3rd Version) of the Company.

For the FYE 2025, Valens has conducted an internal audit review to identify and highlight for improvements to the Management on the adequacy and integrity of internal controls and governance process with regards to SB Supplies and Logistics Sdn Bhd ("SBSL") procurement, requisition and payment ("PRP").

In addition to the above PRP review, the audit also reviewed SBSLs sustainability practices in supply chain management ("SSCM") to identify gaps in sustainability practices in support of the Group's sustainability governance.

The professional fees incurred for the internal audit function in respect of the financial year ended 30 June 2025 for the Group amounted to RM18,000.

Evaluation of AC

The Board, through the Nomination Committee, has evaluated the performance of the AC and its members. Based on the assessment conducted for the FYE 2025, the AC and its members are found to have effectively discharged their duties and responsibilities in accordance with the AC's Terms of Reference.

This AC Reports was approved by the AC on 23 October 2025.

NOMINATION COMMITTEE REPORT

COMPOSITION AND ATTENDANCE

The board has established a Nomination Committee (“NC”) to formulate and implement the policy for nominating board candidates for election. The NC has written terms of reference dealing with its authority and duties which include the selection and assessment of directors.

The nomination committee comprises exclusively of Independent Non-Executive Directors whose biographies are set out in the annual report.

The respective members’ attendance at meetings for the financial year ended 30 June 2025 are disclosed below:-

Nomination Committee	Directors’ Name	Status of Directorship	Meetings Attended
Chairman	Mr. Seroop Singh Ramday	Senior Independent Non-Executive	1/1
Member	Ms. Susie Chung Kim Lan	Independent Non-Executive	1/1
Member	Ms. Siti Ainee Hanum Binti Suhaidi	Independent Non-Executive	1/1

We are pleased to present the NC annual report on behalf of the board for the financial year ended 30 June 2025, which explains the committee’s activities for the year. This year the committee continued to focus on succession planning and ensuring the board has the correct balance of skills, knowledge, experience and independence.

On 25 November 2024, the NC has called for a meeting to discuss on the appointment of an additional new candidate for the position of Executive Director for the long term success of the Company and strategic sustainable business for the near future.

In this respect, Mr Riorn Lee Kah Vui has been nominated and appointed as the additional new Executive Director of Borneo Oil Berhad of which he is also in compliance with Chapter 15 of Bursa’s Main Market Listing Requirements (“MMLR”) on:-

1. Corporate Governance
2. Part B on Directors (Sub Section 15.02 on composition of the Board of Directors)

Mr. Riorn Lee is a lawyer with over 10 years of experience in legal, conveyancing and Courtroom Practice. He is well versed in Company and Intellectual Property Law. His addition to the Board aligns with the Group’s overall succession planning agenda.

The Group is actively assessing new talents from within and externally to be developed and groomed for key management positions, ensuring the continuity of every sector within the Group. The NC therefore proposed this nomination to be adopted and approved by the Board of Directors.

We are confident that the increasing diversity in the members with the mixed balance of skills and experience will continue to maintain productivity at the highest level in a rapidly evolving corporate environment and further enhance the overall performance of the board.

Nomination Committee Report (cont'd)

FUNCTIONS

The key functions of the NC include the following:-

- (a) Review annually the required mix of skills, experience and other qualities, including core competencies with Directors should bring to the Board whilst reviewing the structure, size and composition of the Board (including skills, knowledge and experience) and make recommendations for further recruitment to the Board or propose changes to the existing Board;
- (b) Review the leadership needs of the Company, both executive and non-executive, ensuring appropriate succession planning for Directors and other senior executives within the business;
- (c) Lead the process for Board appointments, ensuring they are conducted on merit and against objective criteria and taking into consideration that diversity is an important factor forming part of the selection criteria used to assess candidates to achieve a balance on the Board;
- (d) Make recommendations to the Board, including on appointment of Executive Directors and Non-Executive Directors to the Board, the re-appointment of Directors, the re-election of Directors at the Annual General Meeting and the membership of the Audit, Nomination and Remuneration Committees;
- (e) Ensure that an induction program is undertaken by any newly appointed member of the Board;
- (f) Ensure that an annual evaluation of the Board and its Committees is conducted and if deemed necessary, an external evaluation is conducted at least every three years;
- (g) Review annually the time required from the Non-Executive Directors, as well as consider the external commitments of all members of the Board;
- (h) Examine the size of the Board with a view to determine the number of Directors on the Board in relation to its effectiveness;
- (i) Undergo a transparent procedure for the proposing of new nominees and recommending on the suitability of candidates nominated for the appointment to the Board and to fill the seats of the Audit, Nomination, Remuneration and other Committees;
- (j) Recommend suitable orientation, educational and training programs to continuously train and equip the existing and new Directors;
- (k) Recommend to the Board, candidates for all directorships to be filled by the shareholders of the Board taking into consideration the skills, knowledge, expertise and experience, professionalism, integrity of the candidate and in the case of candidates for positions of Independent Non-Executive Director, the Committee should also evaluate the candidate's ability to discharge such responsibilities/functions objectively as expected from Independent Non-Executive Directors; and
- (l) Assess annually the effectiveness of the Board as a whole, the Committees of the Board and the contribution of each individual Director based on the process implemented by the Board.

Nomination Committee Report (cont'd)

ACTIVITIES OF THE NOMINATION COMMITTEE

During the financial year ended 30 June 2025, the NC met once during the year. In discharging its functions and duties, the NC, carried out the following activities:-

- a. Reviewed the composition of the Board and Board Committees;
- b. Assessed the effectiveness of the Board as a whole, the Board committees and the individual Directors;
- c. Review the mix of skills, experience and other qualities of the Board;
- d. Discussed and recommended the re-election of the retiring Directors;
- e. Assessed the independence of the Independent Non-Executive Directors and long serving Independent Directors; and
- f. Reviewed the Nomination Committee Report.

The NC upon its annual assessment carried out for the financial year ended 30 June 2025, was satisfied that:-

- a. The Board has been able to discharge its duties professionally and effectively;
- b. All the Directors continue to uphold the highest governance standards in discharging their duties and responsibilities;
- c. The size and composition of the Board is optimum with appropriate mix of knowledge, skills, attribute and core competencies;
- d. All the members of the Board are qualified to hold their position as Directors of the Company in view of their respective work experience, academic and professional qualifications and diverse depth of knowledge, skills and experience and their personal qualities;
- e. The Independent Non-Executive Directors bring independent and objective judgement to the Board and mitigates risks arising from conflicts of interest or undue influence from interested parties; and
- f. The Directors are able to devote sufficient time commitment to their roles and responsibilities.

The assessment was carried out internally by the NC and the Board as a whole facilitated by the Company Secretaries. The NC agreed that the assessment done indicated a high level of compliance and integrity and in view of the new changes to the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad, certain compliances have been proposed by the NC to the Board and Board Committee on the necessary measures to be carried pertaining to the appropriate Board composition required.

Nomination Committee Report (cont'd)

ACTIVITIES OF THE NOMINATION COMMITTEE (CONT'D)

For Independent Non-Executive Directors who have served the Board for a cumulative term of more than twelve (12) years, their justifications are as follows:-

- a. They fulfil the criteria under the definition on Independent Director as stated in the MMLR;
- b. They are able to bring independent and objective judgement to the Board as they do not have any business dealing with the Company;
- c. With their years of experience in the Company, they are familiar with the Company's business operations, thus enabling them to continue actively and effectively during deliberations or discussions at Board meetings;
- d. Their length of service on the Board do not in any way interfere with their exercise of independent judgement. They have remained objective and independent in expressing their views and participating in deliberation and decision-making of the Board and Board Committees;
- e. Views and participating in deliberation and decision-making of the Board and Board Committees;
- f. They have devoted sufficient time and commitment to discharge their responsibilities as Independent Non-Executive Directors; and
- g. They have continued to exercise their independence and due care during their tenure as Independent Non-Executive Directors of the Company and carries out duties in the interests of the Company and shareholders.

The NC has evaluated the performance of the Board through its annual assessment conducted during the financial year ended 30 June 2025 and was generally satisfied with the level of independence demonstrated by the Independent Non-Executive Directors and their ability to act independently and objectively in the best interests of the Company.

REMUNERATION COMMITTEE REPORT

COMPOSITION AND ATTENDANCE

The members of the Remuneration Committee ("RC") and their respective members' attendance at meetings for the financial year ended 30 June 2025 are as follows:-

Remuneration Committee	Directors' Name	Status of Directorship	Meetings Attended
Chairman	Mr. Seroop Singh Ramday	Senior Independent Non-Executive	1/1
Member	Ms. Susie Chung Kim Lan	Independent Non-Executive	1/1
Member	Ms. Siti Ainee Hanum Binti Suhaidi	Independent Non-Executive	1/1

The present RC consists of three (3) board members, all of whom are Independent Non-Executive Directors. Their respective roles, duties and responsibilities were laid out under its written Terms of Reference, which is available on the Company's website, www.borneo-oil.com.my.

INTRODUCTION

As outlined in the relevant corporate section of the annual report, this past financial year has brought with it many challenges effecting both global and national economies. This have affected most sectors of industries. The Remuneration committee, in this respect, closely monitors industry and market circumstances to ensure that the company remains relevant and competitive in all its operational sectors. We are pleased to report that the consistent approach has meant minimal staff turnover with no challenges on recruitment for our growth sectors.

TERMS OF REFERENCE

The RC with clearly defined Terms of Reference as approved by the Board are as follows:-

- Reviews and assess and recommends to the Board the remuneration packages of the Executive Directors ("ED");
- The RC and the Board ensure that the Company's remuneration policy remains supportive of the Company's corporate objectives, is aligned with the interests of shareholders, are designed to attract, retain and motivate the ED and are reflective of their experience and level of responsibilities;
- The remuneration of the EDs are reviewed annually and the EDs play no part in the decision of their own remunerations;
- The RC review and administer any share incentive scheme adopted by the Group and to decide on the allocation to eligible participants under the said scheme; and
- The RC also reviews the Company's obligations arising in the event of any resignation, retirement or termination of the Executive Directors' and key management personnel's contracts of service by ensuring such contracts of services contain fair and reasonable termination clauses.

Remuneration Committee Report (cont'd)

TERMS OF REFERENCE (CONT'D)

The Board determines the remuneration of the Non-Executive Directors and will recommend the Directors' fees for shareholders' approval. Only the Non-Executive Directors are entitled to the Directors' fees and meeting allowances for Board or Board Committee Meetings they attended.

If required, the RC will seek expert advice inside and/or outside the Company on the remuneration of all Directors and key management personnel and any such engagement of independent remuneration consultants would be disclosed.

The RC has reviewed the Non-Executive Directors and Board Committees fees based on market and industry benchmark and recommended to the Board, the proposed increase in fees to commensurate with the time commitment required, responsibilities, duties and commitment for the financial year ended 30 June 2025, which is subject to the approval by shareholders at the forthcoming AGM. Non-Executive Directors are not overly compensated to the extent that their independence may be compromised. The Company does not have a retirement remuneration plan for Non-Executive Directors. No individual Directors fixes his own remuneration.

SUMMARY OF THE WORK OF THE RC

During the financial year under review, the RC has undertaken the following activities in discharging its duties:-

- a. Review senior management performance and remuneration, taking into consideration current industry practices and economic circumstance;
- b. Reviewed the performance of the Executive Director and submits recommendations to the Board on specific adjustment in remuneration and/or reward payments;
- c. Reviewed and recommended Directors' fees and benefits payable to the Directors of the Group for the Board's approval;
- d. Progress diversity, equity and inclusion agenda; and
- e. Review governance and regulatory matters.

The level and mix of each individual Director's remuneration for the financial year ended 30 June 2025 is disclosed in page 77 to 78 of this Annual Report on Corporate Governance Overview Statement.

STATEMENT OF RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

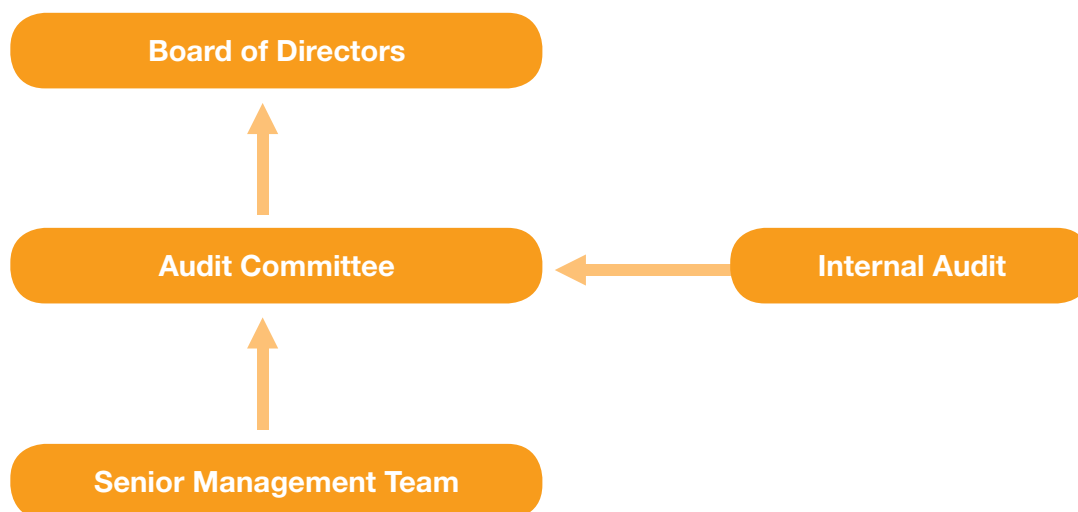
The Board of Directors (“the Board”) is pleased to present its “Statement on Risk Management and Internal Control” which has been prepared pursuant to paragraph 15.26 (b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and guided by the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers.

BOARD RESPONSIBILITY

The Board acknowledges its stewardship responsibility for the Group’s internal control and risk management system to safeguard shareholders’ investment and the Group’s assets and review its adequacy and integrity of the system.

However, it should be noted that such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement, loss and fraud. For this statement, the associated company is not dealt with as part of the Group.

RISK REPORTING STRUCTURE



Statement of Risk Management and Internal Control (cont'd)

INTERNAL CONTROL SYSTEMS

The embedded control system is designed to facilitate the achievement of the Group's business objectives. It comprises the following:-

- **Organisational Structure**

The organisational structure as well-defined lines of responsibility, the delegation of authority, segregation of duties and information flow to support the Group in achieving its business objectives.

In addition, the committees made up predominantly of non-executive directors such as the Audit and Risk Management Committee ("ARMC"), Nomination Committee ("NC") and Remuneration Committee ("RC") with defined Terms of Reference and functions, provide the essential support to the Board.

- **Audit and Risk Management Committee ("ARMC")**

The ARMC convenes its meeting regularly to meet its strategic business plan, thus ensuring that the Board adequately inform and maintains adequate supervision over the entire operations.

- **Control Activities**

The Group continuously reviews and updates its policies, procedures and standards following changes in the operating environment.

- **Budgeting and Monitoring Processes**

The Group has a budgeting process for all operating units with periodical monitoring of performance so that significant variances are followed-up and Management action taken.

- **Managing and Monitoring of Capital and Revenue Expenditure**

The functional limits of authority for revenue and capital expenditure for all operating units facilitate the approval process whilst keeping potential exposure in check.

Detailed justification and approval process for major projects and acquisitions are imposed to ensure congruence with Company's strategic objectives.

- **Information and Communication Controls**

The Group's computerised information systems are streamlined to ensure compliances with hardware and software regulations and guidelines for system integrity, effectiveness and efficiency.

- **Independent Auditing**

Independent appraisals by internal and external auditors ensure ongoing compliance with policies, procedures, standards and legislations whilst assessing the effectiveness of the Group's systems of financial, compliance and operational controls.

Statement of Risk Management and Internal Control (cont'd)

RISK MANAGEMENT

The Board acknowledges that risk management is an integral part of the Group's business operations. It is an ongoing process that involves different management levels to identify, assess, evaluate, monitor, manage and mitigate risks that may affect the achievement of its business and corporate objectives. Regular management and operational meetings are held to deliberate solutions to mitigate critical risks. These ongoing risk management activities are undertaken at all significant subsidiaries of the Group.

Some of the Key elements of the Group's risk management framework are described as follows:-

- **Risk Identification**

Risk identification is performed on an ongoing basis by different levels of management. The respective business units of the Group are the risk owners and are responsible for developing the appropriate risk response strategies.

Some of the Key elements of the Group's risk management framework are described as follows:-

- **Risk Assessment**

The Group maintaining a risk database together with their corresponding controls, which are categorised below:-

- Strategic risk, the risk which affects the overall direction of the business.
- Operational risk, derived from the inability of internal processes and procedures to address operational failings due to people or systems.
- Financial risk, the risk associated with financial reporting and recording of transactions.
- Compliance risk, the risk concerning legal, statutory and corporate governance.

- **Risk Mitigation Process**

Potential risks were identified by the respective business functions based on relevant knowledge, expertise and advice from subject matter experts. The policies and procedures of the Group embed internal controls to address and mitigate known risks.

- **Reporting & Communication**

The Management is responsible for creating risk awareness culture and to build the necessary environment for effective risk management. Significant issues related to internal control and risk management are highlighted to the Board. If deemed necessary, the Board will seek external parties in matters in which the Board needs to seek an opinion.

Statement of Risk Management and Internal Control (cont'd)

INTERNAL AUDIT FUNCTION

The Board acknowledges the importance of the internal audit function and has outsourced to an independent advisory firm, Valens Consult Services Sdn Bhd. As part of its efforts in ensuring the internal controls are adequate and effective, the internal auditor will report directly to the Audit Committee ("AC").

The internal audit function appraises and contributes to improve the Group's internal control systems and reports directly to the Audit Committee on a quarterly basis.

Where weaknesses have been identified as a result of the reviews, improvement measures are recommended to strengthen controls and follow-up audits are conducted by the Internal Auditor to assess the status of implementation thereof by the Management.

REVIEW OF ADEQUACY OF RISK MANAGEMENT AND INTERNAL CONTROL

Based on the internal controls established and maintained by the Group, reviews performed by Management and work performed by internal and external auditors, the Board, with the concurrence of the AC is of the opinion that the Group's internal controls are adequate and effective.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

The external auditors have reviewed this Statement as required by paragraph 15.23 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad for inclusion in the Annual Report of the Company for the financial year ended 30 June 2025 and have reported to the Board that nothing has come to their attention that causes them to believe that this Statement is inconsistent with their understanding of the process that the Board has adopted in the review of the adequacy and integrity of the systems of internal control of the Group.

Their review was also performed in accordance with Audit and Assurance Practice Guides 3 ("AAPG 3") issued by the Malaysian Institute of Accountants.

CONCLUSION

For the financial year under review and up to the date of issuance of the financial statements, the Board is satisfied with the adequacy and effectiveness of the Group's risk management and internal control system in order to safeguard the shareholders' investment, the interests of customers, regulators and employees and the Group's assets.

The Board is of the opinion that there were no material control failures or adverse compliance events that directly resulted in any material loss to the Group during the financial year under review.

This Statement does not include the state of risk management and internal control of the Company's associate companies, which have not been dealt with as part of the Group.

This Statement on Risk Management and Internal Control is made in accordance with a resolution of the Board of Directors dated 23 October 2025.

CORPORATE SOCIAL RESPONSIBILITY (CSR) STATEMENT

At Borneo Oil Berhad (“**BOB**”), Corporate Social Responsibility (“**CSR**”) is not merely a business obligation; it is a fundamental component of our corporate ethos and strategic vision for it is said “*Without vision a nation perishes*”. As a Corporate Citizen in this nation, we recognize our responsibility to contribute positively to society and the environment while driving sustainable economic growth. Through a steadfast commitment to ethical practices and sustainable development, BOB seeks to create enduring value for our stakeholders and the communities in which we operate.



Strategic Framework

Our CSR initiatives are strategically aligned with global sustainability goals and are designed to address key environmental, social and governance (“ESG”) issues. By integrating CSR into our core operations, we aim to achieve a balance between profitability and sustainability, ensuring we operate in a manner that is both accountable and transparent.

Operate to Serve and Impact

At the heart of our CSR approach is a deep commitment to the communities in which we operate in as communities in which we serve. We invest in various community development programs, focusing on infrastructure and empowerment. By fostering strong partnerships with local stakeholders, we aim to improve the quality of life and contribute to the socio-economic development of the regions in which we operate.

Looking Ahead

As we reflect on our journey, not just in the last one year but in the past years, we are proud of the progress we have made specially in having an impact on the communities around us. For example, in Lahad Datu, the Group’s commitment towards maintaining and upgrading the local infrastructure such as the roads has benefited the local communities. BOB remains conscious of the work that lies ahead and is resolute in our commitment to continually evolve and enhance our CSR strategies to meet the dynamic needs of society and the environment. By fostering a culture of responsibility and sustainability, we aim to leave a lasting positive legacy for future generations.

In conclusion, CSR is a vital element in our ongoing pursuit of excellence and sustainability. We are excited to continue building upon our achievements and to forge a future that is brighter, more sustainable and more inclusive for all.

Corporate Social Responsibility (CSR) Statement (cont'd)

21 July 2024**Larian Eksplorasi Warisan**

SugarBun support the event by sponsorship of Chicken Burgers.

SugarBun sponsored meals for over 300 participants joining Larian Eksplorasi Warisan held in Kampung Santubong. The event was organized by Amanah Khairat Yayasan Budaya Melayu Sarawak ("AKYBMS") as initiative to introduce and promote Santubong archaeological and historical significance as a heritage tourism destination. The run focused on exploration and heritage learning while participants passed by historical locations like Pusat Banglo Wallace-Ali, Makam Sultan Tengah and Bukit Maras. The goals included fostering unity among Sarawakians, promoting a healthy lifestyle and raising awareness of Santubong's historical value.

- **Sponsorship of 250 Chicken Burgers : RM490**

21 July 2024**SPCA KK Bazaar**

SugarBun proudly supported the **SPCA KK Bazaar 2024** by sponsoring its popular **Sabacco Tuhau Chilli**, bringing a unique local flavor to the event. This contribution aimed to boost fundraising efforts for the welfare of animals under SPCA Kota Kinabalu's care. As a homegrown brand, SugarBun is committed to giving back to the community and supporting meaningful causes. The event was a vibrant gathering of animal lovers and supporters, made more special with the presence of local products like Sabacco. SugarBun extends its heartfelt thanks to SPCA KK for the opportunity to be part of this impactful initiative.

- **Sponsorship of 72 bottles of Sabacco Tuhau Chilli : RM350**



A total of 72 bottles of Sabacco Tuhau Chilli were sold during SPCA KK Bazaar.

Corporate Social Responsibility (CSR) Statement (cont'd)

29 August 2024

Jubilant Event 2024 @ Heart Treasures



Meals sponsored by SugarBun.

Heart Treasures, located in Kuching Malaysia, is a social enterprise that provides a 'dignity-for-life' transformation to young people with physical and intellectual disabilities with the ultimate goal of giving them the opportunity and a chance to lead a fulfilling life.

- Sponsorship for 40 pax of W2 Meals (2pcs Broasted Chicken Meal) : RM207

26 September 2024

Halaluxe Retreat, Gaya Island Resort

SugarBun by SBSL proudly sponsored the **Halaluxe Retreat** held at **Gaya Island Resort**, supporting a unique initiative that promotes halal luxury lifestyle experiences. The retreat brought together participants for a weekend of wellness, culture and community engagement in a serene, nature-rich setting.

SugarBun's sponsorship reflects its commitment to supporting inclusive, value-driven events that celebrate heritage, wellness and meaningful connections.

- Sponsored 10 bottles of Sabacco Original & 10 bottles of Tuhau Chilli



Participants of Halaluxe Retreat
at Gaya Island Resort.

Corporate Social Responsibility (CSR) Statement (cont'd)

29 September 2024**Program Larian Amal Bomba Sarawak**

*Participants of Charity Run
with Bomba Sarawak 2.0.*

The Charity Run with Bomba Sarawak 2.0 successfully attracted 3,100 participants of all ages at the MBKS grounds. The event was co-organized by the Sarawak Fire and Rescue Department ("JBPM"), the Sarawak Fire and Rescue Sports and Welfare Association ("PESKEBS") and MBKS. The main objective was to raise funds for the Sarawak Association for Intellectually Disabled Children ("PERKATA") and the Kuching Blind Association, each receiving a donation of RM10,000. The event also featured aerobic sessions and free health checks provided by the Ministry of Health ("KKM"). SugarBun supported the run by sponsoring chicken rice combo for the participants.

- **Sponsorship of 1pc chicken rice combo x 150 pax : RM1,988**

25 October 2024**International Short Course Swimming Championship**

The event was held at the Pandelega Rinong Aquatic Centre in Kuching, organised by Power Aquatics Swimming Club ("PASC") Kuching. SugarBun generously sponsored meals for all participants, showcasing strong community support and contributing to the event's success.

- **Sponsorship of 200 Chicken Burgers & 200 pax 1pc Broasted Chicken & Savoury Rice : RM1,104**



*Youth participate the short course and the meals
sponsored by SugarBun.*

Corporate Social Responsibility (CSR) Statement (cont'd)

30 October 2024**PASTI Darul Ilmi 2 Study Trip**

Memorable photo of Students of PASTI Darul Ilmi 2 during their Study Trip.

The “PASTI Darul Ilmi 2 Study Trip” was successfully held, involving the participation of students and accompanying teachers in an educational trip to the Petra Jaya Fire and Rescue Station.

The programme aimed to enrich learning experiences beyond the classroom while strengthening bonds among the PASTI community. SugarBun by SBSL generously contributed meals for all students and teachers involved in the visit.

- **Sponsorship of 50 pax of Kids Meal (Savoury Rice & Chickies + Packet Drinks) : RM138**

13 December 2024**Alumni Reunion Dinner 2024**

The **Alumni Reunion Dinner 2024**, organised by the **All Saints' and St Agnes' Schools Alumni Association Kota Kinabalu**, brought together former students for a memorable evening of reconnection and celebration. **SugarBun** by SBSL showed its support by generously sponsoring goodies for all attendees, adding a thoughtful touch to the event.

- **Sponsored 100 bottles of Tuhau Chilli**



SugarBun sponsored goodies, celebrating connections.

Corporate Social Responsibility (CSR) Statement (cont'd)

January 2025**Maintenance of Jalan Air Pasang, Taliwas and Jalan Ulu Segama**

BOB operates its limestone quarries and continues to do regular maintenance over a 26 km stretch of gravel road using resources from its quarries and other local materials. General maintenance is required to be carried out after heavy rains in order to maintain the road conditions for accessibility. The area serves Kg. Upak and Kg. Ulu Segama, which is a small community with a population of approximately 20,000 people which include workers from neighbouring plantations.

In January 2025, heavy flooding occurred in the Ulu Segama area causing parts of road to collapse. BOB conducted emergency works at its own cost using its limestone and magnesium resources to reconnect and repair the road and make it accessible to the nearby villages and affected plantations.



Affected road under maintenance.



Grading works improve rural road access through vital plantation routes.



Improved local roads ensure safer, smoother travel for our community.

Corporate Social Responsibility (CSR) Statement (cont'd)

15 January 2025**SugarBun Limbang - Chinese New Year Run**

*Opening Ceremony of CNY Run at
SugarBun Limbang Branch.*

SugarBun sponsored RM750 in cash for the Chinese New Year ("CNY") Run at the SugarBun branch in Limbang. The sponsorship supported the event's success, promoting health and community togetherness during the festive season. SugarBun's involvement highlights its dedication to encouraging active lifestyles and cultural celebrations.

- **Sponsored RM750 cash**

29 March 2025**NAMLIFA Blood Donation Cum Insurance Awareness Campaign**

SugarBun proudly supported the NAMLIFA Blood Donation cum Insurance Awareness Campaign, contributing to a meaningful community health initiative.

Their involvement helped raise awareness about the importance of blood donation and insurance protection. SugarBun is high commitment to promoting well-being and social responsibility within the community.

- **Sponsorship of 35 pax of W1 combo (1pc Broasted Chicken, Savoury Rice ®, Pickles & Soft Drinks) : RM420**



*Donor receiving certificate
from the organizer.*

16 - 18 May 2025**Swimming Art Club**

*Students enjoying their meals
after the event.*

SugarBun has sponsored the **Swimming Art Club** in Sarawak, showing strong support for youth development through sports and creativity during their participation in Milo Sport Excel Circuit 1.

- **Sponsorship of 70 pax of W1 Meal (1pc Broasted Chicken & Savoury Rice) & 35 pax Chicken Burger : RM306**

Corporate Social Responsibility (CSR) Statement (cont'd)

28 May 2025**Palliative Care Association of Kota Kinabalu**

BOB recently made a generous donation to the Palliative Care Association of Kota Kinabalu, demonstrating its strong commitment to community welfare. The contribution aims to support the association's efforts in providing compassionate care to patients with life-limiting illnesses. This initiative reflects BOB's dedication to improving quality of life and supporting essential healthcare services in the region. The Palliative Care Association expressed deep gratitude for the support, which will help sustain and expand their vital programs.

- Sponsorship RM10,000 cash



Corporate Social Responsibility (CSR) Statement (cont'd)

15 June 2025**St. Marianne Hostel Bantayan, Tamparuli**

A newly built home in Kg. Bantayan, Tamparuli, that can house up to 120 girls. At the time of the visit there were 34 girls are staying there, where most of the girls originate from other districts such as Ranau and Kota Belud. The hostel is run by the Franciscan Sisters. BOB contributed meals for 45 pax during the visit together with other sponsors and caretakers of the hostel.

- **Sponsorship: SugarBun and Pezzo meals for 45 pax : RM740**



Sponsored item by SugarBun.



The students having their meals.



Visit and sponsorship to St. Marianne Hostel.

Corporate Social Responsibility (CSR) Statement (cont'd)

21 June 2025

St. Maria Goretti Hostel, Binaong, Keningau

A hostel run by Franciscan nuns which houses up to 70 female students from surrounding areas and acts as a refuge centre for the abused and needy children ranging from 13-18 years old.

- **Sponsored meals for 80 pax : RM1,184**



Our Executive Director, Ms. Georgia giving a talk during her visit on behalf of the company.



Visit to St. Maria Goretti's Hostel.

Corporate Social Responsibility (CSR) Statement (cont'd)

22 June 2025**Rumah Kanak-Kanak Bondulu, Tambunan**

Run by Franciscan Sisters, this is a hostel for underprivileged and needy kids, including boys and girls, between the ages of 5 to 18. There were around 80 students together with 6 workers at the time of the visit.

- **Sponsored meals for 80 Children : RM1,184**



Visit to Rumah Kanak-Kanak Bondulu, Tambunan.

28 June 2025**San Damiano Girls' Hostel, Kiulu**

Ms. Georgia led the team in distributing sponsored meals.

The hostel was built to accommodate the students coming from far away villages to further their studies. The hostel is currently home to 80 girls between the ages of 13 and 17, all of whom are under the care of Franciscan Sisters.

- **Sponsored meals for 80 Children : RM1,184**

Corporate Social Responsibility (CSR) Statement (cont'd)

29 June 2025**Monfort Youth Training Centre, Kiulu**

A youth skill training centre with full residential care programmes for youths located in Kampung Kiulu, Tamparuli Sabah for teenage boys ranging from ages 16-22. The centre focuses on character development and formation. Under Monfort Youth Training Centre, the hostel facilities were upgraded to provide a conducive home and learning environment for the youth, including the underprivileged youth into skilled workers for gainful employment and be upright citizens for the nation. Currently, there are more than 50 boys residing in the hostel, aged 13 to 17, under the supervision of Mr. Johnny Suti.

- **Sponsored meals for 60 persons : RM1,036**



Visit to San Damiano Boys Hostel, Montfort Youth Training hostel.

5 July 2025**St. Theresa Hostel, Kota Marudu**

Located in Kota Marudu, Sabah, this hostel houses up to 70 children, comprising boys and girls, ranging from primary school to secondary school. This home is situated close to some of the poorest regions in Sabah where villages are far from schools. Therefore, often parents place their children in hostels so that they can be educated in nearby schools. In addition, the hostel takes in children from impoverished homes, single-parent homes, orphanages and some who have been rescued from troubled homes.

- **Sponsorship meals for 100 Children : RM1,480**

6 July 2025**Don Bosco Hostel, Kundasang, Ranau**
















Sponsored meals by Pezzo.

Situated at Bundu Tuhan, Kundasang, this is a home for children from nearby villages ranging from age 6-17, constituting of both boys and girls where they are care for on a full boarding basis to enable them to attend the nearby schools and obtain a decent education. Some of these children are also from underprivileged or troubled homes.

- **Sponsorship meals for 70 Children : RM1,036**








Corporate Social Responsibility (CSR) Statement (cont'd)

Table 1 Sponsorship Summary to Hostels, Schools & Organizations across Malaysia (during the financial year from 1 July 2024 - 30 June 2025):-

NO.	DATE	LOCATION / HOSTEL / ORGANIZATION	TYPE OF SPONSORSHIP	AMOUNT
SABAH				
1.	21.07.2024	SPCA KK Bazaar 2024		72 bottles Tuhau Chilli (RM350)
2.	26.09.2024	Halaluxe Retreat, Gaya Island Resort		10 bottles Sabacco Original Sauce (RM108) 10 bottles Tuhau Chilli (RM119)
3.	13.12.2024	Alumni Reunion Dinner 2024 (All Saints' and St Agnes' Schools Alumni Association Kota Kinabalu)		100 bottles Tuhau Chilli (RM1,190)
4.	21.12.2024	Christmas Party Woorjib Home, Lok Kawi		RM457.14
5.	06.01.2025 until 28.01.2025	Road maintenance works for Jln Ulu Segama		N/A
6.	15.06.2025	St. Marianne Hostel Bantayan, Tamparuli		RM740
7.	21.06.2025	St. Maria Goretti Hostel, Binaong, Keningau		RM1,184
8.	22.06.2025	Rumah Kanak-Kanak Bondulu Toboh, Tambunan		RM1,184
9.	28.06.2025	San Damiano Girls' Hostel, Kiulu, Tamparuli		RM1,184
10.	29.06.2025	Montfort Youth Training Centre, Kiulu		RM1,036
11.	05.07.2025	St. Theresa Hostel, Kota Marudu		RM1,480
12.	06.07.2025	Don Bosco Children's Home, Bundu Tuhan, Ranau		RM1,036
SARAWAK				
13.	21.07.2024	Larian Eksplorasi Warisan		RM490
14.	29.08.2024	Jubilant Event 2024 @ Heart Treasures		RM207
15.	29.09.2024	Program Larian Amal Bomba Sarawak		RM1,988
16.	25.10.2024 and 26.10.2024	International Short Course Swimming Championship		RM1,104
17.	30.10.2024	Lawatan PASTI Darul Ilmi 2		RM138

Corporate Social Responsibility (CSR) Statement (cont'd)

Table 1 Sponsorship Summary to Hostels, Schools & Organizations across Malaysia (during the financial year from 1 July 2024 - 30 June 2025):- (cont'd)

NO.	DATE	LOCATION / HOSTEL / ORGANIZATION	TYPE OF SPONSORSHIP	AMOUNT
SARAWAK				
18.	15.01.2025	SugarBun Limbang – Chinese New Year Run		RM750
19.	28.02.2025	JMC Blood Donation Campaign		RM698
20.	29.03.2025	NAMLIFA Blood Donation cum Insurance Awareness Campaign		RM420
21.	16.05.2025 until 18.05.2025	Swimming Art Club – Sponsoring meals		RM306
22.	28.05.2025	Palliative Care Association of Kota Kinabalu		RM10,000
23.	20.06.2025	JMC Blood Donation Campaign		RM698
24.	19.09.2024 until 27.06.2025	Sponsorship for Sabacco Products		210 bottles Sabacco Original Sauce (RM1,752)
TOTAL AMOUNT (RM)				RM28,619.14

TYPE OF SPONSORSHIP						
	Meal		Cash		Services	 Sabacco Products

STATEMENT OF DIRECTORS' RESPONSIBILITIES

IN RESPECT OF THE AUDITED FINANCIAL STATEMENTS

The Board of Directors ("Board") is required by the Companies Act 2016 ("CA") to prepare financial statements which give a true and fair view of the state of affairs of the Group and of the Company at the end of each financial year and of their profit or loss and cash flows for the financial year then ended.

In preparing the financial statements, the Board has:-

- Adopted appropriate accounting policies and applied them consistently;
- Made judgements and estimates that are reasonable and prudent;
- Ensured that applicable accounting standards have been complied with; and
- Applied the going concern basis.

The Board is responsible for ensuring that the Group and the Company maintain proper accounting records that disclose with reasonable accuracy on the financial position of the Group and the Company and that enable the Board to ensure that the financial statements comply with the provisions of the Companies Act 2016.

The Board is also responsible for taking reasonable steps to safeguard the assets of the Group and of the Company and to prevent and detect fraud and other irregularities.

This Statement is made in accordance with a resolution of the Board of Directors dated 23 October 2025.

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DIRECTORS' REPORT

The directors hereby submit their report together with the audited financial statements of the Group and of the Company for the financial year ended 30 June 2025.

PRINCIPAL ACTIVITIES

The Company is principally engaged in investment holding, provision of corporate and management services to the Group.

The principal activities of the subsidiaries are as disclosed in Note 8 to the financial statements.

There have been no significant changes to the nature of these principal activities during the financial year.

RESULTS

	Group RM	Company RM
Net loss for the financial year	(300,108,167)	(284,309,327)
Other comprehensive deficit, net of tax	(56,501)	-
Total comprehensive deficit for the financial year	<u>(300,164,668)</u>	<u>(284,309,327)</u>
Attributable to:-		
- Owners of the Company	(300,117,391)	(284,309,327)
- Non-controlling interests	(47,277)	-
	<u>(300,164,668)</u>	<u>(284,309,327)</u>

DIVIDENDS

No dividend has been paid or declared by the Company since the end of the previous financial year.

The directors do not recommend the payment of any dividends in respect of the financial year ended 30 June 2025.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than those disclosed in the financial statements.

Directors' Report (cont'd)

BAD AND DOUBTFUL DEBTS

Before the financial statements of the Group and of the Company were prepared, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and had satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts.

At the date of this report, the directors are not aware of any circumstances which would render the amount written off for bad debts or the amount of allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent.

CURRENT ASSETS

Before the financial statements of the Group and of the Company were prepared, the directors took reasonable steps to ensure that any current assets which were unlikely to be realised in the ordinary course of business, including their values as shown in the accounting records of the Group and of the Company, had been written down to an amount which they might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances which would render the values attributed to the current assets in the financial statements of the Group and of the Company misleading.

VALUATION METHODS

At the date of this report, the directors are not aware of any circumstances which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

CONTINGENT AND OTHER LIABILITIES

At the date of this report, there does not exist:-

- (i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; and
- (ii) any contingent liabilities in respect of the Group or of the Company which has arisen since the end of the financial year.

In the opinion of the directors, no contingent or other liability of the Group or of the Company has become enforceable, or is likely to become enforceable, within the period of twelve months after the end of the financial year which will or may affect the ability of the Group or of the Company to meet their obligations as and when they fall due.

CHANGE OF CIRCUMSTANCES

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

Directors' Report (cont'd)

ITEMS OF MATERIAL AND UNUSUAL NATURE

In the opinion of the directors,

- (i) the results of the operations of the Group and of the Company for the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and
- (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

ISSUES OF SHARES AND DEBENTURES

During the financial year, the issued and paid-up capital of the Company was increased by RM17,928,202/- from RM709,329,099/- to RM727,257,301/- by way of issuance of:-

- (i) 1,800,000,000 new ordinary shares from the exercise of options under the Company's Employees' Share Option Scheme ("ESOS") at an average exercise price of RM0.0085; and
- (ii) 257,435,000 new ordinary shares from the exercise of warrants at the exercise price of RM0.0100.

The new ordinary shares issued during the financial year rank pari passu in all respects with the existing ordinary shares of the Company.

During the financial year, no new issue of debentures were made by the Company.

Further details are disclosed in Note 22 to the financial statements.

WARRANTS C 2015/2025

The Company's issuance of new warrants via a Renounceable Rights Issue of 2,315,152,386 of new ordinary shares on the basis of one (1) new warrant for every two (2) right issues subscribed were listed on the Bursa Malaysia Securities Berhad on 17 November 2015.

The salient features and details of the Warrants C were disclosed in Note 24(a) to the financial statements.

The movement of the Warrants C during the financial year is as follows:-

	/----- Number of Warrants C -----/			
	At 01.07.2024	Issued	Exercised	At 30.06.2025
Warrants C	1,722,822,600	-	-	1,722,822,600

Directors' Report (cont'd)

WARRANTS D 2017/2027

The Company's issuance of new warrants via a Bonus Issue of 528,085,453 new warrants 2017/2027 on the basis of one (1) free warrant for every eight (8) existing ordinary shares held on 26 May 2017 were granted listing and quotation on the Bursa Malaysia Securities Berhad on 7 June 2017.

The salient features and details of the Warrants D were disclosed in Note 24(b) to the financial statements.

The movement of the Warrants D during the financial year is as follows:-

	/----- Number of Warrants D -----/			
	At 01.07.2024	Issued	Exercised	At 30.06.2025
Warrants D	365,471,359	-	-	365,471,359

WARRANTS E 2025/2030

The Company's issuance of new warrants via a Bonus Issue of 3,448,033,541 new warrants 2025/2030 on the basis of one (1) free warrant for every four (4) ordinary shares held on 19 March 2025 were granted listing and quotation on the Bursa Malaysia Securities Berhad on 26 March 2025.

The salient features and details of the Warrants E were disclosed in Note 24(c) to the financial statements.

The movement of the Warrants E during the financial year is as follows:-

	/----- Number of Warrants E -----/			
	At 01.07.2024	Issued	Exercised	At 30.06.2025
Warrants E	-	3,448,033,541	(257,435,000)	3,190,598,541

DIRECTORS

The directors in office during the financial year and during the period from the end of the financial year to the date of report are:-

TAN KOK CHOR
 SEROOP SINGH RAMDAY
 DATUK JOSEPH LEE YOK MIN @ AMBROSE *
 GEORGIA SUZANNE LINGAM @ GEORGIANNE *
 SRI GANESH A/L K BALASUBRAMANIAM *
 SUSIE CHUNG KIM LAN
 SITI AINEE HANUM BINTI SUHAIDI
 RIORN LEE KAH VUI

(Appointed on 02 December 2024)

* Directors of the Company and certain subsidiaries.

Directors' Report (cont'd)

DIRECTORS OF SUBSIDIARIES

Pursuant to Section 253(2) of the Companies Act 2016 in Malaysia, the directors who held office in the subsidiaries of the Company during the financial year and during the period from the end of the financial year to the date of this report, not including those directors mentioned above, are:-

ANTHONY FOO	
CHRISTOPHER CHIN CHEONG VUI	(Resigned on 16 June 2025)
SIN DARRELL	
PAUL RAYE	
TING LAH CHING	
ZAMAIN BIN ABDULLAH	(Appointed on 27 January 2025 and Resigned on 19 August 2025)
ERENEY CRISPINE	(Appointed on 19 August 2025)
MOHD RIDZA BIN RAMLI	(Appointed on 19 August 2025)
MOHD RIZAL BIN USAH	(Appointed on 19 August 2025)

DIRECTORS' INTERESTS

According to the Register of Directors' Shareholdings required to be kept by the Company under Section 59 of the Companies Act 2016 in Malaysia, the interests of directors in office at the end of the financial year in shares in the Company and its related corporations during the financial year ended 30 June 2025 were as follows:-

/----- Number of ordinary shares -----/				
	At 01.07.2024	Bought	Sold	At 30.06.2025
The Company				
<u>Direct interests</u>				
DATUK JOSEPH LEE YOK				
MIN @ AMBROSE	373,592,100	1,132,930,000	(189,000,000)	1,317,522,100
RIORN LEE KAH VUI	-	279,817,500	-	279,817,500
SRI GANESH A/L K				
BALASUBRAMANIAM	1,400,000	-	-	1,400,000
<u>Indirect interests</u>				
DATUK JOSEPH LEE YOK				
MIN @ AMBROSE ⁽¹⁾	1,323,465,310	215,050,000	-	1,538,515,310
RIORN LEE KAH VUI ⁽¹⁾	-	1,317,522,100	-	1,317,522,100
/----- Number of Warrants C -----/				
	At 01.07.2024	Bought	Exercised	At 30.06.2025
The Company				
<u>Direct interests</u>				
GEORGIA SUZANNE				
LINGAM @ GEORGIANNE	150,000	-	-	150,000

Directors' Report (cont'd)

DIRECTORS' INTERESTS (CONTINUED)

According to the Register of Directors' Shareholdings required to be kept by the Company under Section 59 of the Companies Act 2016 in Malaysia, the interests of directors in office at the end of the financial year in shares in the Company and its related corporations during the financial year ended 30 June 2025 were as follows:- (Continued)

/----- Number of Warrants D -----/				
	At 01.07.2024	Bought	Exercised	At 30.06.2025
The Company				
<u>Direct interests</u>				
DATUK JOSEPH LEE YOK MIN @ AMBROSE	92,000	-	-	92,000
GEORGIA SUZANNE LINGAM @ GEORGIANNE	66,175	-	-	66,175

<u>Indirect interests</u>				
RIORN LEE KAH VUI ⁽¹⁾	-	92,000	-	92,000

/----- Number of Warrants E -----/				
	At 01.07.2024	Issued/ Bought	Exercised	At 30.06.2025
The Company				
<u>Direct interests</u>				
DATUK JOSEPH LEE YOK MIN @ AMBROSE	-	421,140,525	(112,789,750)	308,350,775
RIORN LEE KAH VUI	-	102,426,875	(102,000,000)	426,875
SRI GANESH A/L K BALASUBRAMANIAM	-	350,000	-	350,000

<u>Indirect interests</u>				
DATUK JOSEPH LEE YOK MIN @ AMBROSE ⁽¹⁾	-	417,101,326	(102,000,000)	315,101,326
RIORN LEE KAH VUI ⁽¹⁾	-	421,140,546	(112,789,750)	308,350,796

⁽¹⁾ Indirect interests pursuant to Section 8 of the Companies Act 2016 by virtue of his substantial shareholdings in Victoria Limited.

Other than as stated above, none of the other directors in office at the end of the financial year had any interest in ordinary shares or warrants of the Company and its related corporations during the financial year.

Directors' Report (cont'd)

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director of the Company has received or become entitled to receive any benefit (other than benefits as shown under Directors' Remunerations) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest except for any benefits which may be deemed to arise from transactions entered into in the ordinary course of business with companies in which certain directors have substantial financial interest as disclosed in Note 37(b) to the financial statements.

Neither during, nor at the end of the financial year, was the Company a party to any arrangements where the object is to enable the directors to acquire benefits by means of the acquisition of shares in, or debentures of the Company or any other body corporate.

DIRECTORS' REMUNERATIONS

The details of the directors' remunerations for the financial year ended 30 June 2025 are set out as below:-

	Group RM	Company RM
Directors' remunerations		
Executive Directors:-		
- salaries, allowances and bonuses	730,050	186,760
- fees	1,535,000	949,000
- contributions to defined contribution plan and social security organisation	78,281	24,053
	<u>2,343,331</u>	<u>1,159,813</u>
Non-Executive Directors:-		
- fees	408,000	408,000
	<u>2,751,331</u>	<u>1,567,813</u>

INDEMNIFYING DIRECTORS, OFFICERS AND AUDITORS

No indemnities have been given or insurance premium paid, during or since the end of the financial year, for any person who is or has been the director, officer or auditor of the Company.

Directors' Report (cont'd)

AUDITORS' REMUNERATIONS

The amounts paid and payable as remunerations of the auditors of the Group and of the Company for the financial year ended 30 June 2025 are as below:-

	Group RM	Company RM
Auditors' remunerations		
Audit fees:-		
- Auditors of the Company	348,400	93,000
- Other auditors	6,566	-
	<hr/> 354,966	<hr/> 93,000
Non-audit fees:-		
- Auditors of the Company	25,000	25,000
	<hr/> 379,966	<hr/> 118,000

SUBSIDIARIES

Details of the Company's subsidiaries are disclosed in Note 8 to the financial statements.

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

Details of the significant events are disclosed in Note 41 to the financial statements.

SIGNIFICANT EVENTS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

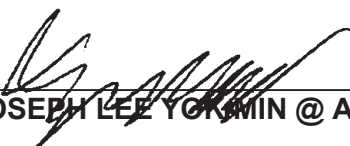
Details of the significant events subsequent to the end of the financial year are disclosed in Note 42 to the financial statements.

Directors' Report (cont'd)

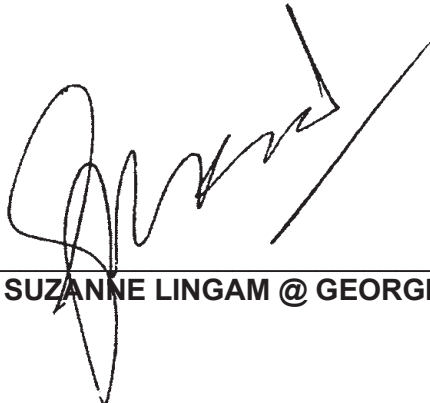
AUDITORS

The auditors, **Messrs Thelyx Malaysia PLT**, have expressed their willingness to continue in office.

Signed on behalf of the Board of Directors,



DATUK JOSEPH LEE YOCK MIN @ AMBROSE
Director



GEORGIA SUZANNE LINGAM @ GEORGIANNE
Director

Kota Kinabalu, Sabah

Date: 23 October 2025

STATEMENT BY DIRECTORS

(PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016 IN MALAYSIA)

We, **DATUK JOSEPH LEE YOK MIN @ AMBROSE** and **GEORGIA SUZANNE LINGAM @ GEORGIANNE**, being two of the directors of **BORNEO OIL BERHAD**, do hereby state that in the opinion of the directors, the accompanying financial statements set out on pages 134 to 252 are properly drawn up in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2025 and of their financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board of Directors,



DATUK JOSEPH LEE YOK MIN @ AMBROSE
Director



GEORGIA SUZANNE LINGAM @ GEORGIANNE
Director

Kota Kinabalu, Sabah

Date: 23 October 2025

STATUTORY DECLARATION

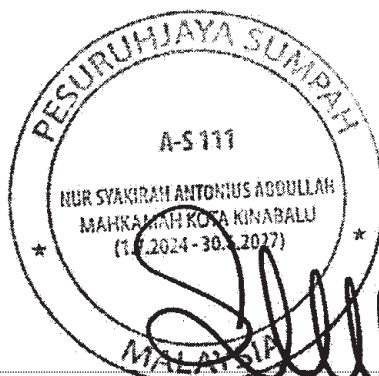
(PURSUANT TO SECTION 251(1)(B) OF THE COMPANIES ACT 2016 IN MALAYSIA)

I, **DATUK JOSEPH LEE YOK MIN @ AMBROSE**, being the Director primarily responsible for the financial management of **BORNEO OIL BERHAD**, do solemnly and sincerely declare that to the best of my knowledge and belief, the accompanying financial statements set out on pages 134 to 252 are correct, and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act 1960.


DATUK JOSEPH LEE YOK MIN @ AMBROSE
Director

Subscribed and solemnly declared by the abovenamed at Kota Kinabalu in the state of Sabah on 23 October 2025.

Before me,



Commissioner for Oaths

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF BORNEO OIL BERHAD
(INCORPORATED IN MALAYSIA)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **BORNEO OIL BERHAD**, which comprise the statements of financial position as at 30 June 2025 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including material accounting policies information, as set out on pages 134 to 252.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 30 June 2025, and of their financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Independent Auditors' Report (cont'd)

Key Audit Matters

Key audit matters are matters, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters	How our audit addressed the key audit matters
<p>Valuation of investment properties</p> <p>Refer to material accounting policies information in Note 3.5, significant accounting estimates and judgement in Note 4(b) and the disclosure in Note 7 to the financial statements.</p> <p>As of 30 June 2025, the carrying amount of the investment properties of the Group amounted to RM493,312,440/-.</p> <p>The Group's investment properties are stated at fair value based on valuation performed by an independent qualified professional valuer ("Valuer"). The fair value of the investment properties was derived using the direct comparison method and investment method.</p> <p>The valuation of investment properties was identified as a key audit matter due to the significance of the balance to the financial statements and the significant judgements involved in determining the fair value.</p>	<p>Our audit procedures include the following:-</p> <ul style="list-style-type: none"> - Assessed the competency, capabilities and objectivity of the Valuer engaged by the management in the current year following ISA 620 <i>Using the Work of an Expert</i>; - Evaluated the appropriateness of the Valuer's valuation approach to assess if it is consistent with the requirements of MFRSs and industry norms; - Challenged the reasonableness of the critical assumptions and judgements applied based on available market data and our knowledge of the property industry; and - Reviewed the Valuer's working papers to assess the accuracy and relevance of key data inputs underpinning the valuation, including recent market transactions for comparable properties and the adjustment factors applied.

Independent Auditors' Report (cont'd)

Key Audit Matters (Continued)

Key audit matters	How our audit addressed the key audit matters												
<p>Revenue recognition</p> <p>Refer to material accounting policies information in Note 3.10 and the disclosure in Note 30 to the financial statements.</p> <p>For the financial year ended 30 June 2025, the Group recognised RM82,356,741/- of revenue from the following segments:-</p> <table border="1"> <thead> <tr> <th></th><th>RM</th></tr> </thead> <tbody> <tr> <td>Food and franchise operations</td><td>71,140,881/-</td></tr> <tr> <td>Resources and sustainable energy</td><td>9,629,689/-</td></tr> <tr> <td>Property investment and management ¹</td><td>1,550,171/-</td></tr> <tr> <td>Head office and others</td><td>36,000/-</td></tr> <tr> <td></td><td>82,356,741/-</td></tr> </tbody> </table> <p>¹ Plantation business is included in this segment as it is immaterial to show as separate segment.</p> <p>The revenue recognition was identified as key audit matter due to the inherent risk of material misstatement and its significant impact on the financial statements.</p>		RM	Food and franchise operations	71,140,881/-	Resources and sustainable energy	9,629,689/-	Property investment and management ¹	1,550,171/-	Head office and others	36,000/-		82,356,741/-	<p>Our audit procedures include the following:-</p> <ul style="list-style-type: none"> - Discussed with the management to obtain an understanding of the entity and consideration of the composition of the revenue and its attributes, identify specific risks associated with revenue recognition under MFRS 15 <i>Revenue from Contracts with Customers</i>; - Performed walkthrough test over sales cycle to understand the business and identify management's control procedures in the key operating cycle. Tested the internal controls over the revenue recognition; - Performed vouching to supporting documents on a risk-based sampling basis; - Performed cut-off tests on sales transactions to ascertain the completeness and appropriate period of recognition of revenue; and - Reviewed journal entries for significant unusual revenue transactions near or after year-end, including post-closing journal transactions.
	RM												
Food and franchise operations	71,140,881/-												
Resources and sustainable energy	9,629,689/-												
Property investment and management ¹	1,550,171/-												
Head office and others	36,000/-												
	82,356,741/-												

Independent Auditors' Report (cont'd)

Key Audit Matters (Continued)

Key audit matters	How our audit addressed the key audit matters
<p>Valuation of investment in quoted shares – Verde Resources Inc. (“VRDR”)</p> <p>As of 30 June 2025, the carrying amount of investment in quotes shares - VRDR of the Group and of the Company amounted to RM69,339,662/- and RM69,035,057/- respectively.</p> <p>Refer to the disclosure in Note 10 to the financial statements for further details. The Note comprised of other investments.</p> <p>The valuation of investment in quoted shares was identified as key audit matter due to the significance of the balance to the financial statements as a whole.</p>	<p>Our audit procedures include the following:-</p> <ul style="list-style-type: none"> - Observed the market share price of VRDR as at the financial year-end based on information published on the relevant Exchange's website; - Recalculated the mathematical accuracy of the fair value loss recognised during the year; and - Obtained confirmation from the relevant Exchange regarding the custodian of the investment.

Independent Auditors' Report (cont'd)

Information Other than the Financial Statements and Auditors' Report Thereon

The directors of the Company are responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Independent Auditors' Report (cont'd)

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:-

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

Independent Auditors' Report (cont'd)

Auditors' Responsibilities for the Audit of the Financial Statements (Continued)

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:- (Continued)

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 8 to the financial statements.


Independent Auditors' Report (cont'd)

Other Matter

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the contents of this report.



THELYK MALAYSIA PLT
LLP0019500-LCA & AF 001929
Chartered Accountants



KIM LI CHYE
No. 03760/07/2027(J)
Chartered Accountant

Kuala Lumpur

Date: 23 October 2025

STATEMENTS OF FINANCIAL POSITION

AS AT 30 JUNE 2025

		Group	
	Note	2025 RM	2024 RM
ASSETS			
Non-current assets			
Property, plant and equipment	5	13,142,294	13,834,224
Right-of-use assets	6	118,992,492	124,627,061
Investment properties	7	493,312,440	493,312,440
Investment in an associate	9	-	-
Other investments	10	76,874,547	347,596,693
Golf club membership	11	32,000	32,000
Intangible asset	12	-	-
Exploration expenditure	13	-	-
Goodwill on consolidation	14	-	-
Trade and other receivables	15	-	-
Amount owing by an associate	16	-	-
Total non-current assets		702,353,773	979,402,418
Current assets			
Inventories	18	22,260,291	18,799,374
Trade and other receivables	15	24,513,340	17,097,852
Amount owing by an associate	16	8,700,325	3,686,204
Biological assets	19	91,989	54,819
Tax recoverables		836,606	658,188
Fixed deposits with licensed banks	20	4,174,028	1,125,377
Cash and bank balances	21	9,785,132	9,627,166
Total current assets		70,361,711	51,048,980
TOTAL ASSETS		772,715,484	1,030,451,398

Statements of Financial Position (cont'd)

		Group	
	Note	2025 RM	2024 RM
EQUITY			
Share capital	22	727,257,301	709,329,099
Reserves	23	55,955,954	56,012,455
(Accumulated loss)/Retained earnings		(136,000,596)	164,060,294
Equity attributable to owners of the Company		647,212,659	929,401,848
Non-controlling interests		207,723	-
TOTAL EQUITY		647,420,382	929,401,848
LIABILITIES			
Non-current liabilities			
Loans and borrowings	25	60,039,304	40,701,843
Lease liabilities	6	5,646,146	6,355,902
Deferred tax liabilities	28	13,343,340	13,343,340
Total non-current liabilities		79,028,790	60,401,085
Current liabilities			
Trade and other payables	29	23,749,995	31,010,918
Amount owing to an associate	16	6,788,000	942,305
Loans and borrowings	25	13,559,499	6,751,775
Lease liabilities	6	1,388,883	1,434,087
Tax payables		779,935	509,380
Total current liabilities		46,266,312	40,648,465
TOTAL LIABILITIES		125,295,102	101,049,550
TOTAL EQUITY AND LIABILITIES		772,715,484	1,030,451,398

Statements of Financial Position (cont'd)

		Company	
	Note	2025 RM	2024 RM
ASSETS			
Non-current assets			
Property, plant and equipment	5	348,914	727,589
Right-of-use assets	6	356,378	463,291
Investment in subsidiaries	8	260,561,140	268,014,252
Investment in an associate	9	-	-
Other investments	10	76,569,942	346,015,134
Golf club membership	11	32,000	32,000
Intangible asset	12	-	-
Total non-current assets		337,868,374	615,252,266
Current assets			
Trade and other receivables	15	1,950,661	702,288
Amount owing by subsidiaries	17	317,753,739	284,835,544
Tax recoverables		16,100	10,076
Cash and bank balances	21	1,581,059	661,699
Total current assets		321,301,559	286,209,607
TOTAL ASSETS		659,169,933	901,461,873

Statements of Financial Position (cont'd)

		Company	
	Note	2025 RM	2024 RM
EQUITY			
Share capital	22	727,257,301	709,329,099
Reserves	23	92,802,711	92,802,711
(Accumulated loss)/Retained earnings		(209,825,281)	74,484,046
TOTAL EQUITY		610,234,731	876,615,856
LIABILITIES			
Non-current liabilities			
Loans and borrowings	25	42,173,755	19,455,892
Lease liabilities	6	265,483	370,680
Total non-current liabilities		42,439,238	19,826,572
Current liabilities			
Trade and other payables	29	575,329	1,878,485
Amount owing to subsidiaries	17	488,290	2,504,190
Loans and borrowings	25	5,327,148	536,722
Lease liabilities	6	105,197	100,048
Total current liabilities		6,495,964	5,019,445
TOTAL LIABILITIES		48,935,202	24,846,017
TOTAL EQUITY AND LIABILITIES		659,169,933	901,461,873

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

		Group	
	Note	2025 RM	2024 RM
Revenue	30	82,356,741	78,560,894
Cost of sales		(61,970,589)	(63,096,016)
Gross profit		20,386,152	15,464,878
Other income		3,359,605	169,655,809
Administrative and other operating expenses		(317,767,215)	(107,780,161)
Operating (loss)/profit	31	(294,021,458)	77,340,526
Finance costs	33	(4,654,978)	(4,288,454)
Share of result of an associate		-	(36,067,941)
(Loss)/Profit before taxation		(298,676,436)	36,984,131
Taxation	34	(1,431,731)	(653,426)
(Loss)/Profit for the financial year		(300,108,167)	36,330,705
Other comprehensive (deficit)/income for the financial year:-			
Foreign currency translation		(56,501)	3,032
Total comprehensive (deficit)/income for the financial year		(300,164,668)	36,333,737
(Loss)/Profit for the financial year attributable to:-			
- Owners of the Company		(300,060,890)	36,330,705
- Non-controlling interests		(47,277)	-
		(300,108,167)	36,330,705

Statements of Comprehensive Income (cont'd)

		Group	
		2025 RM	2024 RM
Total comprehensive (deficit)/income attributable to:-			
- Owners of the Company		(300,117,391)	36,333,737
- Non-controlling interests		(47,277)	-
		<u>(300,164,668)</u>	<u>36,333,737</u>
Basic (loss)/earnings per share (sen)	35	<u>(2.35)</u>	<u>0.30</u>
Diluted (loss)/earnings per share (sen)	35	<u>(2.35)</u>	<u>0.30</u>

Statements of Comprehensive Income (cont'd)

		Company	
	Note	2025 RM	2024 RM
Revenue	30	1,836,000	1,356,000
Cost of sales		-	-
Gross profit		1,836,000	1,356,000
Other income		3,928,038	159,852,783
Administrative and other operating expenses		(287,076,157)	(258,541,922)
Operating loss	31	(281,312,119)	(97,333,139)
Finance costs	33	(2,997,208)	(948,649)
Loss before taxation		(284,309,327)	(98,281,788)
Taxation	34	-	-
Loss for the financial year, representing total comprehensive deficit for the financial year		(284,309,327)	(98,281,788)
Loss for the financial year attributable to:-			
Owners of the Company		(284,309,327)	(98,281,788)
Total comprehensive deficit attributable to:-			
Owners of the Company		(284,309,327)	(98,281,788)

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

		Attributable to Owners of the Company					Non-distributable				
		Share capital	Warrants reserve	ESOS reserve	Translation reserve	Other reserve	Retained earnings/ (Accumulated loss)	Sub-total	Non-controlling interests	Total equity	
		RM	RM	RM	RM	RM	RM	RM	RM	RM	
Group											
At 1 July 2024		709,329,099	92,802,711	-	(153,244)	(36,637,012)	164,060,294	929,401,848	-	929,401,848	
Total comprehensive deficit for the financial year:-											
Loss for the financial year		-	-	-	-	-	(300,060,890)	(300,060,890)	(47,277)	(300,108,167)	
Other comprehensive deficit for the financial year		-	-	-	(56,501)	-	-	(56,501)	-	(56,501)	
Total comprehensive deficit		-	-	-	(56,501)	-	(300,060,890)	(300,117,391)	(47,277)	(300,164,668)	
Transactions with owners:-											
Changes in ownership interest in a subsidiary		-	-	-	-	-	-	-	255,000	255,000	
Share-based payment		-	-	3,893,852	-	-	-	3,893,852	-	3,893,852	
ESOS exercised		15,353,852	-	(3,893,852)	-	-	-	11,460,000	-	11,460,000	
Warrants exercised		2,574,350	-	-	-	-	-	2,574,350	-	2,574,350	
Total transactions with owners		17,928,202	-	-	-	-	-	17,928,202	255,000	18,183,202	
At 30 June 2025		727,257,301	92,802,711	-	(209,745)	(36,637,012)	(136,000,596)	647,212,659	207,723	647,420,382	

Statements of Changes in Equity (cont'd)

	Attributable to Owners of the Company						
	Non-distributable			Distributable			
	Share capital RM	Warrants reserve RM	ESOS reserve RM	Translation reserve RM	Other reserve RM	Retained earnings RM	Total equity RM
Group							
At 1 July 2023, previously stated	702,833,816	92,802,711	1,520,592	(156,276)	(36,637,012)	127,554,578	887,918,409
Prior year adjustments	-	-	-	-	-	175,011	175,011
At 1 July 2023, restated	702,833,816	92,802,711	1,520,592	(156,276)	(36,637,012)	127,729,589	888,093,420
Total comprehensive income for the financial year:-							
Profit for the financial year	-	-	-	-	-	36,330,705	36,330,705
Other comprehensive income for the financial year	-	-	-	3,032	-	-	3,032
Total comprehensive income	-	-	-	3,032	-	36,330,705	36,333,737
Transactions with owners:-							
Share-based payment	-	-	505,191	-	-	-	505,191
ESOS exercised	6,495,283	-	(2,025,783)	-	-	-	4,469,500
Total transactions with owners	6,495,283	-	(1,520,592)	-	-	-	4,974,691
At 30 June 2024	709,329,099	92,802,711	-	(153,244)	(36,637,012)	164,060,294	929,401,848

Statements of Changes in Equity (cont'd)

Attributable to Owners of the Company-----/		Non-distributable -----/		Retained earnings/ (Accumulated loss)	ESOS reserve	Warrants reserve	Share capital	Total equity
				RM	RM	RM	RM	RM
Company								
At 1 July 2024				74,484,046	-	92,802,711	709,329,099	876,615,856
Loss and total comprehensive deficit for the financial year				(284,309,327)	-	-	-	(284,309,327)
Transactions with owners:-								
Share-based payment				-	3,893,852	-	-	3,893,852
ESOS exercised				-	(3,893,852)	-	15,353,852	11,460,000
Warrants exercised				-	-	-	2,574,350	2,574,350
Total transactions with owners				-	-	-	17,928,202	17,928,202
At 30 June 2025				(209,825,281)	-	92,802,711	727,257,301	610,234,731

Statements of Changes in Equity (cont'd)

	Attributable to Owners of the Company-----/				
	Non-distributable -----/		Distributable		
	Share capital RM	Warrants reserve RM	ESOS reserve RM	Retained earnings RM	Total equity RM
Company					
At 1 July 2023	702,833,816	92,802,711	1,520,592	172,765,834	969,922,953
Loss and total comprehensive deficit for the financial year	-	-	-	(98,281,788)	(98,281,788)
Transactions with owners:-					
Share-based payment	-	-	505,191	-	505,191
ESOS exercised	6,495,283	-	(2,025,783)	-	4,469,500
Total transactions with owners	6,495,283	-	(1,520,592)	-	4,974,691
At 30 June 2024	709,329,099	92,802,711	-	74,484,046	876,615,856

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

	Group	
Note	2025 RM	2024 RM
CASH FLOWS FROM OPERATING ACTIVITIES:-		
(Loss)/Profit before taxation	(298,676,436)	36,984,131
Adjustments for:-		
Amortisation of right-of-use assets	6,521,153	6,534,292
Deposit forfeited	-	2,500
Depreciation of property, plant and equipment	2,382,408	4,370,796
Employees' Share Option Scheme ("ESOS")	3,893,852	505,191
Fair value loss/(gain) on:-		
- investment in quoted shares	230,961,988	(159,878,084)
- biological assets	(36,696)	(53,882)
- amount owing by an associate	-	(293,214)
Gain on disposal of:-		
- investment in quoted shares	-	(2,280)
- property, plant and equipment	(58,077)	(72,400)
Gain on lease modification	(79,036)	(64,117)
Impairment losses/(Reversal of impairment losses) on:-		
- property, plant and equipment	-	8,206,693
- investment in an associate	-	3,932,059
- goodwill	-	8,583
- finance lease receivables	(97,531)	2,219,188
- trade receivables	(984,600)	870,502
- other receivables	(168,462)	(11,762)
- amount owing by an associate	6,289,655	45,722,927
Interest expense	4,654,978	4,288,454
Interest income	(348,161)	(222,927)
Loss/(Gain) on unrealised foreign exchange	43,129,877	(650,050)
(Reversal of provision)/Provision for slow-moving inventories	(445,828)	7,718,609
Share of result of an associate	-	36,067,941
Waiver of debts	(4,800)	-
Written-off of:-		
- property, plant and equipment	43,020	22,564
- bad debts - trade receivables	8,981	-
Operating loss before working capital changes and balance carried forward	(3,013,715)	(3,794,286)

Statements of Cash Flows (cont'd)

	Group	
Note	2025 RM	2024 RM
CASH FLOWS FROM OPERATING ACTIVITIES:- (CONTINUED)		
Operating loss before working capital changes and balance carried forward	(3,013,715)	(3,794,286)
Changes in working capital:-		
Inventories	(3,015,089)	1,479,466
Trade and other receivables	(9,147,784)	(2,322,538)
Biological assets	(474)	(937)
Associate company	(886,079)	(6,431,093)
Trade and other payables	(7,256,124)	8,904,898
	(23,319,265)	(2,164,490)
Tax paid	(1,349,894)	(979,737)
Tax refunded	10,300	135,410
Interest paid	(146,151)	(164,788)
Net cash used in operating activities	(24,805,010)	(3,173,605)
CASH FLOWS FROM INVESTING ACTIVITIES:-		
Investment in an associate	-	(8,000,000)
Interest received	348,161	222,927
Acquisition of a subsidiary, net of cash acquired (Placement)/Withdrawal of fixed deposits with licensed banks	255,000 (3,044,940)	- 477,059
Proceeds from disposal of:-		
- property, plant and equipment	193,891	173,289
- quoted shares	-	46,780
Purchase of:-		
- property, plant and equipment	(1,869,439)	(4,402,848)
- quoted shares	-	(278,949)
Net cash used in investing activities	(4,117,327)	(11,761,742)

Statements of Cash Flows (cont'd)

	Group	
Note	2025 RM	2024 RM
CASH FLOWS FROM FINANCING ACTIVITIES:-		
Advances to an associate	(4,572,000)	(1,943,656)
Interest paid	(4,508,827)	(4,123,666)
Issuance of ordinary shares	-	3,076,000
ESOS exercised	11,460,000	1,393,500
Warrants exercised	2,574,350	-
Drawdown of term loans	30,000,000	20,000,000
Repayment of term loans	(4,509,721)	(2,183,824)
Repayment of hire purchase payables, net	(2,449,936)	(1,108,179)
Drawdown/(Repayment) of bankers' acceptances, net	3,275,296	(502,000)
Payment of lease liabilities	(1,562,508)	(1,548,474)
Net cash generated from financing activities	29,706,654	13,059,701
NET CHANGE IN CASH AND CASH EQUIVALENTS	784,317	(1,875,646)
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	(452,185)	4,653
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR	8,368,731	10,239,724
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	8,700,863	8,368,731
ANALYSIS OF CASH AND CASH EQUIVALENTS:-		
Fixed deposits with licensed banks	4,174,028	1,125,377
Cash and bank balances	9,785,132	9,627,166
Bank overdrafts	(1,338,263)	(1,508,717)
	12,620,897	9,243,826
Less: Fixed deposits pledged to licensed banks	(3,920,034)	(875,095)
	8,700,863	8,368,731

Statements of Cash Flows (cont'd)

		Group	
	Note	2025 RM	2024 RM
CASH OUTFLOWS FOR LEASES AS A LESSEE			
Included in net cash from operating activities			
Payment relating to short-term leases	31	298,202	82,890
Included in net cash from financing activities			
Interest paid in relation to lease liabilities	33	326,455	369,029
Payment of lease liabilities		1,562,508	1,548,474
Total cash outflows for leases		2,187,165	2,000,393

Reconciliation of movements of liabilities to cash flows arising from financing activities:-

	Bankers' acceptances RM	Hire purchase payables RM	Term loans RM	Lease liabilities RM
Group				
At 1 July 2023	1,091,000	3,990,096	23,326,808	7,935,032
Net changes from financing cash flows	(502,000)	(1,108,179)	(2,183,824)	(1,548,474)
Drawdown of hire purchase	-	1,331,000	-	-
Acquisition of new leases	-	-	-	1,406,105
Drawdown of term loans	-	-	20,000,000	-
Remeasurement	-	-	-	482,887
Derecognition	-	-	-	(485,561)
At 30 June 2024	589,000	4,212,917	41,142,984	7,789,989
Net changes from financing cash flows	3,275,296	(2,449,936)	(4,509,721)	(1,562,508)
Acquisition of new leases	-	-	-	1,196,710
Drawdown of term loans	-	-	30,000,000	-
Remeasurement	-	-	-	225,711
Derecognition	-	-	-	(614,873)
At 30 June 2025	3,864,296	1,762,981	66,633,263	7,035,029

Statements of Cash Flows (cont'd)

	Company	
	2025 RM	2024 RM
Note		
CASH FLOWS FROM OPERATING ACTIVITIES:-		
Loss before taxation	(284,309,327)	(98,281,788)
Adjustments for:-		
Amortisation of right-of-use assets	106,913	106,689
Depreciation of property, plant and equipment	378,675	570,736
Employees' Share Option Scheme ("ESOS")	1,745,318	105,117
Fair value loss/(gain) on investment in quoted shares	229,849,156	(159,275,798)
Impairment losses/(Reversal of impairment losses) on:-		
- investment in subsidiaries	7,698,112	93,985,755
- amount owing by subsidiaries	(1,839,129)	22,970,265
- investment in an associate	-	135,700,000
Interest income	(2)	(22,384)
Interest expense	2,997,208	948,649
Loss/(Gain) on unrealised foreign exchange	42,920,704	(554,601)
Waiver of debts	(2,005,459)	-
Operating loss before working capital changes	(2,457,831)	(3,747,360)
Changes in working capital:-		
Trade and other receivables	(1,248,373)	27,451
Trade and other payables	702,303	(1,584,187)
	(3,003,901)	(5,304,096)
Tax paid	(8,400)	(7,700)
Tax refunded	2,376	-
Net cash used in operating activities	(3,009,925)	(5,311,796)
CASH FLOWS FROM INVESTING ACTIVITIES:-		
Investment in an associate	-	(8,000,000)
Interest received	2	22,384
Acquisition of a subsidiary, net of cash acquired	(245,000)	-
Purchase of quoted shares	-	(607,979)
Purchase of property, plant and equipment	-	(3,430)
Net cash used in investing activities	(244,998)	(8,589,025)

Statements of Cash Flows (cont'd)

		Company	
	Note	2025 RM	2024 RM
CASH FLOWS FROM FINANCING ACTIVITIES:-			
Advances to subsidiaries		(36,419,634)	(14,039,081)
Interest paid		(2,997,208)	(948,649)
Issuance of ordinary shares		-	3,076,000
ESOS exercised		13,608,534	1,393,500
Warrants exercised		2,574,350	-
Drawdown of term loans		30,000,000	20,000,000
Repayment of term loans		(2,372,295)	(380,490)
Repayment of hire purchase payables, net		(119,416)	(114,393)
Payment of lease liabilities		(100,048)	(103,463)
Net cash generated from financing activities		4,174,283	8,883,424
NET CHANGE IN CASH AND CASH EQUIVALENTS		919,360	(5,017,397)
EFFECT OF FOREIGN EXCHANGE RATE CHANGES		-	1,450
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR		661,699	5,677,646
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR		1,581,059	661,699
ANALYSIS OF CASH AND CASH EQUIVALENTS:-			
Cash and bank balances		1,581,059	661,699
CASH OUTFLOWS FOR LEASES AS A LESSEE			
Included in net cash from financing activities			
Interest paid in relation to lease liabilities	33	19,952	16,538
Payment of lease liabilities		100,048	103,463
Total cash outflows for leases		120,000	120,001

Statements of Cash Flows (cont'd)

Reconciliation of movements of liabilities to cash flows arising from financing activities:-

	Hire purchase payables RM	Term loans RM	Lease liabilities RM
Company			
At 1 July 2023	487,497	-	39,624
Net changes from financing cash flows	(114,393)	(380,490)	(103,463)
Drawdown of term loans	-	20,000,000	-
Acquisition of new leases	-	-	534,567
At 30 June 2024	373,104	19,619,510	470,728
Net changes from financing cash flows	(119,416)	(2,372,295)	(100,048)
Drawdown of term loans	-	30,000,000	-
At 30 June 2025	253,688	47,247,215	370,680

The accompanying notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

1. GENERAL INFORMATION

The Company is principally engaged in investment holding, provision of corporate and management services to the Group. The principal activities of the subsidiaries are as disclosed in Note 8 to the financial statements. There have been no significant changes to the nature of these principal activities during the financial year.

The Company is a public limited liability company, incorporated and domiciled in Malaysia and listed on the Main Market of the Bursa Malaysia Securities Berhad.

The registered office of the Company is located at 1st & 2nd Floor, Victoria Point, Jalan OKK Awang Besar, 87007, Wilayah Persekutuan Labuan.

The principal places of business of the Company is located at Lot 180, Section 19, KTLD, Jalan Satok, 93400 Kuching, Sarawak and 17th Floor, Menara Hap Seng, Letter Box No. 63, No.1 & 3, Jalan P. Ramlee, 50250 Kuala Lumpur.

The financial statements are expressed in Ringgit Malaysia.

The financial statements of the Group and of the Company have been authorised for issue by the Board of Directors in accordance with a resolution of the directors on 23 October 2025.

2. BASIS OF PREPARATION

2.1 Statement of compliance

The financial statements of the Group and of the Company have been prepared in accordance with the Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Notes to the Financial Statements (cont'd)

2. BASIS OF PREPARATION (CONTINUED)

2.2 New MFRSs, Amendments/Improvements to MFRSs and New IC Interpretations ("IC Int") adopted during the financial year

The Group and the Company adopted the following standards of the MFRS Framework that were issued by the Malaysian Accounting Standards Board ("MASB") during the financial year:-

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

The adoption of the above amendments/improvements to MFRSs did not have any significant effect on the financial statements of the Group and of the Company and did not result in significant changes to the Group's and the Company's existing accounting policies.

2.3 New MFRSs, Amendments/Improvements to MFRSs and New IC Interpretations ("IC Int") that have been issued but not yet effective for current financial year

The following are accounting standards, amendments and interpretations that have been issued by the Malaysian Accounting Standards Board ("MASB") but have not been adopted by the Group and the Company:-

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2025

- MFRS 121, *The Effects of Changes in Foreign Exchange Rates* - Lack of Exchangeability

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2026

- Amendments to MFRS 9, *Financial Instruments* and MFRS 7, *Financial Instruments: Disclosures* - Classification and Measurement of Financial Instruments
- Amendments to MFRS 9, *Financial Instruments* and MFRS 7, *Financial Instruments: Disclosures* - Contracts Referencing Nature-dependent Electricity
- Amendments that are part of Annual Improvements – Volume 11:-
 - Amendments to MFRS 1, *First-time Adoption of Malaysia Financial Reporting Standards*
 - Amendments to MFRS 7, *Financial Instruments: Disclosures*
 - Amendments to MFRS 9, *Financial Instruments*
 - Amendments to MFRS 10, *Consolidated Financial Statements*
 - Amendments to MFRS 107, *Statement of Cash Flows*

Notes to the Financial Statements (cont'd)

2. BASIS OF PREPARATION (CONTINUED)

2.3 New MFRSs, Amendments/Improvements to MFRSs and New IC Interpretations ("IC Int") that have been issued but not yet effective for current financial year (Continued)

The following are accounting standards, amendments and interpretations that have been issued by the Malaysian Accounting Standards Board ("MASB") but have not been adopted by the Group and the Company:- (Continued)

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2027

- MFRS 18, *Presentation and Disclosure in Financial Statements*
- MFRS 19, *Subsidiaries without Public Accountability: Disclosures*
- Amendments to MFRS 19, *Subsidiaries without Public Accountability: Disclosures*

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

The Group and the Company plan to apply the abovementioned accounting standards, interpretations and amendments, where applicable from the annual period beginning on 1 July 2025 for those accounting standards, interpretations and amendments that are effective for annual periods beginning on or after 1 January 2025.

The initial application for the accounting standards, interpretations and amendments are not expected to have any material financial impact to the current period or prior period financial statements of the Group and of the Company.

2.4 Basis of measurement

The financial statements of the Group and of the Company have been prepared under the historical cost basis, other than as disclosed in the material accounting policies information in Note 3 to the financial statements.

2.5 Use of estimates and judgement

The preparation of financial statements in conformity with MFRSs requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of the revenue and expenses during the reporting period. It also requires directors to exercise their judgement in the process of applying the Group's and the Company's accounting policies. Although these estimates and judgement are based on the directors' best knowledge of current events and actions, actual results may differ.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4 to the financial statements.

Notes to the Financial Statements (cont'd)

3. MATERIAL ACCOUNTING POLICIES INFORMATION

The following material accounting policies information have been applied consistently to all the financial years presented in the financial statements of the Group and of the Company, unless otherwise stated.

3.1 Basis of consolidation

(a) Subsidiaries and business combination

The Group applies the acquisition method to account for business combinations from the acquisition date. When the acquired set of activities meets the definition of a business and control is transferred to the Group.

(b) Accounting for non-controlling interest

The Group accounts for all changes in its ownership interest in a subsidiary that do not result in a loss of control as equity transactions between the Group and its non-controlling interest holders. Any difference between the Group's share of net assets before and after the change, and any consideration received or paid, is adjusted to or against the Group's reserve.

(c) Associate

Investment in associate is accounted for in the consolidated financial statements of the Group using the equity method.

(d) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

3.2 Separate financial statements

In the Company's statement of financial position, investment in subsidiaries and associate are measured at cost less any accumulated impairment losses.

Contributions to subsidiaries are amounts for which the settlement is neither planned nor likely to occur in the foreseeable future is, in substance, considered as part of the Company's investment in the subsidiaries.

3.3 Property, plant and equipment and depreciation

Property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Cost of bearer plants consists of plantation development costs incurred from the commencement of planting of oil palm seeding up to the maturity of the crop cultivated. Capitalisation of plantation development and other operating costs ceases upon the commencement of commercial harvesting of the agricultural produce.

Notes to the Financial Statements (cont'd)

3. MATERIAL ACCOUNTING POLICIES INFORMATION (CONTINUED)

3.3 Property, plant and equipment and depreciation (Continued)

Freehold land has an unlimited useful life and therefore is not depreciated. Assets under construction included in property, plant and equipment are not depreciated as these assets are not yet available for use. The immature bearer plants are not depreciated until such time when they are available for use.

All other property, plant and equipment (other than right-of-use assets as disclosed in Note 3.4) are depreciated on straight-line basis by allocating their depreciable amounts over their remaining useful lives.

	Rate
Buildings	2%
Stone quarry	2%
Factory	2%
Coldroom	10%
Equipment, furniture, fixture and fittings	10%
Machineries and equipment	10%
Motor vehicles	10% - 20%
Quarters	10%
Renovation	10% - 20%

3.4 Leases

(a) Lessee accounting

The Group and the Company present right-of-use assets and lease liabilities as separate lines in the statements of financial position.

Short-term leases and leases of low value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. Accordingly, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

Right-of-use assets

The right-of-use assets are initially measured at cost, which comprise the initial amount of the lease liabilities adjusted for any lease payments made at or before the commencement date of the leases.

Subsequent to initial recognition, right-of-use assets are stated at cost less accumulated amortisation and accumulated impairment losses, if any, and adjusted for any re-measurement of the lease liabilities.

The right-of-use assets are amortised on a straight-line basis over the earlier of the estimated useful lives of the right-of-use assets or the end of the lease term.

Leasehold lands and buildings are amortised on a straight-line basis over the remaining lease term and remaining useful life.

Notes to the Financial Statements (cont'd)

3. MATERIAL ACCOUNTING POLICIES INFORMATION (CONTINUED)

3.4 Leases (Continued)

(a) Lessee accounting (Continued)

Right-of-use assets (Continued)

	Year/Rate
Leasehold land	22.10 – 72.55
Buildings	2%

Lease liabilities

The lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the incremental borrowing rate.

The Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

(b) Lessor accounting

The Group recognised lease payment received from investment properties under operating leases as income on a straight-line basis over the lease term as part of revenue. Rental income from sub-lease properties which recognise as other income.

3.5 Investment properties

Investment properties are measured at fair value with gains and losses arising from changes in the fair values of investment properties recognised in profit or loss for the period in which they arise.

3.6 Inventories

Inventories are measured at the lower of cost and net realisable value. Costs incurred in bringing the inventories to their present location and condition are accounted for as follows:-

- Raw materials: purchase costs on a first-in-first-out basis and weighted average cost basis.
- Finished goods and work-in-progress: costs of direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. These costs are assigned on a weighted average cost basis.

3.7 Financial instruments

Financial assets – subsequent measurement and gains and losses

Financial assets at fair value through profit or loss

The Group and the Company subsequently measure these assets at fair value. Net gains and losses, including any interest and dividend income, are recognised in profit or loss.

Notes to the Financial Statements (cont'd)

3. MATERIAL ACCOUNTING POLICIES INFORMATION (CONTINUED)

3.7 Financial instruments (Continued)

Financial assets – subsequent measurement and gains and losses (Continued)

Debt instruments at amortised cost

The Group and the Company subsequently measure these assets at amortised cost under the effective interest method. The gross carrying amount is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Debt instruments at fair value through other comprehensive income

The Group and the Company subsequently measure these assets at fair value. Interest income calculated under the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to profit or loss.

Equity instruments at fair value through other comprehensive income

The Group and the Company subsequently measure all equity investments at fair value. Upon initial recognition, the Group and the Company have made an irrevocable election to classify its equity investments that are not held for trading as equity instruments designated at fair value through other comprehensive income or fair value through profit or loss. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are not recycled to profit or loss. Dividend are recognised as other income in the profit or loss when the right of payment has been established, except when the Group and the Company benefit from such proceeds as a recovery of part of the cost of the financial assets, in which case, such gains are recorded in other comprehensive income or fair value through profit or loss. Equity instruments designated at fair value through other comprehensive income or fair value through profit or loss are not subject to impairment assessment.

Regular way purchase or sale of financial assets

A regular way purchase or sale of financial assets is recognised and derecognised, as applicable, using trade date accounting (i.e. the date the Group and the Company commit themselves to purchase or sell an asset). Generally, interest does not start to accrue on the asset and corresponding liability until the settlement date when title passed.

Notes to the Financial Statements (cont'd)

3. MATERIAL ACCOUNTING POLICIES INFORMATION (CONTINUED)

3.7 Financial instruments (Continued)

Financial liabilities – subsequent measurement and gains and losses

The Group and the Company classify the financial liabilities at amortised cost or fair value through profit or loss. Financial liabilities are classified as fair value through profit or loss if it is classified as held for trading, it is a derivative, it is contingent consideration of an acquirer in a business combination or it is designated as such on initial recognition. Financial liabilities at fair value through profit or loss are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss.

The Group and the Company subsequently measure other financial liabilities at amortised cost under the effective interest method. Interest expenses and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

3.8 Impairment

(a) Impairment of financial assets

The Group and the Company recognise loss allowances for expected credit losses on financial assets measured at amortised cost, debt investments measured at fair value through other comprehensive income, contract assets and lease receivables. Expected credit losses are a probability-weighted estimate of credit losses.

The Group and the Company measure loss allowances at an amount equal to lifetime expected credit loss, except for debt securities that are determined to have low credit risk at the reporting date, cash and bank balance and other debt securities for which credit risk has not increased significantly since initial recognition, which are measured at 12-month expected credit loss. Loss allowances for trade receivables, contract assets and lease receivables are always measured at an amount equal to lifetime expected credit loss.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit loss, the Group and the Company consider reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's and the Company's historical experience and informed credit assessment and including forward-looking information, where available.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of the asset, while 12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within the 12 months after the reporting date. The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group and the Company are exposed to credit risk.

Notes to the Financial Statements (cont'd)

3. MATERIAL ACCOUNTING POLICIES INFORMATION (CONTINUED)

3.8 Impairment (Continued)

(a) Impairment of financial assets (Continued)

The Group and the Company estimate the expected credit losses on trade receivables using a provision matrix with reference to historical credit loss experience.

An impairment loss in respect of financial assets measured at amortised cost is recognised in profit or loss and the carrying amount of the asset is reduced through the use of an allowance account.

An impairment loss in respect of debt investments measured at fair value through other comprehensive income is recognised in profit or loss and the allowance account is recognised in other comprehensive income.

At each reporting date, the Group and the Company assess whether financial assets carried at amortised cost and debt securities at fair value through other comprehensive income are credit-impaired. A financial asset is credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

The gross carrying amount of a financial asset is written off (either partially or full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group or the Company determine that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written-off could still be subject to enforcement activities in order to comply with the Group's or the Company's procedures for recovery amounts due.

(b) Impairment of other assets

The carrying amounts of other assets (except for inventories, contract assets, deferred tax asset and investment properties measured at fair value) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units. Subject to an operating segment ceiling test, for the purpose of goodwill impairment testing, cash-generating units to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to a cash-generating unit or a group of cash-generating units that are expected to benefit from the synergies of the combination.

Notes to the Financial Statements (cont'd)

3. MATERIAL ACCOUNTING POLICIES INFORMATION (CONTINUED)

3.8 Impairment (Continued)

(b) Impairment of other assets (Continued)

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit.

An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit exceeds its estimated recoverable amount.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (group of cash-generating units) and then to reduce the carrying amounts of the other assets in the cash-generating unit (groups of cash-generating units) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Reversals of impairment losses are credited to profit or loss in the financial period in which the reversals are recognised.

3.9 Cash and cash equivalents

Cash and cash equivalents comprise of cash on hand, bank balances, deposits with banks and other short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value with original maturity periods of three months or less. Cash and cash equivalents are stated at net of bank overdrafts and deposits pledged to the financial institution.

3.10 Revenue and other income

Revenue from contracts with customers is recognised by reference to each distinct performance obligation in the contract with customer. Revenue from contracts with customers is measured at its transaction price, being the amount of consideration which the Group and the Company expect to be entitled in exchange for transferring promised goods or services to a customer, net of goods and service tax, returns, rebates and discounts. Transaction price is allocated to each performance obligation on the basis of the relative standalone selling prices of each distinct good or services promised in the contract. Depending on the substance of the contract, revenue is recognised when the performance obligation is satisfied, which may be at a point in time or over time.

Notes to the Financial Statements (cont'd)

3. MATERIAL ACCOUNTING POLICIES INFORMATION (CONTINUED)

3.10 Revenue and other income (Continued)

(a) Sale of goods

The Group determines that the transfer of control of promised goods generally coincides with the transfer of risks and rewards of ownership. Accordingly, revenue from the sale of goods is recognised at a point in time when the significant risks and rewards of ownership have been transferred to the customer upon delivery.

(b) Rendering of services

The Group determines that the transfer of control of promised services generally coincides with the Group's performance as the customer simultaneously receives and consumes the benefits of the performance as the Group performs. Accordingly, revenue from the rendering of services is recognised over time when the services are performed. The Group measures the progress towards complete satisfaction of the performance obligation using an output method, i.e. time elapsed.

(c) Revenue from fast food and franchise operations

Revenue from fast food and franchise operations is recognised at point of sales, net of service tax, sales and services tax and discounts.

(d) Franchisee fees income

Franchisee fees income is recognised on an accrual basis in accordance with the substance of the relevant agreements.

(e) Construction contracts

Revenue from contract works is recognised overtime based on a percentage of completion method. Percentage of completion is determined on the proportion of contract costs incurred for work performed to date against total estimated costs where the outcome of the project can be estimated reliably. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

Where the outcome of a contract cannot be estimated reliably, revenue is recognised only to the extent of contract costs incurred that is probable will be recoverable and contract costs are recognised as an expense in the period in which they are incurred.

(f) Sale of agricultural commodities

Revenue from sale of agricultural commodities is recognised net of discount and taxes collected on behalf at a point in time when control of the agricultural commodities has been transferred to the customer. The control transfers upon delivery of the agricultural commodities to a location specified by the customer and acceptance of the agricultural commodities by the customer.

Notes to the Financial Statements (cont'd)

3. MATERIAL ACCOUNTING POLICIES INFORMATION (CONTINUED)

3.10 Revenue and other income (Continued)

(g) Rental income

Rental income is recognised in profit or loss on a straight-line basis over the term of the lease. Rental income from sub-leased property is recognised as other income.

(h) Management income

Management fee is recognised on an accrual basis.

(i) Interest income

Interest income is recognised as it accrues using the effective interest method in profit or loss except for interest income arising from temporary investment of borrowings taken specifically for the purpose of obtaining a qualifying asset which is accounted for in accordance with the accounting policy on borrowing costs.

3.11 Employee benefits

(a) Short-term employee benefits

Short-term employee benefits such as wages, salaries, bonuses and social security contributions are recognised in profit or loss, where appropriate, in the period in which the associated services are rendered by the employee.

(b) Defined contribution plans

As required by law, the Group and the Company are required to make monthly contributions to the Employees Provident Fund ("EPF"), a statutory defined contribution plan for all its eligible employees based on certain prescribed rate of the employees' salaries. The Group's and the Company's contribution to EPF are disclosed separately and the employees' contributions to EPF are included in salaries, bonuses, allowances and other staff benefits. Once the contributions have been paid, the Group and the Company have no further payment obligations.

3.12 Borrowing costs

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

Notes to the Financial Statements (cont'd)

3. MATERIAL ACCOUNTING POLICIES INFORMATION (CONTINUED)

3.13 Deferred tax

When investment properties are carried at fair value in accordance with the material accounting policies information as disclosed in Note 3.5, the amount of deferred tax recognised is measured using the tax rates that would apply on sale of those assets at their carrying value at the reporting date unless the property is depreciable and is held within the business model whose objective is to consume substantially all the economic benefits embodied in the property over time, rather than through sale. In all other cases, the amount of deferred tax recognised is measured based on the expected matter of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the reporting date.

4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the financial statements in conformity with MFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognised in the financial statements other than the following:-

(a) Impairment assessment of financial assets

The Group and the Company assess the credit risk at each reporting date, whether there have been significant increases in credit risk since initial recognition on an individual basis. To determine whether there is a significant increase in credit risk, the Group and the Company consider factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

Where there is significant increase in credit risk, the Group and the Company determine the lifetime expected credit loss by considering the loss given default and the probability of default assigned to each counterparty customer. The financial assets are written-off either partially or full when there is no realistic prospect of recovery. This is generally the case when the Group and the Company determine that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amount subject to the write-offs.

The carrying amounts of the trade and other receivables, amount owing by an associate and amount owing by subsidiaries are disclosed in Note 15, Note 16 and Note 17 respectively to the financial statements.

Notes to the Financial Statements (cont'd)

4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

(b) Fair value of investment properties

The Group carries its investment properties at fair value, with changes in fair value being recognised in profit or loss. The Group engaged an independent valuation specialist to assess fair value for investment properties. Fair value is arrived at using comparison method, cost method or investment method and the key assumptions used to determine the fair value of the properties and sensitivity analysis are disclosed in Note 7 to the financial statements.

(c) Fair value estimation of quoted shares

The Group and the Company carry their quoted shares at fair value through profit and loss, with changes in fair value being recognised in profit or loss. The fair value of the quoted shares is derived from quoted and observable market prices. For quoted shares measured at fair value, where the fair values cannot be derived from active markets, the Group and the Company engaged an independent valuation specialist to assess the fair value for these quoted shares.

The valuation technique used to determine the fair value of the quoted shares are disclosed in Note 10 to the financial statements.

(d) Valuation of inventories – rocks and minerals

Valuation of rocks and minerals is performed by professional geologist. The professional geologist uses estimation in determining density of rocks, cavity factor, overburden factor and other factors from common market data in their valuation process. Any changes in these assumptions will have an impact on the carrying amounts of the rocks and minerals.

The carrying amounts of the Group's inventories of rocks and mineral are disclosed in Note 18 to the financial statements.

Notes to the Financial Statements (cont'd)

5. PROPERTY, PLANT AND EQUIPMENT

Group	Note	Buildings RM	Stone quarry RM	Factory RM	Coldroom RM	Equipment, furniture, fixture and fittings RM	Balance carried forward RM
Cost							
At 1 July 2024		4,064,540	1,000,000	6,474,887	1,328,519	6,151,789	19,019,735
Additions		-	-	-	92,500	381,002	473,502
Disposals		-	-	-	-	(89,959)	(89,959)
Written-off		-	-	-	-	(46,991)	(46,991)
Exchange differences		-	-	-	-	-	-
At 30 June 2025		4,064,540	1,000,000	6,474,887	1,421,019	6,395,841	19,356,287
Accumulated depreciation							
At 1 July 2024		75,095	208,194	1,410,038	928,722	5,140,972	7,763,021
Charges for the financial year	31	81,291	-	-	88,470	372,027	541,788
Disposals		-	-	-	-	(43,857)	(43,857)
Written-off		-	-	-	-	(28,124)	(28,124)
Exchange differences		-	-	-	-	-	-
At 30 June 2025		156,386	208,194	1,410,038	1,017,192	5,441,018	8,232,828
Accumulated impairment losses							
At 1 July 2024/30 June 2025		-	791,806	5,064,849	-	55,782	5,912,437
Carrying amount							
At 30 June 2025		3,908,154	-	-	403,827	899,041	5,211,022

Notes to the Financial Statements (cont'd)

5. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Group	Note	Balance brought forward RM	Machineries and equipment RM	Motor vehicles RM	Quarters RM	Renovation RM	Construction in progress RM	Total RM
Cost								
At 1 July 2024		19,019,735	19,539,450	11,025,813	7,217	10,800,737	2,686,000	63,078,952
Additions		473,502	461,045	-	-	934,892	-	1,869,439
Disposals		(89,959)	(136,412)	(196,700)	-	(247,878)	-	(670,949)
Written-off		(46,991)	(38,637)	-	-	(37,620)	-	(123,248)
Exchange differences		-	-	(4,567)	-	-	-	(4,567)
At 30 June 2025		19,356,287	19,825,446	10,824,546	7,217	11,450,131	2,686,000	64,149,627
Accumulated depreciation								
At 1 July 2024		7,763,021	10,353,510	8,297,857	4,678	6,917,335	-	33,336,401
Charges for the financial year	31	541,788	540,003	439,883	720	860,014	-	2,382,408
Disposals		(43,857)	(73,623)	(169,777)	-	(247,878)	-	(535,135)
Written-off		(28,124)	(23,262)	-	-	(28,842)	-	(80,228)
Exchange differences		-	-	(4,440)	-	-	-	(4,440)
At 30 June 2025		8,232,828	10,796,628	8,563,523	5,398	7,500,629	-	35,099,006
Accumulated impairment losses								
At 1 July 2024/30 June 2025		5,912,437	5,819,650	1,113,420	-	376,820	2,686,000	15,908,327
Carrying amount								
At 30 June 2025		5,211,022	3,209,168	1,147,603	1,819	3,572,682	-	13,142,294

Notes to the Financial Statements (cont'd)

5. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Group	Note	Buildings RM	Stone quarry RM	Factory RM	Coldroom RM	Equipment, furniture, fixtures and fittings RM	Balance carried forward RM
Cost							
At 1 July 2023		1,319,540	1,000,000	6,474,887	1,212,519	6,171,877	16,178,823
Additions		-	-	-	116,000	73,711	189,711
Disposals		-	-	-	-	(67,847)	(67,847)
Written-off		-	-	-	-	(25,952)	(25,952)
Exchange differences		-	-	-	-	-	-
Transfer to right-of-use assets	6.1	(380,000)	-	-	-	-	(380,000)
Transfer from investment properties	7	3,125,000	-	-	-	-	3,125,000
At 30 June 2024		4,064,540	1,000,000	6,474,887	1,328,519	6,151,789	19,019,735
Accumulated depreciation							
At 1 July 2023		35,188	188,194	1,280,540	822,172	4,602,981	6,929,075
Charges for the financial year	31	50,041	20,000	129,498	106,550	567,410	873,499
Disposals		-	-	-	-	(14,652)	(14,652)
Written-off		-	-	-	-	(14,767)	(14,767)
Transfer to right-of-use assets	6.1	(10,134)	-	-	-	-	(10,134)
Exchange differences		-	-	-	-	-	-
At 30 June 2024		75,095	208,194	1,410,038	928,722	5,140,972	7,763,021

Notes to the Financial Statements (cont'd)

5. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Group	Note	Buildings RM	Stone quarry RM	Factory RM	Coldroom RM	Equipment, furniture, and fixtures and fittings RM	Balance carried forward RM
Accumulated impairment losses							
At 1 July 2023		-	811,806	5,194,347	-	-	6,006,153
Reversals	31	-	(20,000)	(129,498)	-	-	(149,498)
Additions	31	-	-	-	-	55,782	55,782
At 30 June 2024		-	791,806	5,064,849	-	55,782	5,912,437
Carrying amount							
At 30 June 2024		3,989,445	-	-	399,797	955,035	5,344,277

Notes to the Financial Statements (cont'd)

5. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Group	Note	Balance brought forward	Machineries and equipment	Motor vehicles	Quarters	Renovation	Construction in progress	Total
Cost		RM	RM	RM	RM	RM	RM	RM
At 1 July 2023		16,178,823	17,915,083	10,744,242	7,217	7,363,419	3,174,600	55,383,384
Additions		189,711	1,712,819	394,000	-	3,437,318	-	5,733,848
Disposals		(67,847)	(25,959)	(113,000)	-	-	-	(206,806)
Written-off		(25,952)	(62,493)	-	-	-	-	(88,445)
Exchange differences		-	-	571	-	-	-	571
Transfer to right-of-use assets	6.1	(380,000)	-	-	-	-	(488,600)	(868,600)
Transfer from investment properties	7	3,125,000	-	-	-	-	-	3,125,000
At 30 June 2024		19,019,735	19,539,450	11,025,813	7,217	10,800,737	2,686,000	63,078,952
Accumulated depreciation								
At 1 July 2023		6,929,075	8,640,856	7,583,147	3,956	5,989,947	-	29,146,981
Charges for the financial year	31	873,499	1,764,633	804,554	722	927,388	-	4,370,796
Disposals		(14,652)	(865)	(90,400)	-	-	-	(105,917)
Written-off		(14,767)	(51,114)	-	-	-	-	(65,881)
Transfer to right-of-use assets	6.1	(10,134)	-	-	-	-	-	(10,134)
Exchange differences		-	-	556	-	-	-	556
At 30 June 2024		7,763,021	10,353,510	8,297,857	4,678	6,917,335	-	33,336,401

Notes to the Financial Statements (cont'd)

5. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Group	Note	Balance brought forward RM	Machineries and equipment RM	Motor vehicles RM	Quarters RM	Renovation RM	Construction in progress RM	Total RM
Accumulated impairment losses								
At 1 July 2023		6,006,153	1,695,481	-	-	-	-	7,701,634
Reversals	31	(149,498)	(301,082)	-	-	-	-	(450,580)
Additions	31	55,782	4,425,251	1,113,420	-	376,820	2,686,000	8,657,273
At 30 June 2024		5,912,437	5,819,650	1,113,420	-	376,820	2,686,000	15,908,327
Carrying amount								
At 30 June 2024		5,344,277	3,366,290	1,614,536	2,539	3,506,582	-	13,834,224

Notes to the Financial Statements (cont'd)

5. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Note	Equipment, furniture, fixture and fittings RM	Motor vehicles RM	Renovation RM	Total RM
Company Cost					
At 1 July 2023		3,927,739	1,296,072	1,010,230	6,234,041
Additions		3,430	-	-	3,430
At 30 June 2024/2025		<u>3,931,169</u>	<u>1,296,072</u>	<u>1,010,230</u>	<u>6,237,471</u>
Accumulated depreciation					
At 1 July 2023		3,261,237	747,931	929,978	4,939,146
Charges for the financial year	31	<u>387,147</u>	<u>137,034</u>	<u>46,555</u>	<u>570,736</u>
At 30 June 2024		3,648,384	884,965	976,533	5,509,882
Charges for the financial year	31	<u>228,971</u>	<u>137,034</u>	<u>12,670</u>	<u>378,675</u>
At 30 June 2025		<u>3,877,355</u>	<u>1,021,999</u>	<u>989,203</u>	<u>5,888,557</u>
Carrying amount					
At 30 June 2024		<u>282,785</u>	<u>411,107</u>	<u>33,697</u>	<u>727,589</u>
At 30 June 2025		<u>53,814</u>	<u>274,073</u>	<u>21,027</u>	<u>348,914</u>

- (a) The property, plant and equipment of the Group and of the Company acquired under hire purchase terms are as follows:-

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Motor vehicles	656,483	960,221	274,069	411,103
Machineries and equipment	<u>1,598,029</u>	<u>1,793,118</u>	<u>-</u>	<u>-</u>
	<u>2,254,512</u>	<u>2,753,339</u>	<u>274,069</u>	<u>411,103</u>

The carrying amounts of motor vehicles, machineries and equipment are pledged to licensed banks and financial institutions to secure the hire purchases granted to the Group and the Company as disclosed in Note 26 to the financial statements.

Notes to the Financial Statements (cont'd)

5. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

- (b) The cash disbursed for the purchase of property, plant and equipment is as follows:-

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Cost of property, plant and equipment purchased	1,869,439	5,733,848	-	3,430
Amount financed through hire purchase	-	(1,331,000)	-	-
Cash disbursed for purchase of property, plant and equipment	1,869,439	4,402,848	-	3,430

- (c) The carrying amount of buildings and machineries and equipment of the Group amounting to RM3,031,250/- (2024: RM3,093,750/-) are pledged with licensed bank and financial institution to secure the loans and borrowings granted to the Group as disclosed in Note 25(a) and Note 27 respectively to the financial statements.

- (d) Impairment of property, plant and equipment

In the previous year, the Group tested its property, plant and equipment due to impairment indicators such as decreased in cashflows generated by the assets and recurring operating losses resulting from higher operating costs. Management had undertaken an assessment of the recoverable amount of these assets during the financial year. Recoverable amount is defined as the higher of value-in-use and fair value less costs of disposal and determined at the CGU of each asset.

The carrying amounts of property, plant and equipment in resources and sustainable energy segment have been allocated to a CGU for impairment testing purpose. The recoverable amount of a CGU is determined based on value-in-use calculations using cash flow projections based on financial budgets approved by management.

- (i) Budgeted revenue - Revenue is based on the sales of limestones and other raw materials
- (ii) Budgeted gross margin - Budgeted gross margin is based on values achieved in current year. The anticipated growth rate for gross margin is projected to be minimal.

Notes to the Financial Statements (cont'd)

5. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(d) Impairment of property, plant and equipment (Continued)

- (iii) Growth rates - Based on industry outlook for that segment, historical information and management's estimate of the industry trends, the growth rate is assumed to be at 0%.
- (iv) Pre-tax discount rate - Pre-tax discount rate of 3.90% represents the weighted average cost of capital of the CGU.

The abovementioned impairment testing gave rise to impairment losses of property, plant and equipment of RM Nil (2024: RM8,206,693/-).

Notes to the Financial Statements (cont'd)

6. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

6.1 Right-of-use assets

Group	Note	Leasehold land and buildings RM	Land RM	Office RM	Hostel RM	Outlets RM	Total RM
Cost							
At 1 July 2024		127,548,691	677,642	1,525,840	998,001	11,046,902	141,797,076
Additions		-	-	359,285	170,059	667,366	1,196,710
Derecognition ¹		-	(8,270)	-	(271,417)	(709,908)	(989,595)
Remeasurement		-	-	-	-	225,711	225,711
Reclassification		-	(9,899)	9,899	-	-	-
At 30 June 2025		127,548,691	659,473	1,895,024	896,643	11,230,071	142,229,902
Accumulated amortisation							
At 1 July 2024		10,122,696	183,264	992,157	671,986	5,199,912	17,170,015
Charges for the financial year	31	4,860,619	22,620	306,965	144,448	1,186,501	6,521,153
Derecognition ¹		-	(8,270)	-	(153,406)	(292,082)	(453,758)
Reclassification		10,000	(10,000)	-	-	-	-
At 30 June 2025		14,993,315	187,614	1,299,122	663,028	6,094,331	23,237,410
Carrying amount							
At 30 June 2025		112,555,376	471,859	595,902	233,615	5,135,740	118,992,492

Notes to the Financial Statements (cont'd)

6. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONTINUED)

6.1 Right-of-use assets (Continued)

Group	Note	Leasehold land and buildings RM	Land RM	Office RM	Hostel RM	Outlets RM	Total RM
Cost							
At 1 July 2023		126,680,091	1,123,345	1,939,124	884,379	10,103,208	140,730,147
Additions		-	-	534,567	168,763	702,775	1,406,105
Derecognition ¹		-	(445,703)	(945,210)	(55,141)	(243,842)	(1,689,896)
Remeasurement		-	-	(2,641)	-	484,761	482,120
Transfer from property, plant and equipment	5	868,600	-	-	-	-	868,600
At 30 June 2024		127,548,691	677,642	1,525,840	998,001	11,046,902	141,797,076
Accumulated amortisation							
At 1 July 2023		5,269,314	178,481	1,591,685	564,144	4,291,184	11,894,808
Charges for the financial year		4,843,248	41,690	346,943	162,983	1,139,428	6,534,292
Derecognition ¹	31	-	(37,401)	(945,210)	(55,141)	(230,700)	(1,268,452)
Remeasurement		-	494	(1,261)	-	-	(767)
Transfer from property, plant and equipment	5	10,134	-	-	-	-	10,134
At 30 June 2024		10,122,696	183,264	992,157	671,986	5,199,912	17,170,015
Carrying amount							
At 30 June 2024		117,425,995	494,378	533,683	326,015	5,846,990	124,627,061

¹ Derecognition of the right-of-use assets during the financial year is as a result of termination of lease.

Notes to the Financial Statements (cont'd)

6. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONTINUED)

6.1 Right-of-use assets (Continued)

	Note	Office RM
Company		
Cost		
At 1 July 2023		531,195
Addition		534,567
At 30 June 2024/2025		1,065,762
Accumulated amortisation		
At 1 July 2023		495,782
Charge for the financial year	31	106,689
At 30 June 2024		602,471
Charge for the financial year	31	106,913
At 30 June 2025		709,384
Carrying amount		
At 30 June 2024		463,291
At 30 June 2025		356,378

The following are recognised in profit or loss in respect of right-of-use assets:-

		Group		Company	
	Note	2025 RM	2024 RM	2025 RM	2024 RM
Interest on lease liabilities	33	326,455	369,029	19,952	16,538
Expenses relating to short-term leases	31	298,202	82,890	-	-
Rental income	31	72,000	72,000	-	-

The Group has entered into non-cancellable operating lease agreements for the use of land and buildings, with no renewal or purchase option included in the agreement. The leases do not allow the Group to assign, transfer or sub-lease or create any charge, lien or trust in respect of or dispose of the whole or any part of the land. A tenancy is, however, allowed with the consent of the lessor.

The buildings have been pledged to licensed banks as security for the term loans granted to the Group as disclosed in Note 27 to the financial statements.

The Group and the Company lease land, office, hostel and outlets that run between 1 year to 30 years, with an option to renew the lease after that date.

Notes to the Financial Statements (cont'd)

6. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONTINUED)

6.1 Right-of-use assets (Continued)

Extension options

Some leases of land, office, hostel and outlet contain extension options exercisable by the Group and the Company up to ten (10) years before the end of the non-cancellable contract period. Where practicable, the Group and the Company seek to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Group and the Company and not by the lessors. The Group and the Company assess at lease commencement whether it is reasonably certain to exercise the extension options. The Group and the Company reassess whether it is reasonably certain to exercise the options if there is a significant event or significant change in circumstances within its control.

6.2 Lease liabilities

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Minimum lease liabilities payments:-				
- not later than one year	1,673,379	1,752,261	120,000	120,000
- later than one year and not later than five years	4,358,467	4,492,692	280,000	400,000
- later than five years	2,166,312	2,964,747	-	-
	8,198,158	9,209,700	400,000	520,000
Less: Future finance charges	(1,163,129)	(1,419,711)	(29,320)	(49,272)
Total lease liabilities	7,035,029	7,789,989	370,680	470,728
Analysis of present value of lease liabilities:-				
Current				
Within the next twelve months	1,388,883	1,434,087	105,197	100,048
Non-current				
After the next twelve months				
- later than one year and not later than five years	3,791,360	3,747,600	265,483	370,680
- later than five years	1,854,786	2,608,302	-	-
	5,646,146	6,355,902	265,483	370,680
Total lease liabilities	7,035,029	7,789,989	370,680	470,728

Notes to the Financial Statements (cont'd)

6. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONTINUED)

6.2 Lease liabilities (Continued)

The lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date. The lease payments are discounted using the Group's and the Company's weighted average incremental borrowing rates ranging from 3.47% to 4.90% and 4.64% respectively (2024: 3.47% to 4.90% and 4.64% to 4.90% respectively).

After initial recognition, lease liabilities are measured by increasing the carrying amount to reflect interest on the lease liabilities, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications.

The Group and the Company determine the lease term of a lease as the non-cancellable period of the lease, together with periods covered by an option to extend or to terminate the lease if the Group and the Company are reasonably certain to exercise the relevant options. Management has considered the relevant facts and circumstances that create an economic incentive for the Group and the Company to either exercise the option to extend the lease, or to exercise the option to terminate the lease. Any differences in expectations from the original estimates would impact the carrying amounts of the lease liabilities of the Group and of the Company.

The Group and the Company have recognised the lease payments associated with short term leases and low value assets on a straight-line basis over the lease terms and recognised as rental expenses as disclosed in Note 31 to the financial statements.

7. INVESTMENT PROPERTIES

		Group	
	Note	2025 RM	2024 RM
At fair value			
At 1 July		493,312,440	496,437,440
Transfer to property, plant and equipment	5	-	(3,125,000)
At 30 June		<u>493,312,440</u>	<u>493,312,440</u>

Certain investment properties of the Group with carrying amount of RM28,231,940/- (2024: RM28,231,940/-) are pledged to licensed bank and financial institution for term loans granted to the Group as disclosed in Note 27 to the financial statements.

The investment properties consist of the following:-

		Group	
		2025 RM	2024 RM
At fair value			
Short term leasehold land		276,991,000	276,991,000
Long term leasehold land and buildings		<u>216,321,440</u>	<u>216,321,440</u>
		<u>493,312,440</u>	<u>493,312,440</u>

Notes to the Financial Statements (cont'd)

7. INVESTMENT PROPERTIES (CONTINUED)

The short term and long term leasehold land and buildings have lease terms of 30 to 99 years respectively.

The following are recognised in profit or loss in respect of investment properties:-

		Group	
	Note	2025 RM	2024 RM
Rental income	31	376,800	379,200

(a) Valuation processes applied by the Group

The fair value of investment properties is determined by external, independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of property being valued. Management decides, after discussions with the valuation company, which valuation techniques and inputs to use for each case and compares changes in fair value with relevant external sources to determine whether the change is reasonable. Management also verifies major inputs by agreeing information in the valuation to contracts and other relevant documents.

The Group uses assumptions that are mainly based on market conditions existing at the end of each reporting period. Fair value is determined using Level 3 inputs (defined as unobservable inputs for asset or liability) in the fair value hierarchy of MFRS 13: *Fair Value Measurement*. Changes in fair value are recognised in profit or loss during the reporting period in which they are reviewed.

(b) Fair value information

Level 3 fair value

The following table shows the valuation techniques used in the determination of fair values within Level 3, as well as the significant unobservable inputs used in the valuation models:-

Description of valuation techniques and inputs used	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Comparison approach:- Sales price of comparable land and buildings in close proximity are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is price per square foot.	Price per square foot	The estimated fair value would increase/(decrease) if the price per square foot is higher/(lower).

Notes to the Financial Statements (cont'd)

7. INVESTMENT PROPERTIES (CONTINUED)

(b) Fair value information (Continued)

Level 3 fair value (Continued)

The following table shows the valuation techniques used in the determination of fair values within Level 3, as well as the significant unobservable inputs used in the valuation models:- (Continued)

Description of valuation techniques and inputs used	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Investment approach:-		
Discounted cash flows: The valuation method considers the present value of net cash flows to be generated from the property, taking into consideration of the rights to extract limestones reserve and market price of marble blocks. The expected net cash flows are discounted using risk-adjusted discount rates. Among other factors, the discount rate estimation considers the quality of limestones reserve extracted.	Natural reserves calculation and estimation	The estimated fair value would increase/(decrease) if the estimated volume of extraction and the price per marble block is higher/(lower).

(c) Method of valuation

Comparison method

The comparison/cost method of valuation entails separate valuations of the land and buildings to arrive at the market value of the subject property.

Under the comparison method, a property's fair value is estimated based on comparable transactions. This approach is based upon the principle of substitution under which a potential buyer would not pay more for the property than it would cost to buy a comparable substitute property. In theory, the best comparable sale would be an exact duplicate of the subject property and would indicate, by the known selling price of the duplicate, the price for which the subject property could be sold.

The land is valued by reference to transactions of similar lands in surrounding with adjustments made for differences in location, terrain, size and shape of the land, tenure, title restrictions, if any and other relevant characteristics.

Notes to the Financial Statements (cont'd)

7. INVESTMENT PROPERTIES (CONTINUED)

(c) Method of valuation (Continued)

Comparison method (Continued)

Completed buildings are valued by reference to the current estimates on constructional costs to erect equivalent buildings, taking into consideration of similar accommodation in terms of size, construction, finishes contractors' overheads, fees and profits. Appropriate adjustments are then made for the factors of obsolescence and existing physical condition of the building.

Investment method

A property's fair value is estimated using explicit assumptions regarding the benefits and liabilities of ownership over the asset's life including an exit or terminal value. As an accepted method within the income approach to valuation, the investment method involves the projection of a series of cash flows on a real property interest. To this projected cash flow series, an appropriate, market-derived discount rate is applied to establish the present value of the income stream associated with the real property.

8. INVESTMENT IN SUBSIDIARIES

	Company	
	2025 RM	2024 RM
Unquoted shares		
Cost		
At 1 July	400,100,006	400,100,006
Additions	245,000	-
At 30 June	400,345,006	400,100,006
Accumulated impairment losses		
At 1 July	132,085,754	38,099,999
Additions	7,698,112	93,985,755
At 30 June	139,783,866	132,085,754
Carrying amount		
At 30 June	260,561,140	268,014,252

Notes to the Financial Statements (cont'd)

8. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Details of the subsidiaries are as follows:-

Name of companies	Effective equity interest		Country of incorporation and place of business	Principal activities
	2025 %	2024 %		
<u>Direct subsidiaries</u>				
Borneo Oil Corporation Sdn. Bhd. ²	100	100	Malaysia	Support activities for other mining and quarrying and trading of raw material
The Borneo Food Group Sdn. Bhd. ²	100	100	Malaysia	Investment holding
SB Resorts Sdn. Bhd. ²	100	100	Malaysia	Property management, lodging, food entertainment and related activities
The Borneo Food Company Pte. Ltd. ^{1, 2}	100	100	Singapore	Management consultant services and investment holdings
Borneo Oil (Sabah) Sdn. Bhd. ^{3, 5}	49	-	Malaysia	Oil, gas and energy related activities
<u>Indirect subsidiaries</u>				
<u>Held through Borneo Oil Corporation Sdn. Bhd.</u>				
Borneo Energy Sdn. Bhd. ²	100	100	Malaysia	Oil, gas and energy and its related businesses
Segama Resources Sdn. Bhd.	100	100	Malaysia	Dormant

Notes to the Financial Statements (cont'd)

8. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Details of the subsidiaries are as follows:- (Continued)

Name of companies	Effective equity interest		Country of incorporation and place of business	Principal activities
	2025 %	2024 %		
<u>Indirect subsidiaries (Continued)</u>				
<i><u>Held through The Borneo Food Group Sdn. Bhd.</u></i>				
SB Supplies & Logistics Sdn. Bhd.	100	100	Malaysia	Manufacturing, sales and distributions of food products, franchise operations, franchisee management and marketing services, supply of franchise equipment and spare parts, trading and distribution of natural mineral resources and construction building materials, wholesale and distributor of paddy rice/other grains and other cash crops
Sugarbun Pty Ltd. ¹	100	100	Australia	Consultancy services
Borneo Eco Food Sdn. Bhd.	100	100	Malaysia	Agricultural and farming activities for crops production on a fee or contract basis, supply of raw foods and food products
<i><u>Held through SB Resorts Sdn. Bhd.</u></i>				
SB Lifestyle Sdn. Bhd. ²	100	100	Malaysia	Investment properties
Sabasco Chilli Sdn. Bhd.	100	100	Malaysia	Dormant
Unitimart Sdn. Bhd. ⁴	100	100	Malaysia	Dormant
Applebee’s Bakery Sdn. Bhd. ⁴	100	100	Malaysia	Dormant

Notes to the Financial Statements (cont'd)

8. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Details of the subsidiaries are as follows:- (Continued)

Name of companies	Effective equity interest		Country of incorporation and place of business	Principal activities
	2025 %	2024 %		
<u>Indirect subsidiaries (Continued)</u>				
<u>Held through SB Resorts Sdn. Bhd. (Continued)</u>				
SB Food Enterprise Sdn. Bhd. ⁴	100	100	Malaysia	Dormant
Winamewah Sdn. Bhd. ²	100	100	Malaysia	Dormant
<u>Held through Borneo Oil (Sabah) Sdn. Bhd.</u>				
Borneo Oil Marine Sdn. Bhd. ^{3, 5}	49	-	Malaysia	Provision of services and vessels for oil and gas and marine spread services
<u>Held through SB Supplies & Logistics Sdn. Bhd.</u>				
SB Franchise Management Sdn. Bhd. ²	100	100	Malaysia	Provision of management and marketing services
<u>Held through SB Franchise Management Sdn. Bhd.</u>				
L & V Trading Sdn. Bhd.	100	100	Malaysia	Supply of franchise equipment and spare parts

¹ Not audited by Thelyx Malaysia PLT.

² The audited financial statements and auditors' report for the financial year ended 30 June 2025 consist of material uncertainties related to going concern assumptions.

³ Newly incorporated in Malaysia during the year.

⁴ The audited financial statements and auditors' report for the financial year ended 30 June 2025 have been prepared on a non-going concern basis as an application for the Company to be struck off pursuant to Section 550 of the Companies Act 2016 has been lodged.

⁵ In accordance with MFRS 10 "Consolidated Financial statements", the Company was deemed to have a de-facto control on Borneo Oil (Sabah) Sdn. Bhd. ("BOS") even though it has less than 50% of effective equity interest in BOS.

Notes to the Financial Statements (cont'd)

8. INVESTMENT IN SUBSIDIARIES (CONTINUED)

(a) Impairment loss on investment in subsidiaries

At each reporting date, the Company conducts an impairment review of its investment in subsidiaries, principally based on the Company's share of net assets in these subsidiary companies, which represents the directors' estimation of fair value less costs to sell of these subsidiary companies.

During the year, the review gave rise to the recognition of impairment losses of investment in subsidiaries of RM7,698,112/- (2024: RM93,985,755/-). The impairment losses arose mainly because the subsidiaries have recorded a decline in the value of their assets.

(b) Incorporation of new subsidiaries

(i) **Borneo Oil (Sabah) Sdn. Bhd. ("BOS")**

On 07 November 2024, the Company incorporated a wholly-owned subsidiary, Borneo Oil (Sabah) Sdn. Bhd., with an issued and paid-up share capital of RM100,000/- comprising 100,000 ordinary shares.

On 08 January 2025, BOS increased its issued and paid-up share capital by RM400,000/-, through the allotment of 400,000 ordinary shares. The Company subscribed for an additional 145,000 ordinary shares of RM1/- each for a total consideration of RM145,000/-. Following the additional subscription, the Company holds total of 49% equity interest in BOS.

BOS is a private limited company and intended to carry out the business of oil, gas and energy related activities.

(ii) **Borneo Oil Marine Sdn. Bhd. ("BOM")**

On 04 December 2024, BOS, a 49% owned subsidiary of the Company, has incorporated a wholly-owned subsidiary company in Malaysia known as Borneo Oil Marine Sdn. Bhd..

The issued and paid-up share capital of BOM is RM80,000/-, comprising 80,000 ordinary shares. Its intended to carry out the provision of services and vessels for oil and gas and marine spread services.

(c) **Non-controlling interests in subsidiary**

The financial information of the Group's and of the Company's subsidiary that have material non-controlling interests are as follows:-

Name of Company	Ownership interest %	2025	Loss allocated RM
		Carrying amount RM	
Borneo Oil (Sabah) Sdn. Bhd. and its subsidiary	51	207,723	(47,277)

Notes to the Financial Statements (cont'd)

8. INVESTMENT IN SUBSIDIARIES (CONTINUED)

(d) Summarised financial information of material non-controlling interests

The summarised financial information (before intra-group elimination) of the Group's and of the Company's subsidiary that have material non-controlling interests are as follows:-

	2025 RM
Summarised statements of financial position	
Non-current assets	50,736
Current assets	385,807
Current liabilities	(29,243)
Net assets	<u>407,300</u>
Summarised statements of comprehensive income	
Revenue	-
Loss for the financial period	(92,700)
Total comprehensive deficit for the financial period	<u>(92,700)</u>
Summarised cash flow information	
Cash flows used in operating activities	(69,365)
Cash flows used in investing activities	(52,471)
Cash flows generated from financing activities	507,643
Net change in cash and cash equivalents	<u>385,807</u>

9. INVESTMENT IN AN ASSOCIATE

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Unquoted shares				
Cost				
At 1 July	135,700,000	95,700,000	135,700,000	95,700,000
Additions	-	40,000,000	-	40,000,000
	<u>135,700,000</u>	<u>135,700,000</u>	<u>135,700,000</u>	<u>135,700,000</u>
Less: Accumulated impairment losses	(3,932,059)	(3,932,059)	(135,700,000)	(135,700,000)
Share of post-acquisition changes in net assets	(131,767,941)	(131,767,941)	-	-
At 30 June	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Notes to the Financial Statements (cont'd)

9. INVESTMENT IN AN ASSOCIATE (CONTINUED)

Details of the associate are as follows:-

Name of company	Effective equity interest		Country of incorporation and place of business	Principal activities
	2025 %	2024 %		
Makin Teguh Sdn. Bhd. ("MTSB") ¹	49.27	49.27	Malaysia	Manufacturing of clinker, cement and related products, trading (sales and distribution) of clinker, cement and related products

¹ The audited financial statements and auditors' report for the financial year ended 30 June 2025 consist of material uncertainties related to going concern assumptions.

(a) Summarised financial information of an associate

The following table summarises the information of MTSB, adjusted for any differences in accounting policies and reconciles the information to the carrying amount of the Group's interest in MTSB:-

	2025 RM	2024 RM
Summarised statements of financial position		
Non-current assets	246,345,130	262,960,837
Current assets	11,383,416	13,396,995
Non-current liabilities	(298,630,053)	(267,011,934)
Current liabilities	(104,833,983)	(101,855,624)
Net liabilities	<u>(145,735,490)</u>	<u>(92,509,726)</u>
Summarised statements of comprehensive income		
Loss for the financial year	(53,225,764)	(51,888,573)
Other comprehensive deficit for the year	-	-
Total comprehensive deficit for the year	<u>(53,225,764)</u>	<u>(51,888,573)</u>
Included in the total comprehensive deficit is:-		
Revenue	<u>19,916,300</u>	<u>12,480,596</u>

Notes to the Financial Statements (cont'd)

9. INVESTMENT IN AN ASSOCIATE (CONTINUED)

(a) Summarised financial information of an associate (Continued)

The reconciliation of the above summarised financial information to the carrying amount of the investment in MTSB is as follows:-

	Group	
	2025 RM	2024 RM
Net liabilities	(145,735,490)	(92,509,726)
Effective ownership interest	49.27%	49.27%
Share of net liabilities	(71,803,876)	(45,579,542)
Goodwill	49,663,172	49,663,172
Elimination of unrealised profit	(247,585)	(151,571)
Unrecognised share of losses	26,320,348	-
Accumulated impairment losses	(3,932,059)	(3,932,059)
Carrying amount	-	-

(b) Unrecognised share of losses

The Group has not recognised its share of losses of MTSB amounting to RM26,320,348/- (2024: RM Nil) because the Group's cumulative share of losses has exceeded its interest in that associate and the Group has no obligation in respect of these losses. The Group's cumulative accumulated losses not recognised were RM26,320,348/- (2024: RM Nil).

10. OTHER INVESTMENTS

		Group		Company	
Note		2025 RM	2024 RM	2025 RM	2024 RM
Quoted shares (a)					
At fair value through profit or loss					
At 1 July		347,596,692	186,556,992	346,015,134	185,647,995
Additions		2,923,215	607,979	2,923,215	607,979
Disposals		-	(44,500)	-	-
Changes in fair value	31	(230,961,988)	159,878,084	(229,849,156)	159,275,798
Exchange differences		(42,683,373)	598,137	(42,519,251)	483,362
At 30 June		76,874,546	347,596,692	76,569,942	346,015,134

Notes to the Financial Statements (cont'd)

10. OTHER INVESTMENTS (CONTINUED)

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
Unquoted shares (b)					
At fair value through other comprehensive income					
At 1 July/30 June		1	1	-	-
Total other investments		76,874,547	347,596,693	76,569,942	346,015,134

(a) Quoted shares

Quoted ordinary shares of the Group and of the Company are categorised as Level 1 and Level 3 in the fair value hierarchy. Fair value of quoted ordinary shares that are actively traded in an active market is derived from quoted and observable market prices. For non-actively traded quoted shares, the fair value is determined using revalued net asset valuation method from an independent valuation specialist.

(b) Unquoted shares

Unquoted ordinary shares of the Group are categorised as Level 3 in the fair value hierarchy. Fair value of unquoted ordinary shares of the Group are determined based on adjusted net asset method.

11. GOLF CLUB MEMBERSHIP

	Group and Company	
	2025 RM	2024 RM
Cost		
At 1 July/30 June	64,000	64,000
Accumulated impairment losses		
At 1 July/30 June	32,000	32,000
Carrying amount		
At 30 June	32,000	32,000

The Group and the Company conduct an impairment review of its golf club membership, principally based on the latest joining fee, which represents the directors' estimation of fair value less costs to sell.

Notes to the Financial Statements (cont'd)

12. INTANGIBLE ASSET

	Patents and rights RM
Group and Company	
Cost	
At 1 July 2024/30 June 2025	5,000,000
Accumulated amortisation	
At 1 July 2024/30 June 2025	5,000,000
Carrying amount	
At 1 July 2024/30 June 2025	-

The patents and rights are in respect of the rights for use of a certain brand name and trademark acquired in financial year 2001 for a total consideration of RM5,000,000/-. These are amortised on a straight-line basis over a period of ten (10) years.

13. EXPLORATION EXPENDITURE

	Group 2025 RM	2024 RM
Cost		
At 1 July/30 June	53,074,399	53,074,399
Accumulated impairment losses		
At 1 July/30 June	53,074,399	53,074,399
Carrying amount		
At 30 June	-	-

Exploration expenditure consists of concession right to explore licensed areas, costs incurred such as geological and geophysical surveys, drilling, trenching and other direct attributable costs of exploration and appraisal including technical and administrative costs.

The Group reviews the carrying amounts of exploration expenditure as at the end of the reporting date to determine whether there is any indication of impairment. If any such indications exist, the recoverable amount is determined based on its value-in-use. The value-in-use is determined by discounting the future cash flows to be generated from projects based on the financial budgets prepared by the management covering a period of ten (10) years.

During the financial year, the Group has not recognised any impairment loss as full impairment loss has been provided in prior years.

Notes to the Financial Statements (cont'd)

14. GOODWILL ON CONSOLIDATION

		Group	
	Note	2025 RM	2024 RM
Cost			
At 1 July/30 June		8,583	8,583
Accumulated impairment losses			
At 1 July		8,583	-
Addition	31	-	8,583
At 30 June		8,583	8,583
Carrying amount			
At 30 June		-	-

Goodwill arising from business combination has been allocated to a cash-generating unit ("CGU") for impairment testing purpose. The carrying amounts of goodwill amounting to RM Nil (2024: RM Nil) has been allocated to the investment in Winamewah Sdn. Bhd..

15. TRADE AND OTHER RECEIVABLES

		Group		Company	
	Note	2025 RM	2024 RM	2025 RM	2024 RM
Non-current					
Non-trade					
Finance lease receivables		1,991,912	2,121,657	-	-
Less: Accumulated for impairment losses		(1,991,912)	(2,121,657)	-	-
Finance lease receivables, net	(a)	-	-	-	-
Current					
Trade					
Trade receivables		9,332,822	9,835,808	-	-
Less: Accumulated for impairment losses		(3,509,238)	(4,493,838)	-	-
Less: Bad debts written off		(8,981)	-	-	-
Trade receivables, net	(b)	5,814,603	5,341,970	-	-
Unbilled revenue	(c)	703,738	-	-	-

Notes to the Financial Statements (cont'd)

15. TRADE AND OTHER RECEIVABLES (CONTINUED)

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
Current					
Non-trade					
Finance lease receivables		129,745	97,531	-	-
Less: Accumulated for impairment losses		(129,745)	(97,531)	-	-
Finance lease receivables, net	(a)	-	-	-	-
Other receivables		5,133,856	6,776,320	1,570,400	17,960
Less: Accumulated for impairment losses		(1,701,658)	(1,870,120)	-	-
Other receivables, net	(d)	3,432,198	4,906,200	1,570,400	17,960
Deposits	(e)	13,068,378	4,354,083	380,261	375,261
Prepayments		1,494,423	2,495,599	-	309,067
		17,994,999	11,755,882	1,950,661	702,288
Total current receivables		24,513,340	17,097,852	1,950,661	702,288
Total		24,513,340	17,097,852	1,950,661	702,288

The Group's credit period granted ranges from 30 to 60 days (2024: 30 to 60 days). Other credit terms are assessed and approved on a case by case basis.

(a) Finance lease receivables

	Note	Group RM
Cost		
At 1 July 2023		-
Additions		2,255,873
Interest income		157,715
Lease payment received		(194,400)
At 30 June 2024		2,219,188
Interest expense		291,269
Lease payment received		(388,800)
At 30 June 2025		2,121,657

Notes to the Financial Statements (cont'd)

15. TRADE AND OTHER RECEIVABLES (CONTINUED)

(a) Finance lease receivables (Continued)

	Note	Group RM
Accumulated impairment losses		
At 1 July 2023		-
Addition	31	2,219,188
At 30 June 2024		2,219,188
Reversal	31	(97,531)
At 30 June 2025		2,121,657
Carrying amount		
At 30 June 2024		-
At 30 June 2025		-

Included in the Group's finance lease receivables are leases on equipment amounting to RM Nil (2024: RM Nil) under finance lease for nine (9) years terms. These leases transfer substantially all the control to the lessee of the equipment. The Group expects the residual value of the equipment at the end of the lease terms to be minimal. These leases do not include buy-back agreements or residual value guarantees.

Gross investment under finance leases together with the present value of minimum lease payment receivables are as follows:-

	Group 2025 RM	2024 RM
Minimum lease payments receivables:-		
- not later than one year	388,800	388,800
- one to two years	388,800	388,800
- two to three years	388,800	388,800
- three to four years	388,800	388,800
- four to five years	388,800	388,800
- not later than five years	1,352,800	1,741,600
	3,296,800	3,685,600
Less: Unearned interest income	(1,175,143)	(1,466,412)
Present value of minimum lease payment receivables	2,121,657	2,219,188
Less: Accumulated impairment losses	(2,121,657)	(2,219,188)
Present value of minimum lease payment receivables, net	-	-

Notes to the Financial Statements (cont'd)

15. TRADE AND OTHER RECEIVABLES (CONTINUED)

(b) Trade receivables

The currency exposure profile of trade receivables is as follows:-

	Group	
	2025 RM	2024 RM
Ringgit Malaysia	5,814,603	5,302,845
Brunei Dollar	-	39,125
	<u>5,814,603</u>	<u>5,341,970</u>

The ageing analysis of the Group's trade receivables is as follows:-

	Group	
	2025 RM	2024 RM
Neither past due nor impaired	3,041,905	2,642,898
Past due not impaired		
1 to 30 days	1,724,813	766,130
31 to 60 days	700,200	369,754
61 to 90 days	728,496	621,913
More than 90 days	3,128,427	5,435,113
	6,281,936	7,192,910
Impaired	(3,509,238)	(4,493,838)
	<u>5,814,603</u>	<u>5,341,970</u>

Impairment of trade receivables

The Group determines that a trade receivable is credit-impaired when the customer is experiencing significant financial difficulty and has defaulted in payments. Unless otherwise demonstrated, the Group generally considers a default to have occurred when the trade receivable is more than 90 days past due. The gross carrying amount of a credit-impaired trade receivable is directly written-off when there is no reasonable expectation of recovery. This normally occurs when there is reasonable proof of customer insolvency.

The Group measures the loss allowance for trade receivables at an amount equal to lifetime expected credit losses using the simplified approach in accordance with MFRS 9: *Financial Instruments*. Such lifetime expected credit losses are calculated using a provision matrix based on historical observed default rates (adjusted for forward-looking estimates). The following table details the risk profile of trade receivables based on the Group's provision matrix. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the loss allowance based on past due status is not further distinguished among the diversity of customer base.

Notes to the Financial Statements (cont'd)

15. TRADE AND OTHER RECEIVABLES (CONTINUED)

(b) Trade receivables (Continued)

Impairment of trade receivables (Continued)

The average credit loss rates were based on the payment profile of revenue over a period of 12 months and the corresponding historical credit losses experienced during the period. The rates were adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

The reconciliation of trade receivables' movements in accumulated impairment losses of the Group is as follows:-

	Note	Group RM
At 1 July 2023		3,623,336
Impairment loss during the year	31	870,502
At 30 June 2024		4,493,838
Reversal of impairment loss during the year	31	(984,600)
At 30 June 2025		3,509,238

(c) Unbilled revenue

Included in unbilled revenue of the Group is an amount of RM703,738/- (2024: RM Nil) in relation to the performance obligations satisfied but yet billed as at reporting date.

(d) Other receivables

Other receivables are unsecured and non-interest bearing. The currency exposure profile of other receivables is entirely in Ringgit Malaysia.

The reconciliation of other receivables' movements in accumulated impairment losses of the Group is as follows:-

	Note	Group RM
At 1 July 2023		1,881,882
Reversal of impairment loss during the year	31	(11,762)
At 30 June 2024		1,870,120
Reversal of impairment loss during the year	31	(168,462)
At 30 June 2025		1,701,658

Included in other receivables of the Group and of the Company is an amount of RM1,542,506/- (2024: RM7,686/-) being an amount owing by a related company in which certain directors have substantial financial interest.

Notes to the Financial Statements (cont'd)

15. TRADE AND OTHER RECEIVABLES (CONTINUED)

(e) Deposits

Included in deposits of the Group is an amount of RM9,970,240/- (2024: RM Nil) in relation to the acquisition of twelve (12) pieces of land from third parties.

Included in deposits of the Group is an amount of RM40,000/- (2024: RM40,000/-) in relation to the acquisition of 80% equity interest in Antares Ventures Sdn. Bhd. from third parties.

16. AMOUNT OWING BY/(TO) AN ASSOCIATE

	Group	
	2025 RM	2024 RM
Amount owing by an associate		
Non-current		
Trade balances	7,144,578	7,800,000
Less: Accumulated for impairment losses	(7,144,578)	(7,800,000)
	-	-
Current		
Trade balances	42,233,669	34,013,928
Non-trade balances	13,074,694	9,335,237
Less: Accumulated for impairment losses	(46,608,038)	(39,662,961)
	8,700,325	3,686,204
Total	8,700,325	3,686,204
Amount owing (to) an associate		
Non-trade balances	(6,788,000)	(942,305)

- (a) Included in amount owing by an associate of the Group is a retention sum of RM Nil (2024: RM Nil) relating to a construction contract.

Retention sum is unsecured, interest-free and is expected to be collected as follows:-

	Group	
	2025 RM	2024 RM
Less than 1 year	7,144,578	7,800,000
More than 1 year and less than 2 years	21,433,733	21,413,160
	28,578,311	29,213,160
Less: Accumulated for impairment losses	(28,578,311)	(29,213,160)
Total retention sum	-	-

Notes to the Financial Statements (cont'd)

16. AMOUNT OWING BY/(TO) AN ASSOCIATE (CONTINUED)

- (b) The reconciliation of amount owing by an associate's movements in accumulated impairment losses of the Group is as follows:-

	Note	Group RM
At 1 July 2023		1,740,034
Impairment loss during the year	31	45,722,927
At 30 June 2024		47,462,961
Impairment loss during the year	31	6,289,655
At 30 June 2025		53,752,616

17. AMOUNT OWING BY/(TO) SUBSIDIARIES

Amount owing by/(to) subsidiaries are unsecured, interest-free and recoverable/(repayable) on demand.

	Company	
	2025 RM	2024 RM
Amount owing by subsidiaries		
Non-trade balances	379,844,764	348,765,698
Less: Accumulated for impairment losses	(62,091,025)	(63,930,154)
	<u>317,753,739</u>	<u>284,835,544</u>
Amount owing (to) subsidiaries		
Non-trade balances	<u>(488,290)</u>	<u>(2,504,190)</u>

The reconciliation of amount owing by subsidiaries' movements in accumulated impairment losses of the Company is as follows:-

	Note	Company RM
At 1 July 2023		40,959,889
Impairment loss during the year	31	22,970,265
At 30 June 2024		63,930,154
Reversal of impairment loss during the year	31	(1,839,129)
At 30 June 2025		<u>62,091,025</u>

Notes to the Financial Statements (cont'd)

18. INVENTORIES

		Group	
	Note	2025 RM	2024 RM
At net realisable value			
Gold stock		60,865	48,018
At cost			
Food and beverages and packing materials		5,759,926	5,023,876
Machinery and spare parts		6,505,776	1,509,641
Rocks and minerals		17,976,649	20,706,592
		<u>30,303,216</u>	<u>27,288,127</u>
Provision for slow-moving inventories			
At 1 July		8,488,753	770,144
Impairment	31	-	7,766,516
Reversal	31	(445,828)	(47,907)
At 30 June		<u>8,042,925</u>	<u>8,488,753</u>
Carrying amount			
At 30 June			
- At net realisable value		60,865	48,018
- At cost		22,199,426	18,751,356
		<u>22,260,291</u>	<u>18,799,374</u>

During the financial year, the cost of inventories recognised as cost of sales in the Group amounted to RM48,886,696/- (2024: RM51,282,554/-).

19. BIOLOGICAL ASSETS

		Group	
	Note	2025 RM	2024 RM
At fair value less costs to sell			
At 1 July		54,819	-
Additions		474	937
Changes in fair value	31	36,696	53,882
At 30 June		<u>91,989</u>	<u>54,819</u>
Estimated quantities:-			
- Harvested during the year (metric tonnes)		1,614	1,541
- Unharvested at 30 June (metric tonnes)		<u>47</u>	<u>72</u>

Notes to the Financial Statements (cont'd)

19. BIOLOGICAL ASSETS (CONTINUED)

The biological assets of the Group comprise of unripe fresh fruit bunches ("FFB") prior to harvest. The fair value is determined by the present value of the net cash flows expected to be generated from the sale of FFB. To arrive at the fair value, the management has made the assumption that the net cash flows to be generated from FFB is based on its 15 days harvest interval and therefore the quantity of unripe FFB on bearer plants of up to 15 days prior to harvest was used for valuation purposes. The prices of the unripe FFB were estimated based on recent market prices of the FFB. The cost to sell include amongst others, harvesting cost and transport.

Fair value information

The fair value measurements of FFB have been categorised as Level 3 fair value based on the inputs to the valuation techniques used.

Sensitivity analysis

The management are in view that the impact from the change in the Group's fair value of FFB, if the key estimates and assumption on selling price and production volume had increased or decreased by 5% at the reporting date, is insignificant to the Group. Therefore, the sensitivity analysis is not presented.

20. FIXED DEPOSITS WITH LICENSED BANKS

The fixed deposits with licensed banks of the Group at the end of the reporting period bore effective interest rates ranging from 2.10% to 2.70% (2024: 2.25% to 3.00%) per annum. Fixed deposits of RM3,920,034/- (2024: RM875,095/-) were pledged with licensed banks as security for banking facilities granted to the Group as disclosed in Note 25(a) and Note 25(b) to the financial statements.

21. CASH AND BANK BALANCES

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Cash in hand	143,286	143,176	13,034	9,508
Cash at banks	9,641,846	9,483,990	1,568,025	652,191
Total cash and bank balances	9,785,132	9,627,166	1,581,059	661,699

Notes to the Financial Statements (cont'd)

21. CASH AND BANK BALANCES (CONTINUED)

The currency exposure profile of cash and bank balances is as follows:-

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Ringgit Malaysia	9,429,753	9,281,618	1,458,894	534,584
Australian Dollar	129,656	142,587	-	-
Singapore Dollar	170,240	142,395	122,165	127,115
United States Dollar	55,483	60,566	-	-
	<u>9,785,132</u>	<u>9,627,166</u>	<u>1,581,059</u>	<u>661,699</u>

22. SHARE CAPITAL

	Group and Company			
	2025		2024	
	Number of shares Unit	Amount RM	Number of shares Unit	Amount RM
Ordinary shares				
Issued and fully paid:-				
At 1 July	11,992,135,230	709,329,099	11,651,135,230	702,833,816
Add:-				
- ESOS exercised	1,800,000,000	15,353,852	341,000,000	6,495,283
- Warrants exercised	257,435,000	2,574,350	-	-
At 30 June	<u>14,049,570,230</u>	<u>727,257,301</u>	<u>11,992,135,230</u>	<u>709,329,099</u>

During the financial year, the issued and paid-up capital of the Company was increased by RM17,928,202/- from RM709,329,099/- to RM727,257,301/- by way of issuance of:-

- 1,800,000,000 new ordinary shares from the exercise of options under the Company's Employees' Share Option Scheme ("ESOS") at an average exercise price of RM0.0085; and
- 257,435,000 new ordinary shares from the exercise of warrants at the exercise price of RM0.0100.

All ordinary shares carry one vote per share without restrictions and rank equally with regards to the Company's residual assets.

Notes to the Financial Statements (cont'd)

23. RESERVES

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
Warrants reserve	(a)	92,802,711	92,802,711	92,802,711	92,802,711
Translation reserve	(b)	(209,745)	(153,244)	-	-
Other reserve	(c)	(36,637,012)	(36,637,012)	-	-
Total reserves		<u>55,955,954</u>	<u>56,012,455</u>	<u>92,802,711</u>	<u>92,802,711</u>

(a) Warrants reserve

Warrants reserve represents the proceeds from the issuance of warrants which are non-distributable. The warrants reserve is transferred to the share capital account upon the exercise of warrants and the warrants reserve in relation to the unexercised warrants at the expiry of the warrants will be transferred to retained earnings. Details of warrants are disclosed in Note 24 to the financial statements.

(b) Translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

(c) Other reserve

The other reserve comprises the Group's share of an associate post-acquisition other comprehensive income reserves as disclosed in Note 9(a) to the financial statements.

24. WARRANTS

(a) Warrants C 2015/2025

The Company's issuance of new warrants via a Renounceable Rights Issue of 2,315,152,386 new warrants 2015/2025 on the basis of one (1) new warrant for every two (2) existing shares held were listed on Bursa Malaysia Securities Berhad on 17 November 2015. The exercise price of the warrants is subject to adjustments from time to time in accordance with the conditions stipulated in the Deed Poll dated 28 September 2015. On 28 September 2015, the exercise price was RM0.07 each.

The issue date of 1,157,576,189 Rights Issue of warrants was 9 November 2015. The warrants will expire on 8 November 2025. The exercise period for the Warrants C is ten (10) years commencing from and inclusive of the date of issue Warrants C. Warrants C which are not exercised during the exercise period shall thereafter lapse and cease to be valid.

Notes to the Financial Statements (cont'd)

24. WARRANTS (CONTINUED)

(a) Warrants C 2015/2025 (Continued)

The movement of Warrants C is as follows:-

	Company			
	2025		2024	
	Unit	RM	Unit	RM
At 1 July/30 June	1,722,822,600	92,802,711	1,722,822,600	92,802,711

(b) Warrants D 2017/2027

The Company's issuance of new warrants via a Bonus Issue of 528,085,453 new warrants 2017/2027 on the basis of one (1) free warrant for every eight (8) existing ordinary shares held on 26 May 2017 were listed on Bursa Malaysia Securities Berhad on 7 June 2017. The issue price of the Warrant D was free. The exercise price of the warrants is subject to adjustments from time to time in accordance with the conditions stipulated in the Deed Poll dated 12 May 2017. On 12 May 2017, the exercise price was RM0.07 each.

The issue date of 378,808,984 Bonus Issue of warrants was 30 May 2017. The warrants will expire on 29 May 2027. The exercise period for Warrants D is ten (10) years commencing from and inclusive of the date of issue of Warrants D. Warrants D which are not exercised during the exercise period shall thereafter lapse and cease to be valid.

The movement of Warrants D is as follows:-

	Company			
	2025		2024	
	Unit	RM	Unit	RM
At 1 July/30 June	365,471,359	-	365,471,359	-

(c) Warrants E 2025/2030

The Company's issuance of new warrants via a Bonus Issue of 3,448,033,541 new warrants 2025/2030 on the basis of one (1) free warrant for every four (4) existing ordinary shares held on 19 March 2025 were listed on Bursa Malaysia Securities Berhad on 26 March 2025. The issue price of the Warrant E was free. The exercise price of the warrants is subject to adjustments from time to time in accordance with the conditions stipulated in the Deed Poll dated 3 March 2025. On 3 March 2025, the exercise price was RM0.01 each.

The issue date of 3,448,033,541 Bonus Issue of warrants was 21 March 2025. The warrants will expire on 20 March 2030. The exercise period for Warrants E is five (5) years commencing from and inclusive of the date of issue of Warrants E. Warrants E which are not exercised during the exercise period shall thereafter lapse and cease to be valid.

Notes to the Financial Statements (cont'd)

24. WARRANTS (CONTINUED)

(c) Warrants E 2025/2030 (Continued)

The movement of Warrants E is as follows:-

	Company			
	2025		2024	
	Unit	RM	Unit	RM
At 1 July	-	-	-	-
Additions	3,448,033,541	-	-	-
Warrants exercised during the financial year	(257,435,000)	-	-	-
At 30 June	3,190,598,541	-	-	-

25. LOANS AND BORROWINGS

		Group		Company	
	Note	2025 RM	2024 RM	2025 RM	2024 RM
Current					
Secured:-					
Bankers' acceptances	(a)	3,864,296	589,000	-	-
Bank overdrafts	(b)	1,338,263	1,508,717	-	-
Hire purchase payables	26	950,765	2,211,870	124,371	119,415
Term loans	27	7,406,175	2,442,188	5,202,777	417,307
		13,559,499	6,751,775	5,327,148	536,722
Non-current					
Secured:-					
Hire purchase payables	26	812,216	2,001,047	129,317	253,689
Term loans	27	59,227,088	38,700,796	42,044,438	19,202,203
		60,039,304	40,701,843	42,173,755	19,455,892
Total loans and borrowings		73,598,803	47,453,618	47,500,903	19,992,614

Notes to the Financial Statements (cont'd)

25. LOANS AND BORROWINGS (CONTINUED)

(a) Bankers' acceptances

Effective interest rates on bankers' acceptances of the Group at the end of the reporting period ranges from 5.23% to 5.25% (2024: 6.13% to 6.22%) per annum. The bankers' acceptances are secured by way of:-

- (i) a facility agreement, as principal instrument;
- (ii) corporate guarantee by the Company;
- (iii) third party legal charge over property of a subsidiary company as disclosed in Note 5(c) to the financial statements; and
- (iv) pledged of fixed deposits as disclosed in Note 20 to the financial statements.

(b) Bank overdrafts

Effective interest rates on bank overdrafts of the Group at the end of the reporting period ranges from 6.55% to 8.15% (2024: 6.80% to 8.15%) per annum. The bank overdrafts are secured by way of:-

- (i) corporate guarantee by the Company; and
- (ii) pledged of fixed deposits as disclosed in Note 20 to the financial statements.

26. HIRE PURCHASE PAYABLES

Note	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Minimum hire purchase payments:-				
- not later than one year	1,064,611	2,373,135	132,012	132,012
- later than one year but not later than five years	847,946	2,127,183	132,001	264,014
- later than five years	19,154	91,986	-	-
	<u>1,931,711</u>	<u>4,592,304</u>	<u>264,013</u>	<u>396,026</u>
Less: Future finance charges	(168,730)	(379,387)	(10,325)	(22,922)
	<u>1,762,981</u>	<u>4,212,917</u>	<u>253,688</u>	<u>373,104</u>

Notes to the Financial Statements (cont'd)

26. HIRE PURCHASE PAYABLES (CONTINUED)

Analysis of present value of hire purchase payables:-

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
Current	25				
Within the next twelve months		950,765	2,211,870	124,371	119,415
Non-current	25				
After the next twelve months					
- later than one year but not later than five years		793,550	1,962,937	129,317	253,689
- later than five years		18,666	38,110	-	-
		812,216	2,001,047	129,317	253,689
Total hire purchase payables		1,762,981	4,212,917	253,688	373,104

Effective interest rates on the hire purchase payables of the Group and of the Company at the end of the reporting period ranges from 3.26% to 10.61% and 3.26% to 3.32% respectively (2024: 3.33% to 7.30% and 3.33% to 3.39% respectively) per annum. The hire purchase payables are secured by way of charge over the leased assets as disclosed in Note 5(a) to the financial statements.

27. TERM LOANS

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
Current	25				
Within the next twelve months		7,406,175	2,442,188	5,202,777	417,307
Non-current	25				
After the next twelve months					
- later than one year but not later than five years		29,218,384	2,605,347	20,778,142	454,193
- later than five years		30,008,704	36,095,449	21,266,296	18,748,010
		59,227,088	38,700,796	42,044,438	19,202,203
Total term loans		66,633,263	41,142,984	47,247,215	19,619,510

Notes to the Financial Statements (cont'd)

27. TERM LOANS (CONTINUED)

Effective interest rates on term loans of the Group and of the Company at the end of the reporting period range from 4.03% to 10.44% and 7.97% to 10.44% respectively (2024: 3.16% to 9.62% and 4.49% to 9.62% respectively) per annum. The term loans are secured by way of:-

- (i) the first legal charge over property, plant and equipment, right-of-use assets and investment properties of the Group as disclosed in Note 5(c), Note 6 and Note 7 respectively to the financial statements;
- (ii) personal guarantee by the Company's director; and
- (iii) corporate guarantee by the Company and its wholly-owned subsidiary company, SB Resorts Sdn. Bhd..

28. DEFERRED TAX LIABILITIES

		Group	
	Note	2025 RM	2024 RM
At 1 July		13,343,340	13,529,559
Recognised in profit or loss	34	-	(186,219)
At 30 June		<u>13,343,340</u>	<u>13,343,340</u>
Presented after appropriate offsetting as follows:-			
Deferred tax liabilities		<u>13,343,340</u>	<u>13,343,340</u>

The deferred tax liabilities are made up of the following:-

		Revaluation on investment properties	
		2025 RM	2024 RM
At 1 July		13,343,340	13,529,559
Recognised in profit or loss		-	(186,219)
At 30 June		<u>13,343,340</u>	<u>13,343,340</u>

Notes to the Financial Statements (cont'd)

29. TRADE AND OTHER PAYABLES

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
Trade payables	(a)	8,575,746	12,075,109	-	-
Other payables	(b)	10,018,785	14,143,737	500,325	1,817,307
Deposits	(c)	4,418,400	3,761,745	-	-
Accruals		737,064	1,030,327	75,004	61,178
		15,174,249	18,935,809	575,329	1,878,485
Total		23,749,995	31,010,918	575,329	1,878,485

(a) Trade payables

The credit period granted to the Group for trade purchases ranges from 30 to 90 days (2024: 30 to 90 days).

The currency exposure profile of trade payables is as follows:-

	Group	
	2025 RM	2024 RM
Ringgit Malaysia	8,575,746	12,048,988
United States Dollar	-	26,121
	8,575,746	12,075,109

(b) Other payables

Other payables are unsecured and non-interest bearing. The currency exposure profile of other payables are as follows:-

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Ringgit Malaysia	9,979,026	14,102,182	500,325	1,817,307
Brunei Dollar	-	41,555	-	-
Singapore Dollar	39,759	-	-	-
	10,018,785	14,143,737	500,325	1,817,307

Included in other payables of the Group is an amount of RM2,576,035/- (2024: RM2,493,569/-) of deferred income in relation to the franchise fees received from outlet franchisees.

Notes to the Financial Statements (cont'd)

29. TRADE AND OTHER PAYABLES (CONTINUED)

(b) Other payables (Continued)

Included in other payables of the Group and of the Company is an amount of RM Nil (2024: RM1,620,000/-) being advances from third party, where the amount is unsecured, bore effective interest rate of Nil (2024: 6%) per annum and repayable on demand.

Included in other payables of the Group is an amount of RM61,960/- (2024: RM63,087/-) being an amount owing to a related company in which certain directors have substantial financial interest.

(c) Deposits

Included in deposits of the Group is an amount of RM4,115,000/- (2024: RM3,525,000/-) received from outlet franchisees.

30. REVENUE

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Major products and service lines				
Fast food and restaurant operations	70,004,181	65,188,700	-	-
Resources and sustainable energy	9,629,689	7,805,775	-	-
Sales of fresh fruit bunches	1,413,021	1,222,900	-	-
Machinery and spare parts	714,205	650,373	-	-
Franchise fees	422,495	452,938	-	-
Construction services	137,150	3,204,208	-	-
Management fees	36,000	36,000	1,836,000	1,356,000
Total revenue	82,356,741	78,560,894	1,836,000	1,356,000
Timing and recognition:-				
- Products transferred at point in time	81,797,096	74,903,748	1,836,000	1,356,000
- Products and services transferred over time	559,645	3,657,146	-	-
	82,356,741	78,560,894	1,836,000	1,356,000
Revenue from contracts				
with customers	82,320,741	78,524,894	-	-
Other revenue	36,000	36,000	1,836,000	1,356,000
Total revenue	82,356,741	78,560,894	1,836,000	1,356,000

Notes to the Financial Statements (cont'd)

30. REVENUE (CONTINUED)

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Primary geographical markets				
Malaysia	82,356,741	78,560,894	1,836,000	1,356,000

The Group applies the practical expedient in paragraph 121(a) of MFRS 15 and do not disclose information about remaining performance obligations that have original expected durations of one year or less.

Notes to the Financial Statements (cont'd)

30. REVENUE (CONTINUED)

The following information reflects the typical transactions of the Group and of the Company:-

Nature of goods and services	Timing of recognition	Significant payment terms	Variable element in consideration	Obligation for returns or refunds	Warranty
Fast food and restaurant operations	Revenue is recognised at a point in time when food is delivered to customers.	Cash collection basis with no credit terms.	Trade discounts.	Not applicable.	Not applicable.
Resources and sustainable energy	Revenue is recognised at a point in time when the goods are delivered to customers.	Credit period of 30 to 60 days from the invoice date.	Not applicable.	Not applicable.	Not applicable.
Sales of fresh fruit bunches	Revenue is recognised at a point in time when the goods are delivered to customers.	Credit period of 30 days from the invoice date.	Not applicable.	Not applicable.	Not applicable.
Machinery and spare parts	Revenue is recognised at a point in time when the goods are delivered to customers.	Credit period of 15 to 30 days from the invoice date.	Trade discounts.	Not applicable.	1 year warranty is given to customers.
Franchise fees	Revenue is recognised overtime based on agreements/contracts period with franchisees.	Collected upon signing of franchise agreements/contracts.	Not applicable.	Not applicable.	Not applicable.
Construction services	Revenue from construction contracts is recognised overtime using the cost incurred method.	Based on the stage of completion certified by architects. Credit period of 30 days from the invoice date.	Variation orders.	Not applicable.	Defect liability period up to 12 months is given to the contract customers.
Management fees	Revenue is recognised at a point in time with the substance of the relevant terms of agreements/contracts.	Credit period of 30 days from the invoice date.	Not applicable.	Not applicable.	Not applicable.

Notes to the Financial Statements (cont'd)

31. OPERATING (LOSS)/PROFIT

Operating (loss)/profit has been arrived at:-

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
After charging:-					
Amortisation of right-of-use assets	6.1	6,521,153	6,534,292	106,913	106,689
Auditors' remunerations:-					
- Company's auditors					
- statutory audit					
- current year		348,400	333,800	93,000	90,000
- under provision in previous year		-	353	-	-
- other services		25,000	25,000	25,000	25,000
- Other auditors					
- statutory audit		6,566	14,208	-	-
Deposit forfeited		-	2,500	-	-
Depreciation of property, plant and equipment	5	2,382,408	4,370,796	378,675	570,736
Directors' remunerations	32	2,751,331	2,057,776	1,567,813	1,389,000
Employees' Share Option Scheme ("ESOS")		3,893,852	505,191	1,745,318	105,117
Fair value loss on investment in quoted shares	10	230,961,988	-	229,849,156	-
Impairment losses on:-					
- property, plant and equipment	5	-	8,657,273	-	-
- investment in subsidiaries	8	-	-	7,698,112	93,985,755
- investment in an associate	9	-	3,932,059	-	135,700,000
- goodwill	14	-	8,583	-	-
- finance lease receivables	15(a)	-	2,219,188	-	-
- trade receivables	15(b)	-	870,502	-	-
- amount owing by an associate	16(b)	6,289,655	45,722,927	-	-
- amount owing by subsidiaries	17	-	-	-	22,970,265

Notes to the Financial Statements (cont'd)

31. OPERATING (LOSS)/PROFIT (CONTINUED)

Operating (loss)/profit has been arrived at:- (Continued)

		Group		Company	
	Note	2025 RM	2024 RM	2025 RM	2024 RM
After charging:- (Continued)					
Loss on foreign exchange:-					
- realised		-	21,338	-	-
- unrealised		43,129,877	-	42,920,704	-
Provision for slow-moving inventories					
	18	-	7,766,516	-	-
Rental of land ¹		10,800	7,000	-	-
Rental of premises ¹		141,648	72,425	-	-
Rental of machineries ¹		145,754	3,465	-	-
Staff costs:-					
- salaries, wages and bonuses		11,575,828	11,238,540	719,920	586,320
- contributions to defined contribution plan and social security organisation		1,361,651	1,298,836	83,816	66,707
- other related staff costs		463,736	467,372	176,014	217,938
Written-off of:-					
- property, plant and equipment	5	43,020	22,564	-	-
- bad debts - trade receivables	15	8,981	-	-	-
And crediting:-					
Discount received on rental					
		(2,679)	-	-	-
Fair value gain on:-					
- investment in quoted shares	10	-	(159,878,084)	-	(159,275,798)
- amount owing by an associate		-	(293,214)	-	-
- biological assets	19	(36,696)	(53,882)	-	-
Gain on disposal of:-					
- investment in quoted shares		-	(2,280)	-	-
- property, plant and equipment		(58,077)	(72,400)	-	-

Notes to the Financial Statements (cont'd)

31. OPERATING (LOSS)/PROFIT (CONTINUED)

Operating (loss)/profit has been arrived at:- (Continued)

		Group		Company	
	Note	2025 RM	2024 RM	2025 RM	2024 RM
And crediting:- (Continued)					
Gain on lease modification		(79,036)	(64,117)	-	-
Gain on foreign exchange:-					
- realised		(463,775)	-	-	-
- unrealised		-	(650,050)	-	(554,601)
Government grant		(13,291)	-	-	-
Interest income		(348,161)	(222,927)	(2)	(22,384)
Rental income generated from:-					
- right-of-use assets	6.1	(72,000)	(72,000)	-	-
- investment properties	7	(376,800)	(379,200)	-	-
- others		(81,600)	(81,600)	-	-
Reversal of impairment losses on:-					
- property, plant and equipment	5	-	(450,580)	-	-
- finance lease receivables	15(a)	(97,531)	-	-	-
- trade receivables	15(b)	(984,600)	-	-	-
- other receivables	15(d)	(168,462)	(11,762)	-	-
- amount owing by subsidiaries	17	-	-	(1,839,129)	-
Reversal of provision for slow-moving inventories	18	(445,828)	(47,907)	-	-
Waiver of debts		(4,800)	-	(2,005,459)	-

- ¹ The Group leases land, hostel and machineries with contract term of one (1) year. These leases are short-term. The Group has elected not to recognise right-of-use assets and lease liabilities for these leases.

Notes to the Financial Statements (cont'd)

32. DIRECTORS' REMUNERATIONS

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Executive Directors				
- salaries, allowances and bonuses	730,050	575,020	186,760	-
- fees	1,535,000	1,020,000	949,000	984,000
- contributions to defined contribution plan and social security organisation	78,281	57,756	24,053	-
	<u>2,343,331</u>	<u>1,652,776</u>	<u>1,159,813</u>	<u>984,000</u>
Non-Executive Directors				
- fees	408,000	405,000	408,000	405,000
Total directors' remunerations	<u>2,751,331</u>	<u>2,057,776</u>	<u>1,567,813</u>	<u>1,389,000</u>

33. FINANCE COSTS

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Interest expenses on:-				
- bank overdrafts	92,437	113,090	-	-
- bankers' acceptances	53,714	51,698	-	-
- finance lease receivables	-	1,624,128	-	-
- hire purchase payables	214,507	303,414	12,597	17,553
- loan from third party	97,200	-	97,200	-
- lease liabilities	326,455	369,029	19,952	16,538
- term loans	3,870,665	1,827,095	2,867,459	914,558
Total finance costs	<u>4,654,978</u>	<u>4,288,454</u>	<u>2,997,208</u>	<u>948,649</u>

Notes to the Financial Statements (cont'd)

34. TAXATION

Note	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Income tax:-				
- current year	1,420,752	871,517	-	-
- under/(over) provision in prior years	10,979	(31,872)	-	-
	<u>1,431,731</u>	<u>839,645</u>	<u>-</u>	<u>-</u>
Deferred tax:-	28			
- current year	-	(195,819)	-	-
- under provision in prior years	-	9,600	-	-
	<u>-</u>	<u>(186,219)</u>	<u>-</u>	<u>-</u>
	<u>1,431,731</u>	<u>653,426</u>	<u>-</u>	<u>-</u>

A reconciliation of income tax expenses applicable to (loss)/profit before taxation at the statutory income tax rate to income tax expenses at the effective income tax rate of the Group and of the Company are as follows:-

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
(Loss)/Profit before taxation	<u>(298,676,436)</u>	<u>36,984,131</u>	<u>(284,309,327)</u>	<u>(98,281,788)</u>
Taxation at applicable tax rate of 24%	(71,682,345)	8,876,191	(68,234,238)	(23,587,629)
Tax effects arising from:-				
- expenses not deductible for tax purposes	70,920,685	16,170,363	67,599,728	55,621,675
- income not subject to tax	(1,201,940)	(41,253,980)	(922,701)	(38,226,191)
- deferred tax assets not recognised	3,384,352	16,883,124	1,557,211	6,192,145
- under/(over) provision in prior years:-				
- income tax	10,979	(31,872)	-	-
- deferred tax	-	9,600	-	-
Tax expenses for the financial year	<u>1,431,731</u>	<u>653,426</u>	<u>-</u>	<u>-</u>

Notes to the Financial Statements (cont'd)

34. TAXATION (CONTINUED)

Deferred tax assets have not been recognised in respect of the following items:-

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Property, plant and equipment	(2,446,204)	(3,738,842)	64,220	162,195
Unutilised capital allowances carried forward	(5,629,329)	(4,363,302)	(37,373)	(632)
Unabsorbed tax losses carried forward	(50,415,372)	(37,747,171)	(6,353,663)	-
Other temporary differences	(84,416,995)	(82,957,119)	-	-
	<u>(142,907,900)</u>	<u>(128,806,434)</u>	<u>(6,326,816)</u>	<u>161,563</u>
Potential deferred tax assets not recognised	(34,297,896)	(30,913,544)	(1,518,436)	38,775

Deferred tax assets have not been recognised in respect of the above unabsorbed tax losses due to uncertainty of its realisation.

The unabsorbed tax assets are available to offset against future taxable profits of the Group, subject to the requirements under Income Tax Act, 1967 and guidelines issued by Inland Revenue Board of Malaysia.

With effect from the year of assessment ("YA") 2019, unabsorbed tax losses in a YA can only be carried forward for a maximum period of ten (10) consecutive YAs. Unabsorbed tax losses for YA 2025 can be set off against income from any business source for ten (10) YAs and will be disregarded in YA 2036. Unabsorbed tax losses accumulated up to YA 2018 can be utilised for another 10 YAs and will be disregarded in YA 2029.

The unabsorbed tax losses can only be carried until the following YAs:-

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Prior and up to YA 2028	20,383,386	20,489,424	-	-
2029	790,506	790,506	-	-
2030	592,404	592,404	-	-
2031	1,603,203	1,735,418	-	-
2032	911,967	911,967	-	-
2033	1,813,219	1,813,219	-	-
2034	11,414,233	11,414,233	-	-
2035	12,906,454	-	6,353,663	-
	<u>50,415,372</u>	<u>37,747,171</u>	<u>6,353,663</u>	<u>-</u>

Notes to the Financial Statements (cont'd)

35. (LOSS)/EARNINGS PER ORDINARY SHARE

(a) Basic (loss)/earnings per share

	Group	
	2025 RM	2024 RM
(Loss)/profit attributable to owners of the Company	(300,060,890)	36,330,705
Number of shares as at 1 July	11,992,135,230	11,651,135,230
ESOS exercised	730,596,712	325,038,356
Warrants exercised	28,045,192	-
Weighted average number of ordinary shares as at 30 June	12,750,777,134	11,976,173,586
Basic (loss)/earnings per ordinary share (sen)	(2.35)	0.30

The basic (loss)/earnings per ordinary share is calculated by dividing the consolidated net (loss)/profit attributable to equity owners of the Company by the weighted average number of ordinary shares in issue during the financial year.

(b) Diluted (loss)/earnings per share

There is no dilution in the (loss)/earnings per share as the market value of the Company's ordinary shares at the end of financial year is lower than the exercise price of the outstanding Warrants C 2015/2025, Warrants D 2017/2027 and Warrants E 2025/2030. Accordingly, there would be no conversion of these outstanding instruments for the purpose of calculating diluted (loss)/earnings per share.

36. FINANCIAL GUARANTEES

The Company provides corporate guarantees amounting up to RM15,475,000/- and RM17,210,873/- (2024: RM15,475,000/- and RM17,580,873/-) to licensed banks and other financial institutions respectively for credit facilities granted to certain subsidiaries. The financial guarantees have not been recognised since the fair value on initial recognition was immaterial as the financial guarantees provided by the Company did not contribute towards credit enhancement of the subsidiaries' borrowing in the view of the securities pledged by the subsidiaries and it is not probable that the licensed banks and other financial institutions to financial guarantee contracts will claim under the contracts.

The Company provides corporate guarantees amounting up to RM17,300,000/- (2024: RM17,300,000/-) to guarantee the full payment of all sums of money due or may due by its subsidiary company to its suppliers. Accordingly, the Company is contingently liable to the extent of the outstanding liabilities.

Notes to the Financial Statements (cont'd)

37. SIGNIFICANT RELATED PARTY TRANSACTIONS

(a) Identification of related parties

Parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operational decisions, or vice versa, or where the Group and the party are subject to common control. Related parties may be individuals or other entities.

Related parties of the Group include:-

- (i) Holding company;
- (ii) Direct subsidiaries;
- (iii) Indirect subsidiaries;
- (iv) Associate;
- (v) Related company in which the Group has financial interests; and
- (vi) Key management personnel which comprise persons (including the directors of the Company) having the authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly.

(b) Significant related party transactions

During the financial year, the significant related party transactions are as follows:-

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
<u>Subsidiaries</u>				
Management fees	-	-	1,800,000	1,320,000
Consultancy fees	-	-	(79,748)	(41,781)
<u>Among subsidiaries</u>				
Sales of goods	2,248,953	514,934	-	-
Purchase of goods	(2,248,953)	(514,934)	-	-
Rental income	288,000	288,000	-	-
Rental expenses	(288,000)	(288,000)	-	-
Consultancy fees income	2,626,955	2,800,404	-	-
Consultancy fees	(2,626,955)	(2,800,404)	-	-
Management fees income	144,000	144,000	-	-
Management fees	(144,000)	(144,000)	-	-
<u>Associate</u>				
Construction services	137,150	3,296,081	-	-
Sale of goods	7,580,320	12,631,087	-	-
Sale of services	541,950	-	-	-
Purchase of goods	(241,205)	(81,939)	-	-
Rental income	530,400	336,000	-	-

Notes to the Financial Statements (cont'd)

37. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONTINUED)

(b) Significant related party transactions (Continued)

During the financial year, the significant related party transactions are as follows:-
(Continued)

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
<u>Related Company</u>				
Legal fees expenses	(223,780)	(14,782)	-	-
Rental expenses	(24,000)	(24,000)	-	-

(c) Key management personnel remunerations

The remunerations of the key management personnel is as follow:-

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Salaries, allowances and bonuses	730,050	575,020	186,760	-
Fees	1,535,000	1,020,000	949,000	984,000
Employees' Provident Fund and Social Security Contribution	78,281	57,756	24,053	-
	<u>2,343,331</u>	<u>1,652,776</u>	<u>1,159,813</u>	<u>984,000</u>

38. SEGMENT REPORTING

The Group adopted MFRS 8, *Operating Segments*. MFRS 8 requires the identification of operating segments on the basis of internal reports that are regularly reviewed by the Group's chief operating decision maker in order to allocate resources to the segments and assess their performance.

General information

The information reported to the Group's chief operating decision maker to make decisions about resources to be allocated and for assessing their performance is based on the nature of the products and services, and has four reportable operating segments as follows:-

- (a) Head office and others;
- (b) Food and franchise operations¹;
- (c) Property investment and management; and
- (d) Resources and sustainable energy.

¹ Plantation business is included in this segment as it is immaterial to show as separate segment.

Notes to the Financial Statements (cont'd)

38. SEGMENT REPORTING (CONTINUED)

Measurement of reportable segments

Segment information is prepared in conformity with the accounting policies adopted for preparing and presenting the consolidated financial statements. Segment profit or loss is profit earned or loss incurred by each segment without allocation of depreciation and amortisation, finance cost, income from other investment and income tax expense. There are no significant changes from prior financial year in the measurement methods used to determine reported segment profit or loss. All the Group's assets and liabilities are allocated to reportable segments other than deferred tax assets and deferred tax liabilities.

Notes to the Financial Statements (cont'd)

38. SEGMENT REPORTING (CONTINUED)

Group 2025	Head office and others RM	Food and franchise operations RM	Property investment and management RM	Resources and sustainable energy RM	Eliminations RM	Note	Consolidated RM
Revenue							
External sales	36,000	71,140,881	1,550,171	9,629,689	-		82,356,741
Inter-segment sales	4,506,704	2,042,561	1,125	205,266	(6,755,656)	(a)	-
Total revenue	4,542,704	73,183,442	1,551,296	9,834,955	(6,755,656)		82,356,741
Results							
Segment results	(47,016,060)	5,782,456	(4,721,242)	(3,818,598)	(264,000)	(a)	(50,037,444)
Amortisation of right-of-use assets	(106,914)	(1,591,222)	(34,612)	(293,233)	(4,495,172)	(a)	(6,521,153)
Depreciation of property, plant and equipment	(382,181)	(1,741,011)	(256,816)	(2,400)	-		(2,382,408)
Fair value loss on investment in quoted shares	(229,849,156)	-	(1,112,832)	-	-		(230,961,988)
Finance costs	(2,997,207)	(581,020)	(25,413)	(1,106,051)	54,713	(a)	(4,654,978)
Income tax expenses	-	(1,431,731)	-	-	-	(a)	(1,431,731)
Interest income	3	37,477	291,332	19,349	-		348,161
Other non-cash expenses	(1,698,057)	(5,350,202)	(2,292,856)	875,708	3,998,781	38(i)	(4,466,626)
Loss for the financial year							(300,108,167)

Notes to the Financial Statements (cont'd)

38. SEGMENT REPORTING (CONTINUED)

Group 2025	Head office and others RM	Food and franchise operations RM	Property investment and management RM	Resources and sustainable energy RM	Eliminations RM	Note	Consolidated RM
Assets							
Segment assets	661,904,036	56,142,357	545,440,334	265,626,753	(757,234,602)	(b)	771,878,878
Tax recoverables	16,100	-	240,942	579,564	-		836,606
Consolidated total assets							772,715,484
Other information							
Additions to property, plant and equipment	-	1,808,428	3,040	57,971	-		1,869,439
Additions to right-of-use assets	-	843,412	27,561	359,286	(33,549)		1,196,710
Liabilities							
Segment liabilities	1,458,771	26,912,775	425,011,970	111,077,730	(533,923,251)	(c)	30,537,995
Tax payable	-	779,935	-	-	-		779,935
Loans and borrowings	47,500,903	7,435,764	287,148	18,374,988	-		73,598,803
Deferred tax liabilities	-	-	13,528,172	3,531,668	(3,716,500)	(c)	13,343,340
Lease liabilities	370,680	6,876,438	26,460	1,048,028	(1,286,577)	(c)	7,035,029
Consolidated total liabilities							125,295,102

Notes to the Financial Statements (cont'd)

38. SEGMENT REPORTING (CONTINUED)

Group 2024	Head office and others RM	Food and franchise operations RM	Property investment and management RM	Resources and sustainable energy RM	Eliminations RM	Note	Consolidated RM
Revenue							
External sales	36,000	66,292,012	4,427,107	7,805,775	-		78,560,894
Inter-segment sales	1,946,715	44,408	5,323	465,204	(2,461,650)	(a)	-
Total revenue	1,982,715	66,336,420	4,432,430	8,270,979	(2,461,650)		78,560,894
Results							
Segment results	(3,227,942)	8,812,596	(5,284,078)	595,007	(8,488,152)	(a)	(7,592,569)
Amortisation of right-of-use assets	(106,689)	(1,564,701)	(34,618)	(334,136)	(4,494,148)	(a)	(6,534,292)
Depreciation of property, plant and equipment	(580,477)	(1,677,822)	(239,262)	(1,873,235)	-		(4,370,796)
Fair value gain on investment in quoted shares	159,275,797	-	-	602,287	-		159,878,084
Finance costs	(948,649)	(612,149)	(1,657,421)	(1,131,641)	61,406	(a)	(4,288,454)
Income tax expenses	-	(1,024,732)	183,746	-	187,560	(a)	(653,426)
Interest income	22,384	22,308	158,344	19,891	-		222,927
Other non-cash expenses	(116,956,021)	526,818	(41,371,740)	(25,126,607)	118,664,722	38(i)	(64,262,828)
Share of results of an associate	-	-	-	-	(36,067,941)		(36,067,941)
Profit for the financial year							36,330,705

Notes to the Financial Statements (cont'd)

38. SEGMENT REPORTING (CONTINUED)

Group 2024	Head office and others RM	Food and franchise operations RM	Property investment and management RM	Resources and sustainable energy RM	Eliminations RM	Note	Consolidated RM
Assets							
Segment assets	959,495,810	55,679,474	537,206,958	259,006,617	(781,595,649)	(b)	1,029,793,210
Tax recoverables	10,076	-	167,890	480,222	-		658,188
Consolidated total assets							1,030,451,398
Other information							
Additions to property, plant and equipment	3,430	5,532,665	197,753	-	-		5,733,848
Additions to right-of-use assets	534,567	791,373	-	80,165	-		1,406,105
Liabilities							
Segment liabilities	5,039,734	23,438,868	409,064,346	96,356,106	(501,945,831)	(c)	31,953,223
Tax payable	-	509,380	-	-	-		509,380
Loans and borrowings	19,992,613	4,855,220	353,885	22,251,900	-		47,453,618
Deferred tax liabilities	-	-	13,528,172	3,531,668	(3,716,500)	(c)	13,343,340
Lease liabilities	470,728	7,796,324	12,961	863,554	(1,353,578)	(c)	7,789,989
Consolidated total liabilities							101,049,550

Nature of adjustments and eliminations to arrive at amounts reported in the consolidated financial statements:-

- (a) Inter-segment transactions and revenue are eliminated on consolidation;
- (b) Inter-segment assets are eliminated on consolidation; and
- (c) Inter-segment liabilities are eliminated on consolidation.

Notes to the Financial Statements (cont'd)

38. SEGMENT REPORTING (CONTINUED)

Notes to the nature of adjustments and eliminations to arrive at amounts reported in the consolidated financial statements:-

(i) Other non-cash expenses consist of the following items:-

	2025 RM	2024 RM
Fair value gain on:-		
- amount owing by an associate	-	(293,214)
- biological assets	(36,696)	(53,882)
Gain on disposal of:-		
- investment in quoted shares	-	(2,280)
- property, plant and equipment	(58,077)	(72,400)
Gain on lease modification	(79,036)	(64,117)
Impairment losses /(Reversal of impairment losses) on:-		
- amount owing by an associate	6,289,655	45,722,927
- finance lease receivables	(97,531)	2,219,188
- other receivables	(168,462)	(11,762)
- property, plant and equipment	-	8,206,693
- trade receivables	(984,600)	870,502
(Reversal of provision)/Provision for slow-moving inventories	(445,828)	7,718,609
Waiver of debts	(4,800)	-
Written-off of:-		
- property, plant and equipment	43,020	22,564
- bad debts - trade receivables	8,981	-
	<u>4,466,626</u>	<u>64,262,828</u>

Geographical information

Revenue and non-current assets are based on the geographical location of customers and assets respectively. Geographical information for revenue is disclosed in Note 30 to the financial statements.

	Non-current assets	
	2025 RM	2024 RM
Malaysia	702,353,076	979,401,286
Australia	697	1,132
	<u>702,353,773</u>	<u>979,402,418</u>

Notes to the Financial Statements (cont'd)

38. SEGMENT REPORTING (CONTINUED)

Major customer

The following is the major customer with revenue equal or more than 10% of the Group's total revenue:-

	Revenue		Segments
	2025 RM	2024 RM	
Customer A	<u>7,717,470</u>	<u>14,692,640</u>	Property investment and management & resources and sustainable energy

39. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

The table below provides an analysis of financial instruments categorised as follows:-

- (i) Financial assets measured at amortised cost
- (ii) Financial assets measured at fair value through profit or loss
- (iii) Financial assets measured at fair value through other comprehensive income
- (iv) Financial liabilities measured at amortised cost

Notes to the Financial Statements (cont'd)

39. FINANCIAL INSTRUMENTS (CONTINUED)

(a) Categories of financial instruments (Continued)

The table below provides an analysis of financial instruments categorised as follows:- (Continued)

	Carrying amounts RM	Financial assets at fair value through profit or loss RM	Financial assets at fair value through other comprehensive income RM	Financial assets at amortised cost RM	Financial liabilities at amortised cost RM
Group					
2025					
Financial assets					
Other investments	76,874,547	76,874,546	1	-	-
Trade and other receivables	23,018,917	-	-	23,018,917	-
Amount owing by an associate	8,700,325	-	-	8,700,325	-
Fixed deposits with licensed banks	4,174,028	-	-	4,174,028	-
Cash and bank balances	9,785,132	-	-	9,785,132	-
	122,552,949	76,874,546	1	45,678,402	-
Financial liabilities					
Trade and other payables	23,749,995	-	-	-	23,749,995
Amount owing to an associate	6,788,000	-	-	-	6,788,000
Loans and borrowings	73,598,803	-	-	-	73,598,803
Lease liabilities	7,035,029	-	-	-	7,035,029
	111,171,827	-	-	-	111,171,827

Notes to the Financial Statements (cont'd)

39. FINANCIAL INSTRUMENTS (CONTINUED)

(a) Categories of financial instruments (Continued)

The table below provides an analysis of financial instruments categorised as follows:- (Continued)

	Carrying amounts RM	Financial assets at fair value through profit or loss RM	Financial assets at fair value through other comprehensive income RM	Financial assets at amortised cost RM	Financial liabilities at amortised cost RM
Group					
2024					
Financial assets					
Other investments	347,596,693	347,596,692	1	-	-
Trade and other receivables	14,602,253	-	-	14,602,253	-
Amount owing by an associate	3,686,204	-	-	3,686,204	-
Fixed deposits with licensed banks	1,125,377	-	-	1,125,377	-
Cash and bank balances	9,627,166	-	-	9,627,166	-
	<u>376,637,693</u>	<u>347,596,692</u>	<u>1</u>	<u>29,041,000</u>	<u>-</u>
Financial liabilities					
Trade and other payables	31,010,918	-	-	-	31,010,918
Amount owing to an associate	942,305	-	-	-	942,305
Loans and borrowings	47,453,618	-	-	-	47,453,618
Lease liabilities	7,789,989	-	-	-	7,789,989
	<u>87,196,830</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>87,196,830</u>

Notes to the Financial Statements (cont'd)

39. FINANCIAL INSTRUMENTS (CONTINUED)

(a) Categories of financial instruments (Continued)

The table below provides an analysis of financial instruments categorised as follows:- (Continued)

	Carrying amounts RM	Financial assets at fair value through profit or loss RM	Financial assets at amortised cost RM	Financial liabilities at amortised cost RM
Company				
2025				
Financial assets				
Other investments	76,569,942	76,569,942	-	-
Trade and other receivables	1,950,661	-	1,950,661	-
Amount owing by subsidiaries	317,753,739	-	317,753,739	-
Cash and bank balances	1,581,059	-	1,581,059	-
	<u>397,855,401</u>	<u>76,569,942</u>	<u>321,285,459</u>	<u>-</u>
Financial liabilities				
Trade and other payables	575,329	-	-	575,329
Amount owing to subsidiaries	488,290	-	-	488,290
Loans and borrowings	47,500,903	-	-	47,500,903
Lease liabilities	370,680	-	-	370,680
	<u>48,935,202</u>	<u>-</u>	<u>-</u>	<u>48,935,202</u>

Notes to the Financial Statements (cont'd)

39. FINANCIAL INSTRUMENTS (CONTINUED)

(a) Categories of financial instruments (Continued)

The table below provides an analysis of financial instruments categorised as follows:- (Continued)

	Carrying amounts RM	Financial assets at fair value through profit or loss RM	Financial assets at amortised cost RM	Financial liabilities at amortised cost RM
Company				
2024				
Financial assets				
Other investments	346,015,134	346,015,134	-	-
Trade and other receivables	393,221	-	393,221	-
Amount owing by subsidiaries	284,835,544	-	284,835,544	-
Cash and bank balances	661,699	-	661,699	-
	<u>631,905,598</u>	<u>346,015,134</u>	<u>285,890,464</u>	<u>-</u>
Financial liabilities				
Trade and other payables	1,878,485	-	-	1,878,485
Amount owing to subsidiaries	2,504,190	-	-	2,504,190
Loans and borrowings	19,992,614	-	-	19,992,614
Lease liabilities	470,728	-	-	470,728
	<u>24,846,017</u>	<u>-</u>	<u>-</u>	<u>24,846,017</u>

Notes to the Financial Statements (cont'd)

39. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Net (gains)/losses arising from financial instruments

	Group		Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
Net (gains)/				
losses on:-				
Financial assets at				
amortised cost	(348,161)	(516,141)	(2)	(22,384)
Financial assets at				
fair value through				
profit or loss	230,961,988	(159,878,084)	229,849,156	(159,275,798)
Financial liabilities				
at amortised cost	4,654,978	4,288,454	2,997,208	948,649
	<u>235,268,805</u>	<u>(156,105,771)</u>	<u>232,846,362</u>	<u>(158,349,533)</u>
Net gains/(losses)				
on impairment of				
financial assets:-				
Financial assets at				
amortised cost	5,039,062	48,800,855	(1,839,129)	22,970,265

(c) Financial risk management

The activities of the Group and of the Company are exposed to certain financial risks, including credit risk, liquidity risk, interest rate risk, foreign currency risk, agricultural risk on biological assets and other price risk. The overall financial risk management objective of the Group and of the Company is to ensure that adequate financial resources are available for business development whilst minimising the potential adverse impacts of financial risks on their financial position, performance and cash flows.

The aforementioned financial risk management objective and its related policies and processes explained below have remained unchanged from the previous financial year.

(i) Credit risk

The Group's exposures to credit risk arises mainly from receivables, amount owing by an associate and fixed deposits placed with licensed banks. The Company is also exposed to credit risk in respect of its advances to subsidiaries and financial guarantees provided for credit facilities granted to certain subsidiaries. The maximum credit risk exposure of these financial assets is best represented by their respective carrying amounts in the statements of financial position.

Notes to the Financial Statements (cont'd)

39. FINANCIAL INSTRUMENTS (CONTINUED)

(c) Financial risk management (Continued)

(i) Credit risk (Continued)

Trade receivables and unbilled revenue

Risk management objectives, policies and processes for managing the risk

The Group has a credit policy in place to monitor and minimise the exposure of default. Credit evaluations are performed on all customers requiring credit over certain amount. The Group also has an internal credit review which is conducted if the credit risk is material. Trade receivables and unbilled revenue are monitored on an ongoing basis via Group management reporting procedures.

At each reporting date, the Group assesses whether any of the trade receivables and unbilled revenue are credit impaired or written-off.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk arising from trade receivables and unbilled revenue are represented by the carrying amounts in the statements of financial position.

As at 30 June 2025, the Group has significant concentration of credit risk in the form of outstanding amount of approximately RM1,863,252/- (2024: RM1,478,133/-) due from three (3) trade receivables respectively which represents 32% (2024: 28%) of the total current trade receivables of the Group. The directors are of the opinion that these amounts outstanding are fully recoverable. Credit risk and receivables are monitored on an ongoing basis. These procedures substantially mitigate credit risk of the Group.

Management has taken reasonable steps to ensure that trade receivables that are neither past due nor impaired are measured at their realisable values. A significant portion of these receivables are regular customers that have been transacting with the Group. The Group uses ageing analysis to monitor the credit quality of the receivables. Any past due receivables having significant balances, which are deemed to have higher credit risk are monitored individually.

Expected credit losses ("ECL") assessment for trade receivables and unbilled revenue

The Group uses simplified matrix approach to measure the ECLs of trade receivables and unbilled revenue from individual customers. To measure the expected credit losses, trade receivables have been grouped based on credit risk ranking and days past due.

Notes to the Financial Statements (cont'd)

39. FINANCIAL INSTRUMENTS (CONTINUED)

(c) Financial risk management (Continued)

(i) Credit risk (Continued)

Trade receivables and unbilled revenue (Continued)

Expected credit losses ("ECL") assessment for trade receivables and unbilled revenue (Continued)

The following table provides information about the exposure to credit risk and ECLs for trade receivables and unbilled revenue:-

	Gross carrying amount RM	Loss allowance RM	Net balance RM
Group			
2025			
Trade receivables - current			
Current (not past due)	3,041,905	140,662	2,901,243
1 to 30 days past due	1,724,813	136,103	1,588,710
31 to 60 days past due	700,200	51,771	648,429
61 to 90 days past due	728,496	60,948	667,548
	6,195,414	389,484	5,805,930
Credit impaired			
More than 90 days past due	3,128,427	3,119,754	8,673
	9,323,841	3,509,238	5,814,603
Unbilled revenue	703,738	-	703,738
2024			
Trade receivables - current			
Current (not past due)	2,642,898	202,259	2,440,639
1 to 30 days past due	766,130	55,289	710,841
31 to 60 days past due	369,754	22,390	347,364
61 to 90 days past due	621,913	43,319	578,594
	4,400,695	323,257	4,077,438
Credit impaired			
More than 90 days past due	5,435,113	4,170,581	1,264,532
	9,835,808	4,493,838	5,341,970

Notes to the Financial Statements (cont'd)

39. FINANCIAL INSTRUMENTS (CONTINUED)

(c) Financial risk management (Continued)

(i) Credit risk (Continued)

Trade receivables and unbilled revenue (Continued)

Movements in the allowance for impairment losses in respect of trade receivables

During the financial year, the Group recognised a reversal of ECLs of RM984,600/- (2024: ECLs of RM870,502/-) for trade receivables as disclosed in Note 15(b) to the financial statements.

Other receivables

As at the end of the reporting period, the maximum exposure to credit risk arising from other receivables is represented by the carrying amounts in the statements of financial position.

Expected credit loss of other receivables is determined individually after considering the financial strength, payment patterns and expected default rate of the other receivables. During the financial year, the Group recognised a reversal of ECLs of RM168,462/- (2024: RM11,762/-) for other receivables as disclosed in Note 15(d) to the financial statements.

Finance lease receivables

The credit risk associated with finance lease receivables is mitigated by way of obtaining security over the leased equipment. As at the end of the reporting period, the maximum exposure to credit risk arising from finance lease receivables is represented by the carrying amounts in the statements of financial position.

During the financial year, the Group recognised a reversal of ECLs of RM97,531/- (2024: ECLs of RM2,219,188/-) for finance lease receivables as disclosed in Note 15(a) to the financial statements.

Financial guarantee

The Company provides unsecured financial guarantees to licensed banks and financial institutions in respect of credit facilities granted to certain subsidiaries. The Company monitors the ability of the subsidiaries to service their loans on individual basis.

The maximum exposure to credit risk amounts to RM15,475,000/- and RM17,210,873/- (2024: RM15,475,000/- and RM17,580,873/-) to licensed banks and financial institutions respectively, representing the outstanding credit facilities of the subsidiaries as at the end of the reporting date.

The Company assumes that there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly. The Company considers a financial guarantee to be credit impaired when the subsidiary is unlikely to repay its credit obligation to the bank in full.

During the financial year, the Company has not credit impaired any financial guarantee.

Notes to the Financial Statements (cont'd)

39. FINANCIAL INSTRUMENTS (CONTINUED)

(c) Financial risk management (Continued)

(i) Credit risk (Continued)

Inter-company balances

The Group provides unsecured advances to its associate. The Group monitors the results of the associate regularly.

The Company provides unsecured loans and advances to its subsidiaries. The Company monitors the results of the subsidiaries regularly.

Credit risk and impairment losses for inter-company balances

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position.

Expected credit loss of inter-company loans and advances are determined individually after considering the financial strength, payment patterns and expected default rate of the inter-company. During the financial year, the Group and the Company recognised ECLs of RM6,289,655/- (2024: RM45,722,927/-) and recognised a reversal of ECLs of RM1,839,129/- (2024: ECLs of RM22,970,265/-) respectively, for inter-company loans and advances as disclosed in Note 16 and Note 17 to the financial statements respectively.

Cash and cash equivalents

The cash and cash equivalents are held with banks and financial institutions. As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position.

These banks and financial institutions have low credit risks. In addition, some of the bank balances are insured by government agencies. Consequently, the Group and the Company are of the view that the loss allowance is not material and hence, it is not provided for.

(ii) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risks arises primarily from mismatched of the maturities of financial assets and liabilities. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

The Group actively manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that all financing, repayment and funding needs are met. As part of its overall prudent liquidity management, the Group and the Company maintain sufficient levels of cash or cash convertible investments to meet its working capital requirements.

Notes to the Financial Statements (cont'd)

39. FINANCIAL INSTRUMENTS (CONTINUED)

(c) Financial risk management (Continued)

(ii) Liquidity risk (Continued)

Maturity analysis

The table below summarises the maturity profile of the Group's and of the Company's liabilities at the end of the reporting period based on contractual undiscounted repayment obligations:-

Group	Carrying amounts RM	Contractual interest rate/ Discount rate	Contractual undiscounted cash flows RM	On demand or within 1 year RM	1 - 5 years RM	More than 5 years RM
2025						
Financial liabilities						
Trade and other payables	23,749,995	-	23,749,995	23,749,995	-	-
Amount owing to an associate	6,788,000	-	6,788,000	6,788,000	-	-
Bankers' acceptances	3,864,296	5.23% - 5.25%	3,864,296	3,864,296	-	-
Bank overdrafts	1,338,263	6.55% - 8.15%	1,338,263	1,338,263	-	-
Hire purchase payables	1,762,981	3.26% - 10.61%	1,931,711	1,064,611	847,946	19,154
Term loans	66,633,263	4.03% - 10.44%	86,959,482	12,150,886	44,081,642	30,726,954
Lease liabilities	7,035,029	3.47% - 4.90%	8,198,158	1,673,379	4,358,467	2,166,312
	111,171,827		132,829,905	50,629,430	49,288,055	32,912,420

Notes to the Financial Statements (cont'd)

39. FINANCIAL INSTRUMENTS (CONTINUED)

(c) Financial risk management (Continued)

(ii) Liquidity risk (Continued)

Maturity analysis (Continued)

The table below summarises the maturity profile of the Group's and of the Company's liabilities at the end of the reporting period based on contractual undiscounted repayment obligations:- (Continued)

Group	Carrying amounts RM	Contractual interest rate/ Discount rate	Contractual undiscounted cash flows RM	On demand or within 1 year RM	1 - 5 years RM	More than 5 years RM
2024						
Financial liabilities						
Trade and other payables	31,010,918	-	31,010,918	31,010,918	-	-
Amount owing to an associate	942,305	-	942,305	942,305	-	-
Bankers' acceptances	589,000	6.13% - 6.22%	589,000	589,000	-	-
Bank overdrafts	1,508,717	6.80% - 8.15%	1,508,717	1,508,717	-	-
Hire purchase payables	4,212,917	3.33% - 7.30%	4,592,304	2,373,135	2,127,183	91,986
Term loans	41,142,984	3.16% - 9.62%	55,190,029	5,175,382	20,701,527	29,313,120
Lease liabilities	7,789,989	3.47% - 4.90%	9,209,700	1,752,261	4,492,692	2,964,747
	87,196,830		103,042,973	43,351,718	27,321,402	32,369,853

Notes to the Financial Statements (cont'd)

39. FINANCIAL INSTRUMENTS (CONTINUED)

(c) Financial risk management (Continued)

(ii) Liquidity risk (Continued)

Maturity analysis (Continued)

The table below summarises the maturity profile of the Group's and of the Company's liabilities at the end of the reporting period based on contractual undiscounted repayment obligations:- (Continued)

Company 2025	Carrying amounts RM	Contractual interest rate/ Discount rate	Contractual undiscounted cash flows RM	On demand or within 1 year RM	1 - 5 years RM	More than 5 years RM
Financial liabilities						
Trade and other payables	575,329	-	575,329	575,329	-	-
Amount owing to subsidiaries	488,290	-	488,290	488,290	-	-
Hire purchase payables	253,688	3.26% - 3.32%	264,013	132,012	132,001	-
Term loans	47,247,215	7.97% - 10.44%	63,686,856	9,014,833	31,598,093	23,073,930
Lease liabilities	370,680	4.64%	400,000	120,000	280,000	-
Financial guarantees	-	-	101,235,461	101,235,461	-	-
	48,935,202		166,649,949	111,565,925	32,010,094	23,073,930

Notes to the Financial Statements (cont'd)

39. FINANCIAL INSTRUMENTS (CONTINUED)

(c) Financial risk management (Continued)

(ii) Liquidity risk (Continued)

Maturity analysis (Continued)

The table below summarises the maturity profile of the Group's and of the Company's liabilities at the end of the reporting period based on contractual undiscounted repayment obligations:- (Continued)

	Carrying amounts RM	Contractual interest rate/ Discount rate	Contractual undiscounted cash flows RM	On demand or within 1 year RM	1 - 5 years RM	More than 5 years RM
Company						
2024						
Financial liabilities						
Trade and other payables	1,878,485	-	1,878,485	1,878,485	-	-
Amount owing to subsidiaries	2,504,190	-	2,504,190	2,504,190	-	-
Hire purchase payables	373,104	3.33% - 3.39%	396,026	132,012	264,014	-
Term loans	19,619,510	4.49% - 9.62%	28,930,878	2,068,956	8,275,824	18,586,098
Lease liabilities	470,728	4.64% - 4.90%	520,000	120,000	400,000	-
Financial guarantees	-	-	100,355,873	100,355,873	-	-
	24,846,017		134,585,452	107,059,516	8,939,838	18,586,098

Notes to the Financial Statements (cont'd)

39. FINANCIAL INSTRUMENTS (CONTINUED)

(c) Financial risk management (Continued)

(iii) Interest rate risk

The Group's and the Company's exposure to interest rate risk arises mainly from interest-bearing financial instruments, namely fixed term deposits and loans and borrowings.

The Group and the Company observe the movements in interest rates and strive to obtain the most favourable rates available for new financing or during repricing. It is also the Group's and the Company's policy to maintain a mix of fixed and floating rate financial instruments.

	2025		2024	
	Effective interest rate %	Carrying amounts RM	Effective interest rate %	Carrying amounts RM
Group				
Financial asset				
Fixed deposits with licensed banks	2.10 - 2.70	4,174,028	2.25 - 3.00	1,125,377
Financial liabilities				
Bankers'				
acceptances	5.23 - 5.25	3,864,296	6.13 - 6.22	589,000
Bank overdrafts	6.55 - 8.15	1,338,263	6.80 - 8.15	1,508,717
Hire purchase payables	3.26 - 10.61	1,762,981	3.33 - 7.30	4,212,917
Term loans	4.03 - 10.44	66,633,263	3.16 - 9.62	41,142,984
Lease liabilities	3.47 - 4.90	7,035,029	3.47 - 4.90	7,789,989
Company				
Financial liabilities				
Hire purchase payables	3.26 - 3.32	253,688	3.33 - 3.39	373,104
Term loans	7.97 - 10.44	47,247,215	4.49 - 9.62	19,619,510
Lease liabilities	4.64	370,680	4.64 - 4.90	470,728

Notes to the Financial Statements (cont'd)

39. FINANCIAL INSTRUMENTS (CONTINUED)

(c) Financial risk management (Continued)

(iii) Interest rate risk (Continued)

Sensitivity analysis for interest rate

As the Group does not account for its fixed rate financial instruments at fair value through profit or loss, any changes in interest rates at the end of reporting year would not affect its profit or loss. For floating rate financial instruments stated at amortised cost, the following table demonstrates the sensitivity of profit or loss to changes in interest rates that were reasonably possible at the end of the reporting period, with all other variables held constant:-

	Group	
	(Increase)/ Decrease in Profit or Loss 2025 RM	(Increase)/ Decrease in Profit or Loss 2024 RM
Increase in interest rate by 5%	(2,582,918)	(1,620,765)
Decrease in interest rate by 5%	2,582,918	1,620,765

(iv) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of the changes in foreign exchange rates.

The Group has transactional currency exposures arising from sales or purchases that are denominated in a currency other than the respective functional currencies of Group entities. Foreign exchange exposures in transactional currencies other than functional currencies of the operating entity are kept to an acceptable level.

The Group is also exposed to currency translation risk arising from its net investments in foreign operations, including Australia and Singapore. The Group's investments in foreign operations are not hedged.

The financial assets and financial liabilities of the Group that are not denominated in the functional currencies are disclosed in respective notes to the financial statements.

Sensitivity analysis for foreign currency

The following table demonstrates the sensitivity of the Group's profit net of tax to a reasonably possible change in the exchange rates of United States Dollar ("USD"), Australian Dollar ("AUD"), Brunei Dollar ("BRD") and Singapore Dollar ("SGD") against the functional currency of the Group, with all other variables held constant.

Notes to the Financial Statements (cont'd)

39. FINANCIAL INSTRUMENTS (CONTINUED)

(c) Financial risk management (Continued)

(iv) Foreign currency risk (Continued)

Sensitivity analysis for foreign currency (Continued)

	Group	
	Increase/ (Decrease) in Profit or Loss 2025 RM	Increase/ (Decrease) in Profit or Loss 2024 RM
USD/RM - strengthened 5%	2,108	1,309
- weakened 5%	(2,108)	(1,309)
AUD/RM - strengthened 5%	4,927	5,418
- weakened 5%	(4,927)	(5,418)
BRD/RM - strengthened 5%	-	(92)
- weakened 5%	-	92
SGD/RM - strengthened 5%	4,958	5,411
- weakened 5%	(4,958)	(5,411)

(v) Agricultural risk on biological assets

The Group is exposed to risk arising from environmental and climatic changes, commodity prices and financing risks arising from the FFB.

The Group is exposed to risks arising from fluctuations in the price and volume of FFB.

Sensitivity analysis for biological assets

The management are in view that the impact from the change in the Group's fair value of FFB, if the key estimates and assumption on selling price and production volume had increased or decreased by 10% at the reporting date, is insignificant to the Group. Therefore, the sensitivity analysis is not presented.

Notes to the Financial Statements (cont'd)

39. FINANCIAL INSTRUMENTS (CONTINUED)

(c) Financial risk management (Continued)

(vi) Other price risk

The Group's exposure to other price risk arises mainly from other investments. The Group manages its exposure to other price risk by maintaining a portfolio of debt securities and equities with different risk profiles. Reports on the investment portfolio are submitted to the Group's senior management on a regular basis.

The following table demonstrates the sensitivity of profit or loss to reasonably possible price movements in other investments, with all other variables held constant:-

	Group	
	Increase/ (Decrease) in Profit or Loss 2025 RM	Increase/ (Decrease) in Profit or Loss 2024 RM
Increase in price by 10%	5,842,466	26,417,349
Decrease in price by 10%	(5,842,466)	(26,417,349)

Notes to the Financial Statements (cont'd)

39. FINANCIAL INSTRUMENTS (CONTINUED)

(d) Fair value information

The carrying amounts of short term receivables and payables and cash and cash equivalents approximate their fair values due to the relatively short term nature of these financial instruments and insignificant impact of discounting.

The table below analyses the fixed rate current financial instruments carried at fair value is disclosed, together with its fair value and carrying amount shown in the statements of financial position:-

	Fair value of financial instruments carried at fair value			Fair value of financial instruments not carried at fair value			Total fair value	Carrying amounts
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3		
	RM	RM	RM	RM	RM	RM	RM	RM
Group								
2025								
Financial asset								
Other investments	69,339,662	-	7,534,885	-	-	-	76,874,547	76,874,547
Financial liabilities								
Bankers' acceptances	-	-	-	-	-	3,864,296	3,864,296	3,864,296
Bank overdrafts	-	-	-	-	-	1,338,263	1,338,263	1,338,263
Hire purchase payables	-	-	-	-	-	1,931,711	1,931,711	1,762,981
Term loans	-	-	-	-	-	86,959,482	86,959,482	66,633,263
Lease liabilities	-	-	-	-	-	8,198,158	8,198,158	7,035,029

Notes to the Financial Statements (cont'd)

39. FINANCIAL INSTRUMENTS (CONTINUED)

(d) Fair value information (Continued)

The table below analyses the fixed rate current financial instruments carried at fair value is disclosed, together with its fair value and carrying amount shown in the statements of financial position:- (Continued)

	Fair value of financial instruments carried at fair value			Fair value of financial instruments not carried at fair value			Total fair value	Carrying amounts
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3		
	RM	RM	RM	RM	RM	RM	RM	RM
Group								
2024								
Financial asset								
Other investments	339,521,971	-	8,074,722	-	-	-	347,596,693	347,596,693
Financial liabilities								
Bankers' acceptances	-	-	-	-	-	589,000	589,000	589,000
Bank overdrafts	-	-	-	-	-	1,508,717	1,508,717	1,508,717
Hire purchase payables	-	-	-	-	-	4,592,304	4,592,304	4,212,917
Term loans	-	-	-	-	-	55,190,029	55,190,029	41,142,984
Lease liabilities	-	-	-	-	-	9,209,700	9,209,700	7,789,989

Notes to the Financial Statements (cont'd)

39. FINANCIAL INSTRUMENTS (CONTINUED)

(d) Fair value information (Continued)

The table below analyses the fixed rate current financial instruments carried at fair value is disclosed, together with its fair value and carrying amount shown in the statements of financial position:- (Continued)

	Fair value of financial instruments carried at fair value			Fair value of financial instruments not carried at fair value			Total fair value	Carrying amounts
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3		
	RM	RM	RM	RM	RM	RM	RM	RM
Company								
2025								
Financial asset								
Other investments	69,035,057	-	7,534,885	-	-	-	76,569,942	76,569,942
Financial liabilities								
Hire purchase payables	-	-	-	-	-	264,013	264,013	253,688
Term loans	-	-	-	-	-	63,686,856	63,686,856	47,247,215
Lease liabilities	-	-	-	-	-	400,000	400,000	370,680
2024								
Financial asset								
Other investments	337,940,412	-	8,074,722	-	-	-	346,015,134	346,015,134
Financial liabilities								
Hire purchase payables	-	-	-	-	-	396,026	396,026	373,104
Term loans	-	-	-	-	-	28,930,878	28,930,878	19,619,510
Lease liabilities	-	-	-	-	-	520,000	520,000	470,728

Notes to the Financial Statements (cont'd)

39. FINANCIAL INSTRUMENTS (CONTINUED)

(d) Fair value information (Continued)

Fair value hierarchy

Level 1 fair value

Level 1 fair value is derived from quoted price (unadjusted) in active markets for identical financial assets or liabilities that the entity can access at the measurement date.

Level 2 fair value

Level 2 fair value is estimated using inputs other than quoted prices included within Level 1 that are observable for the financial assets or liabilities, either directly or indirectly.

There has been no transfer between level 1 and level 2 fair values during the financial year.

Level 3 fair value

Level 3 fair value is estimated using unobservable inputs for the financial assets and liabilities. The Group uses valuation techniques in determining fair values for financial instruments.

Type of financial instruments	Description of valuation technique and inputs used
Hire purchase payables	Discounted cash flows using a rate based on effective interest rate from hire purchase agreement
Quoted and unquoted shares	Revalued net asset valuation method and adjusted net asset method

40. CAPITAL MANAGEMENT

The overall capital management objective of the Group and of the Company is to safeguard its ability to continue as a going concern so as to provide fair returns to shareholders and benefits to other stakeholders. In order to meet this objective, the Group and the Company always strive to maintain an optimal capital structure to reduce the cost of capital and sustain its business development.

The Group and the Company consider its total equity and total loans and borrowings to be the key components of its capital structure and do, from time to time, adjust the dividend payouts, purchase own shares, issue new shares, sell assets, raise or redeem debts, where necessary, to maintain an optimal capital structure. The Group and the Company monitor capital using a debt-to-equity ratio, which is calculated as total loans and borrowings divided by total equity.

Notes to the Financial Statements (cont'd)

40. CAPITAL MANAGEMENT (CONTINUED)

The gearing ratio of the Group and of the Company is as follows:-

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Trade and other payables	23,749,995	31,010,918	575,329	1,878,485
Amount owing to an associate	6,788,000	942,305	-	-
Amount owing to subsidiaries	-	-	488,290	2,504,190
Loans and borrowings	73,598,803	47,453,618	47,500,903	19,992,614
Lease liabilities	7,035,029	7,789,989	370,680	470,728
Total debts	111,171,827	87,196,830	48,935,202	24,846,017
Total equity	647,420,382	929,401,848	610,234,731	876,615,856
Capital and total debts	758,592,209	1,016,598,678	659,169,933	901,461,873
Gearing ratio	14.7%	8.6%	7.4%	2.8%

41. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

(a) Termination of existing Employees' Share Option Scheme ("ESOS")

On 23 December 2024, the Board of Directors of the Company terminated the existing Employees' Share Option Scheme ("ESOS") in accordance with the by-laws governing the ESOS. The existing ESOS was implemented on 22 June 2020 and was originally effective for a period of five (5) years up to 21 June 2025.

A total of 1,795,500,000 options were granted and fully exercised under the ESOS prior to its termination. There were no outstanding options remaining unexercised at the date of termination. The Board decided to terminate ESOS as it does not intend to grant any further options under the existing scheme.

Notes to the Financial Statements (cont'd)

41. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR (CONTINUED)

(b) Employees' Share Option Scheme ("ESOS")

On 10 January 2025, the Company has completed the offer and grant of options under Employees' Share Option Scheme ("ESOS") of the Company to the eligible employees of the Company and its subsidiaries ("Eligible Persons") to subscribe for new ordinary shares in the Company.

Description of Offer under the ESOS Option	
1. Date of Offer of the ESOS Options	10.01.2025
2. Exercise price of the ESOS Options offered	RM0.0059
3. Number of ESOS Options offered	1,500,000,000
4. Closing market price of Borneo Oil Berhad ('Bornoil') Shares on the date of the Offer	RM0.010
5. Number of ESOS Options offered to the Directors of the Company	75,000,000
6. Vesting period of the ESOS Options offered	3 months

On 26 February 2025, the Company has completed the offer and grant of options under Employees' Share Option Scheme ("ESOS") of the Company to the eligible employees of the Company and its subsidiaries ("Eligible Persons") to subscribe for new ordinary shares in the Company.

Description of Offer under the ESOS Option	
1. Date of Offer of the ESOS Options	26.02.2025
2. Exercise price of the ESOS Options offered	RM0.0087
3. Number of ESOS Options offered	300,000,000
4. Closing market price of Bornoil Shares on the date of the Offer	RM0.010
5. Number of ESOS Options offered to the Directors of the Company	15,000,000
6. Vesting period of the ESOS Options offered	3 months

Notes to the Financial Statements (cont'd)

42. SIGNIFICANT EVENTS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

(a) Employees' Share Option Scheme ("ESOS")

On 07 July 2025, the Company has completed the offer and grant of options under Employees' Share Option Scheme ("ESOS") of the Company to the eligible employees of the Company and its subsidiaries ("Eligible Persons") to subscribe for new ordinary shares in the Company.

Description of Offer under the ESOS Option	
1. Date of Offer of the ESOS Options	07.07.2025
2. Exercise price of the ESOS Options offered	RM0.005
3. Number of ESOS Options offered	312,000,000
4. Closing market price of Borneo Oil Berhad ('Bornoil') Shares on the date of the Offer	RM0.005
5. Number of ESOS Options offered to the Directors of the Company	15,600,000
6. Vesting period of the ESOS Options offered	3 months

On 17 July 2025, the Company has completed the offer and grant of options under Employees' Share Option Scheme ("ESOS") of the Company to the eligible employees of the Company and its subsidiaries ("Eligible Persons") to subscribe for new ordinary shares in the Company.

Description of Offer under the ESOS Option	
1. Date of Offer of the ESOS Options	17.07.2025
2. Exercise price of the ESOS Options offered	RM0.005
3. Number of ESOS Options offered	105,000,000
4. Closing market price of Bornoil Shares on the date of the Offer	RM0.005
5. Number of ESOS Options offered to the Directors of the Company	5,250,000
6. Vesting period of the ESOS Options offered	3 months

On 19 August 2025, the Company has completed the offer and grant of options under Employees' Share Option Scheme ("ESOS") of the Company to the eligible employees of the Company and its subsidiaries ("Eligible Persons") to subscribe for new ordinary shares in the Company.

Description of Offer under the ESOS Option	
1. Date of Offer of the ESOS Options	19.08.2025
2. Exercise price of the ESOS Options offered	RM0.005
3. Number of ESOS Options offered	35,000,000
4. Closing market price of Bornoil Shares on the date of the Offer	RM0.005
5. Number of ESOS Options offered to the Directors of the Company	1,750,000
6. Vesting period of the ESOS Options offered	3 months

Notes to the Financial Statements (cont'd)

42. SIGNIFICANT EVENTS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR (CONTINUED)

(b) Expiry and last date for the exercise of the warrants 2015/2025

On 6 October 2025, the Company issued a Notice to Warrant Holders in relation to the expiry and last date for the exercise of the Warrants 2015/2025 ("Warrants C").

Pursuant to the Deed Poll dated 28 September 2015, the Warrants C will expire at 5:00 p.m. on 7 November 2025 (Friday), being the Market Day immediately preceding the 10th anniversary of their issue date.

All unexercised Warrants C will lapse and become null and void after the expiry date and will be removed from the official list of Bursa Malaysia Securities Berhad with effect from 9:00 a.m. on 10 November 2025 (Monday).

The expiry of the Warrants C is not expected to have any material effect on the financial position and performance of the Group and of the Company for the financial year ending 30 June 2026.

43. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to comfort with current year's presentation.

LIST OF PROPERTIES

List of Properties held by the Group as at 30 June 2025 and their carrying values are indicated as follows:-

	Location	Description	Tenure	Land Area	Age of Building	Carrying Value RM'000	Date of Valuation/ Acquisition
1	Kg. Mansiang, Kokol, Menggatal, Kota Kinabalu, Sabah	Vacant land	Leasehold, 30 years expiring 30.04.2047	13.08 acres	Nil	2,616	28.06.2023
2	Kg. Mansiang, Kokol, Menggatal, Kota Kinabalu, Sabah	Vacant land	Leasehold, 30 years expiring 30.04.2047	5.70 acres	Nil	451	28.06.2023
3	Kokol, Menggatal, Kota Kinabalu, Sabah	Vacant land	Leasehold, 30 years expiring 30.04.2047	23.15 acres	Nil	14,469	28.06.2023
4	Kokol, Menggatal, Kota Kinabalu, Sabah	Vacant land	Leasehold, 30 years expiring 30.04.2047	16.90 acres	Nil	875	28.06.2023
5	Kokol, Menggatal, Kota Kinabalu, Sabah	Vacant land	Leasehold, 30 years expiring 30.04.2047	15.00 acres	Nil	881	28.06.2023
6	Kokol, Menggatal, Kota Kinabalu, Sabah	Vacant land	Leasehold, 30 years expiring 30.04.2047	9.30 acres	Nil	500	28.06.2023
7	Kokol, Menggatal, Kota Kinabalu, Sabah	Vacant land	Leasehold, 30 years expiring 30.04.2047	11.70 acres	Nil	7,312	28.06.2023
8	Tombongan, Menggatal, Kota Kinabalu, Sabah	Vacant land	Leasehold, 30 years expiring 30.04.2047	12.67 acres	Nil	2,534	28.06.2023
9	Kg. Kiansom, Kota Kinabalu, Sabah	Vacant land	Leasehold, 99 years expiring 31.12.2069	20.78 acres	Nil	12,988	28.06.2023
10	Kg Kokol, Menggatal, Kota Kinabalu, Sabah	Vacant land	Leasehold, 30 years expiring 30.04.2047	6.75 acres	Nil	396	28.06.2023
11	Kg. Togung, Menggatal, Kota Kinabalu, Sabah	Vacant land	Leasehold, 30 years expiring 30.04.2047	2.76 acres	Nil	178	28.06.2023

List of Properties (cont'd)

List of Properties held by the Group as at 30 June 2025 and their carrying values are indicated as follows:- (cont'd)

	Location	Description	Tenure	Land Area	Age of Building	Carrying Value RM'000	Date of Valuation/ Acquisition
12	Kg. Mansiang, Menggatal, Kota Kinabalu, Sabah	Vacant land	Leasehold, 30 years expiring 30.04.2047	5.65 acres	Nil	1,130	28.06.2023
13	Kg. Mansiang, Menggatal, Kota Kinabalu, Sabah	Vacant land	Leasehold, 30 years expiring 30.04.2047	3.89 acres	Nil	252	28.06.2023
14	Kg. Kokol, Menggatal, Kota Kinabalu, Sabah	Vacant land	Leasehold, 30 years expiring 30.04.2047	12.95 acres	Nil	8,094	28.06.2023
15	Kg. Togung, Menggatal, Kota Kinabalu, Sabah	Vacant land	Leasehold, 30 years expiring 28.02.2033	2.65 acres	Nil	140	28.06.2023
16	Kg. Kundasang, Ranau, Sabah	Vacant land	Leasehold, 99 years expiring 31.12.2081	1.57 acres	Nil	312	28.06.2023
17	Kg. Kokol, Menggatal, Kota Kinabalu, Sabah	Vacant land	Leasehold, 30 years expiring 30.04.2047	12.66 acres	Nil	822	28.06.2023
18	Kg. Kokol, Menggatal, Kota Kinabalu, Sabah	Vacant land	Leasehold, 30 years expiring 30.04.2047	14.59 acres	Nil	2,978	28.06.2023
19	Kg. Upak, Ulu Segama, Lahad Datu, Sabah	Vacant land	Leasehold, 99 years expiring 31.12.2086	14.41 acres	Nil	360	28.06.2023
20	Kg. Upak, Ulu Segama, Lahad Datu, Sabah	Land with oil palm	Leasehold, 30 years expiring 30.07.2046	11.28 acres	Nil	282	28.06.2023
21	Kg. Upak, Ulu Segama, Lahad Datu, Sabah	Land with oil palm	Leasehold, 30 years expiring 30.07.2046	14.63 acres	Nil	365	28.06.2023
22	Kg. Upak, Ulu Segama, Lahad Datu, Sabah	Land with oil palm	Leasehold, 30 years expiring 30.07.2046	15.80 acres	Nil	395	28.06.2023

List of Properties (cont'd)

List of Properties held by the Group as at 30 June 2025 and their carrying values are indicated as follows:- (cont'd)

	Location	Description	Tenure	Land Area	Age of Building	Carrying Value RM'000	Date of Valuation/ Acquisition
23	Kg. Upak, Ulu Segama, Lahad Datu, Sabah	Land with oil palm	Leasehold, 30 years expiring 30.07.2046	14.36 acres	Nil	359	28.06.2023
24	Kg. Upak, Ulu Segama, Lahad Datu, Sabah	Land with oil palm	Leasehold, 30 years expiring 30.07.2046	15.28 acres	Nil	381	28.06.2023
25	Kg. Upak, Ulu Segama, Lahad Datu, Sabah	Land with oil palm	Leasehold, 30 years expiring 30.07.2046	14.69 acres	Nil	366	28.06.2023
26	Kg. Upak, Ulu Segama, Lahad Datu, Sabah	Land with oil palm	Leasehold, 30 years expiring 30.07.2046	15.79 acres	Nil	394	28.06.2023
27	Kg. Upak, Ulu Segama, Lahad Datu, Sabah	Land with oil palm	Leasehold, 30 years expiring 30.07.2046	14.88 acres	Nil	371	28.06.2023
28	Kg. Upak, Ulu Segama, Lahad Datu, Sabah	Land with oil palm	Leasehold, 30 years expiring 30.07.2046	16.53 acres	Nil	412	28.06.2023
29	Kg. Upak, Ulu Segama, Lahad Datu, Sabah	Land with oil palm	Leasehold, 30 years expiring 30.07.2046	15.84 acres	Nil	396	28.06.2023
30	Pulau Gaya, Kota Kinabalu, Sabah	Vacant land	Leasehold 30 years expiring 31.01.2042	2.05 acres	Nil	1,421	28.06.2023
31	Pulau Gaya Kota Kinabalu, Sabah	Vacant land	Leasehold, 30 years expiring 31.01.2042	5.16 acres	Nil	3,579	28.06.2023
32	1 unit Waikiki Condominium HC-1202, Kota Kinabalu, Sabah	Condominium	Leasehold, 999 years expiring 15.03.2925	4,550 sq ft	41 years	3,031	28.06.2023

List of Properties (cont'd)

List of Properties held by the Group as at 30 June 2025 and their carrying values are indicated as follows:- (cont'd)

	Location	Description	Tenure	Land Area	Age of Building	Carrying Value RM'000	Date of Valuation/ Acquisition
33	Kg. Lesau, District of Ranau, Sabah	Vacant land	Leasehold, 99 years expiring 31.12.2068	31.80 acres	Nil	3,180	28.06.2023
34	Sg. Metah, Kinabatangan District, Sandakan, Sabah	Vacant land	Leasehold, 99 years expiring 31.12.2073	100.07 acres	Nil	2,500	28.06.2023
35	Kampung Ulu Segama, Lahad Datu, Sabah	Land with oil palm	Leasehold, 30 years expiring 30.07.2046	14.79 acres	Nil	29,600	28.06.2023
36	Ulu Segama, Lahad Datu	Quarry land	Leasehold, 99 years expiring 31.12.2072	71.47 acres	Nil	185,000	28.06.2023
37	Kg. Kokol, District of Kota Kinabalu	Vacant land	Leasehold, 30 years expiring 31.12.2046	3.00 acres	Nil	1,873	28.06.2023
38	Kg. Kokol, District of Kota Kinabalu	Vacant land	Leasehold, 30 years expiring 31.07.2046	1.45 acres	Nil	905	28.06.2023
39	Kg Upak, Ulu Segama, Lahad Datu, Sabah	Land with oil palm	Leasehold, 30 years expiring 30.07.2046	15.24 acres	Nil	18,286	28.06.2023
40	Kg Upak, Ulu Segama, Lahad Datu, Sabah	Land with oil palm	Leasehold, 30 years expiring 30.07.2046	15.17 acres	Nil	18,202	28.06.2023
41	Kg Upak, Ulu Segama, Lahad Datu, Sabah	Land with oil palm	Leasehold, 30 years expiring 30.07.2046	15.12 acres	Nil	18,158	28.06.2023
42	Kg Upak, Ulu Segama, Lahad Datu, Sabah	Land with oil palm	Leasehold, 30 years expiring 30.07.2046	16.51 acres	Nil	19,822	28.06.2023

List of Properties (cont'd)

List of Properties held by the Group as at 30 June 2025 and their carrying values are indicated as follows:- (cont'd)

	Location	Description	Tenure	Land Area	Age of Building	Carrying Value RM'000	Date of Valuation/ Acquisition
43	District of Labuan	Shoplots	Leasehold, 99 years expiring 27.11.2055	9,800 sq ft	58 years	10,552	28.06.2023
44	Ulu Segama, Lahad Datu, Sabah	Vacant land	Leasehold, 30 years expiring 30.09.2042	8.47 acres	Nil	169	28.06.2023
45	Ulu Segama, Lahad Datu, Sabah	Vacant land	Leasehold, 30 years expiring 30.09.2042	8.68 acres	Nil	174	28.06.2023
46	Ulu Segama, Lahad Datu, Sabah	Vacant land	Leasehold, 30 years expiring 30.09.2042	7.65 acres	Nil	153	28.06.2023
47	Ulu Segama, Lahad Datu, Sabah	Vacant land	Leasehold, 30 years expiring 30.09.2042	8.69 acres	Nil	174	28.06.2023
48	Kampung Silad, Ranau, Sabah	Vacant land	Leasehold, 30 years expiring 30.11.2042	18.08 acres	Nil	361	28.06.2023
49	Kampung Bongkud, Ranau, Sabah	Vacant land	Leasehold, 30 years expiring 31.08.2047	5.00 acres	Nil	99	28.06.2023
50	Ulu Segama, Lahad Datu, Sabah	Quarry land	Leasehold, 30 years expiring 30.06.2046	13.58 acres	Nil	27,162	28.06.2023
51	Silam Road Lahad Datu, Sabah	Vacant land	Leasehold, 30 years expiring 28.02.2042	16.16 acres	Nil	808	28.06.2023
52	Kampung Bongkud, Ranau, Sabah	Vacant land	Leasehold, 99 years expiring 31.12.2072	11.51 acres	Nil	230	28.06.2023
53	Kampung Kilimu Ranau, Sabah	Vacant land	Leasehold, 30 years expiring 01.06.2042	11.76 acres	Nil	2,940	28.06.2023

List of Properties (cont'd)

List of Properties held by the Group as at 30 June 2025 and their carrying values are indicated as follows:- (cont'd)

	Location	Description	Tenure	Land Area	Age of Building	Carrying Value RM'000	Date of Valuation/ Acquisition
54	Ulu Segama, Lahad Datu, Sabah	Vacant land	Leasehold, 30 years expiring 30.06.2043	7.91 acres	Nil	158	28.06.2023
55	Kg. Upak, Ulu Segama, Lahad Datu, Sabah	Vacant land	Leasehold, 30 years expiring 30.03.2047	16.90 acres	Nil	336	28.06.2023
56	Bakapit, Lahad Datu, Sabah	Vacant land	Leasehold, 30 years expiring 30.03.2047	13.93 acres	Nil	417	28.06.2023
57	Ulu Segama, Lahad Datu, Sabah	Quarry land	Leasehold, 30 years expiring 30.01.2047	13.33 acres	Nil	26,662	28.06.2023
58	Ulu Segama, Lahad Datu, Sabah	Quarry land	Leasehold, 30 years expiring 30.01.2047	13.38 acres	Nil	26,762	28.06.2023
59	Ulu Segama, Lahad Datu, Sabah	Quarry land	Leasehold, 30 years expiring 30.01.2047	13.41 acres	Nil	26,826	28.06.2023
60	Ulu Segama, Lahad Datu, Sabah	Quarry land	Leasehold, 30 years expiring 30.01.2047	13.25 acres	Nil	26,518	28.06.2023
61	Ulu Segama, Lahad Datu, Sabah	Quarry land	Leasehold, 30 years expiring 30.01.2047	13.19 acres	Nil	26,390	28.06.2023
62	Ulu Segama, Lahad Datu, Sabah	Quarry land	Leasehold, 30 years expiring 30.01.2047	13.90 acres	Nil	27,804	28.06.2023
63	Ulu Segama, Lahad Datu, Sabah	Quarry land	Leasehold, 30 years expiring 28.02.2048	13.29 acres	Nil	26,578	28.06.2023

List of Properties (cont'd)

List of Properties held by the Group as at 30 June 2025 and their carrying values are indicated as follows:- (cont'd)

	Location	Description	Tenure	Land Area	Age of Building	Carrying Value RM'000	Date of Valuation/ Acquisition
64	Kg Sarang, Kota Belud, Sabah	Vacant land	Leasehold, 30 years expiring 31.08.2048	9.43 acres	Nil	1,886	28.06.2023
65	Kg Sarang, Kota Belud, Sabah	Vacant land	Leasehold, 30 years expiring 31.08.2048	14.18 acres	Nil	2,836	28.06.2023
66	Ulu Segama, Lahad Datu, Sabah	Land with oil palm	Leasehold, 99 years expiring 31.12.2096	464.10 acres	Nil	12,000	28.06.2023
67	KKIP Selatan, Kota Kinabalu, Sabah	Factory	Leasehold, 99 years expiring 31.12.2096	759.9 sq ft	15 years	1,048	02.05.2018
68	Modern Light Industrial Estate, Muar Tuang Land, Kuching (Lot 40, Lot 41, Lot 42)	Shoplots	Leasehold, 99 years expiring 19.04.2071	35,564 sq ft	9 years	2,093	27.01.2016
69	Kg Kokol, District of Kota Kinabalu	Vacant land	Leasehold, 30 years expiring 31.12.2051	1.80 acres	Nil	1,200	28.06.2023
70	Kg Tanjung Aru, District of Kota Kinabalu, Sabah	Double storey Semi detached house	Leasehold, 99 years expiring 22.07.2064	4,120 sq ft	47 years	1,200	28.06.2023
71	Bandar Sri Perdana, Jalan Silam, District of Lahad Datu, Sabah.	3-storey corner office Shoplot	Leasehold, 99 years	4,398 sq ft	14 years	952	15.10.2021
72	Lot No. 49, Borneo Industrial Centre, Lahad Datu, Sabah	2-storey shophouse	Leasehold, 99 years	7,104 sq ft	5 years	358	04.02.2021
73	Lot No. 40, Borneo Industrial Centre, Lahad Datu, Sabah	2-storey shophouse	Leasehold, 99 years	6,493 sq ft	5 years	473	02.03.2022
74	Lot No. B10, Borneo Industrial Centre, Lahad Datu, Sabah	2-storey shophouse	Leasehold, 99 years	6,493 sq ft	5 years	877	02.03.2022

STATEMENT OF SHAREHOLDINGS

AS AT 30TH SEPTEMBER 2025

ANALYSIS OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
Less than 100	192	0.84	7,061	–
100 to 1,000	1,293	5.63	576,320	–
1,001 to 10,000	3,802	16.56	23,049,024	0.15
10,001 to 100,000	10,085	43.93	504,626,105	3.34
100,001 to less than 5% of Issued Shares	7,585	33.04	12,329,117,220	81.46
5% and above of Issued Shares	2	–	2,278,104,650	15.05
TOTAL	22,959	100	15,135,480,380	100

DIRECTORS' SHAREHOLDINGS AS AT 30TH SEPTEMBER 2025

NAME	DIRECT INTEREST	%	DEEMED INTEREST	%
1 Mr. Tan Kok Chor	–	–	–	–
2 Datuk Joseph Lee Yok Min @ Ambrose	779,747,100	5.152	1,333,015,310	8.807
3 Ms. Georgia Suzanne Lingam @ Georgianne	–	–	–	–
4 Mr. Sri Ganesh A/L K Balasubramaniam	1,400,000	0.009	–	–
5 Mr. Riorn Lee Kah Vui	74,817,500	0.494	779,747,185	5.152
6 Mr. Seroop Singh Ramday	–	–	–	–
7 Ms. Susie Chung Kim Lan	–	–	–	–
8 Ms. Siti Ainee Hanum Binti Suhaidi	–	–	–	–
TOTAL	855,964,600	5.655	2,112,762,495	13.959

Statement of Shareholdings (cont'd)

LIST OF TOP 30 SHAREHOLDERS AS AT 30TH SEPTEMBER 2025

NO.	NAME	NO. OF SHARES	%
1	AFFIN HWANG NOMINEES (ASING) SDN BHD (Exempt an for Lei Shing Hong Securities Limited)	1,258,408,250	8.31
2	KENANGA NOMINEES (TEMPATAN) SDN BHD (Pledged Securities Account for Victoria Capital Sdn Bhd)	1,019,696,400	6.74
3	KENANGA NOMINEES (TEMPATAN) SDN BHD (Pledged Securities Account for Gonawin Sdn Bhd)	599,221,400	3.96
4	TA NOMINEES (TEMPATAN) SDN BHD (Pledged Securities Account for Joseph Lee Yok Min @ Ambrose)	573,400,000	3.79
5	KENANGA NOMINEES (TEMPATAN) SDN BHD (Pledged Securities Account for Lo Ling)	535,812,900	3.54
6	MAYBANK SECURITIES NOMINEES (ASING) SDN BHD (Pledged Securities Account for Maybank Securities Pte Ltd for Chua Chwee Chye)	415,375,000	2.74
7	RHB NOMINEES (TEMPATAN) SDN BHD (Pledged Securities Account for Hap Seng Insurance Services Sdn Bhd)	273,000,000	1.80
8	QUECK HAN TIONG	213,000,000	1.41
9	CIMSEC NOMINEES (TEMPATAN) SDN BHD (Pledged Securities Account for CIMB for Chu Sheng Taur)	200,000,000	1.32
10	JAMES HO THAU YOOUNG	173,042,200	1.14
11	GAN SIONG PIEU	160,000,000	1.06
12	M & A NOMINEE (TEMPATAN) SDN BHD (Pledged Securities Account for Chew Ben Ben [M&A])	130,104,000	0.86
13	M & A NOMINEE (TEMPATAN) SDN BHD (Pledged Securities Account for Joseph Lee Yok Min @ Ambrose [M&A])	116,300,000	0.77
14	KENANGA NOMINEES (TEMPATAN) SDN BHD (Pledged Securities Account for Merry Noel Robert)	110,000,000	0.73
15	PUBLIC NOMINEES (TEMPATAN) SDN BHD (Pledged Securities Account for Por Teong Eng)	110,000,000	0.73
16	LIM HOCK YET	103,690,000	0.69
17	CGS INTERNATIONAL NOMINEES MALAYSIA (ASING) SDN BHD (Exempt an for CGS International Securities Singapore Pte. Ltd.)	101,111,750	0.67
18	TA NOMINEES (TEMPATAN) SDN BHD (Pledged Securities Account for Lim Sor Yee)	91,000,000	0.60
19	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN BHD (Pledged Securities Account for Lee Yoke Foong)	90,000,000	0.59
20	PUBLIC NOMINEES (TEMPATAN) SDN BHD (Pledged Securities Account for How Bee Hua)	90,000,000	0.59

Statement of Shareholdings (cont'd)

LIST OF TOP 30 SHAREHOLDERS AS AT 30TH SEPTEMBER 2025 (CONT'D)

NO.	NAME	NO. OF SHARES	%
21	KENANGA NOMINEES (ASING) SDN BHD (Exempt an for Phillip Securities Pte Ltd)	87,099,700	0.58
22	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN BHD (Pledged Securities Account for Joseph Lee Yok Min @ Ambrose)	87,059,900	0.58
23	LO LING	79,823,700	0.53
24	TAN SOH GEK	79,569,500	0.53
25	FUNG KEK NAN	75,620,000	0.50
26	KENANGA NOMINEES (TEMPATAN) SDN BHD (Pledged Securities Account for Tan Kim Lan)	75,000,000	0.50
27	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN BHD (Pledged Securities Account for Lai Chee Chuen)	72,340,000	0.48
28	H'NG CHEOW SEN	71,000,000	0.47
29	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD (Pledged Securities Account for Lim Sor Yee)	70,000,000	0.46
30	HLIB NOMINEES (TEMPATAN) SDN BHD (Pledged Securities Account for Hong Leong Bank Bhd for Tan Teong Beng)	68,254,800	0.45
TOTAL		7,128,929,500	47.12

SUBSTANTIAL SHAREHOLDERS AS AT 30TH SEPTEMBER 2025

NO.	NAME	DIRECT	NO. OF SHARES HELD % INDIRECT	%
1	AFFIN HWANG NOMINEES (ASING) SDN BHD (Exempt an for Lei Shing Hong Securities Limited)	1,258,408,250	8.31	–
2	KENANGA NOMINEES (TEMPATAN) SDN BHD (Pledged Securities Account for Victoria Capital Sdn Bhd)	1,019,696,400	6.74	–
TOTAL		2,278,104,650	15.05	–

STATEMENT OF WARRANT C (2015/2025) HOLDINGS [EXPIRY: 7.11.2025]

AS AT 30TH SEPTEMBER 2025

ANALYSIS OF WARRANT C (2015/2025)

SIZE OF HOLDINGS	NO. OF WARRANT HOLDERS	%	NO. OF WARRANTS	%
Less than 100	149	3.83	8,459	–
100 to 1,000	92	2.37	42,558	–
1,001 to 10,000	430	11.06	2,813,707	0.16
10,001 to 100,000	1,689	43.45	85,449,003	4.97
100,001 to less than 5% of issued warrants	1,526	39.26	1,517,508,873	88.08
5% and above of issued warrants	1	0.03	117,000,000	6.79
TOTAL	3,887	100	1,722,822,600	100

DIRECTORS' WARRANT C SHAREHOLDING AS AT 30TH SEPTEMBER 2025

NAME	DIRECT INTEREST	%	DEEMED INTEREST	%
1 Mr. Tan Kok Chor	–	–	–	–
2 Datuk Joseph Lee Yok Min @ Ambrose	–	–	–	–
3 Ms. Georgia Suzanne Lingam @Georgianne	150,000	0.009	–	–
4 Mr. Sri Ganesh A/L K Balasubramaniam	–	–	–	–
5 Mr. Riorn Lee Kah Vui	–	–	–	–
6 Mr. Seroop Singh Ramday	–	–	–	–
7 Ms. Susie Chung Kim Lan	–	–	–	–
8 Ms. Siti Ainee Hanum Binti Suhaidi	–	–	–	–
TOTAL	150,000	0.009	–	–

Statement of Warrant C (2015/2025) Holdings

[Expiry: 7.11.2025]
(cont'd)

LIST OF TOP 30 WARRANT C (2015/2025) HOLDERS AS AT 30TH SEPTEMBER 2025

NO.	NAME	NO. OF WARRANTS	%
1	RHB NOMINEES (TEMPATAN) SDN BHD (Pledged Securities Account for Hap Seng Insurance Services Sdn Bhd)	117,000,000	6.79
2	TIE MING CHUON	79,695,800	4.63
3	TIE MING CHUNG	62,083,500	3.60
4	UOB KAY HIAN NOMINEES (TEMPATAN) SDN BHD (Exempt an for UOB Kay Hian Pte Ltd)	60,238,500	3.50
5	YAP BAN LEONG	48,446,300	2.81
6	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD (Pledged Securities Account for Tie Ming Chung)	46,627,900	2.71
7	HLIB NOMINEES (TEMPATAN) SDN BHD (Pledged Securities Account for Hong Leong Bank Bhd for Tan Teong Beng)	43,526,400	2.53
8	TAN SOH GEK	36,842,300	2.14
9	KHOO YONG AI	27,450,000	1.59
10	RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD (Pledged Securities Account for Tan Hui Lee)	24,009,800	1.39
11	LEONG WAI SHIN	22,018,100	1.28
12	PHILLIP NOMINEES (TEMPATAN) SDN BHD (Pledged Securities Account for Batu Bara Resources Corporation Sdn Bhd)	18,000,000	1.04
13	JEREMY KHO HUI JAQ	17,849,850	1.04
14	HWANG YEE FAN	17,500,000	1.02
15	AFFIN HWANG NOMINEES (TEMPATAN) SDN BHD (Pledged Securities Account for Tan Keng Boon)	12,577,575	0.73
16	CHONG MOW CHAI	11,000,000	0.64
17	PESHNA SHANTI A/P PRABHAKARAN	10,793,800	0.63
18	YONG SIEW KIT	10,778,500	0.63
19	BONG NAM JONG	10,000,000	0.58
20	CHEN LING LING	10,000,000	0.58

Statement of Warrant C (2015/2025) Holdings

[Expiry: 7.11.2025]
(cont'd)

LIST OF TOP 30 WARRANT C (2015/2025) HOLDERS AS AT 30TH SEPTEMBER 2025 (CONT'D)

NO.	NAME	NO. OF WARRANTS	%
21	KHOO BUCK CHEW	9,000,000	0.52
22	CHONG MOW CHAI	8,660,900	0.50
23	MAYBANK NOMINEES (TEMPATAN) SDN BHD (Pledged Securities Account for Chew Boon Kian)	8,500,000	0.49
24	PUBLIC NOMINEES (TEMPATAN) SDN BHD (Pledged Securities Account for Lim Yin Seng)	8,100,000	0.47
25	NG HIANG CHEK	7,500,000	0.44
26	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN BHD (Pledged Securities Account for Terry Yap Kwi Fah)	7,310,300	0.42
27	CHEN LING LING	7,000,000	0.41
28	KENANGA NOMINEES (TEMPATAN) SDN BHD (Pledged Securities Account for Lee Jin Foh)	7,000,000	0.41
29	TEOH HANG SWE @ JOHN TEOH HANG SOON	7,000,000	0.41
30	PUA SOON HUAT	6,650,000	0.39
TOTAL		763,159,525	44.32

SUBSTANTIAL WARRANT C (2015/2025) HOLDERS AS AT 30TH SEPTEMBER 2025

NO.	NAME	NO. OF WARRANTS	%
1	RHB NOMINEES (TEMPATAN) SDN BHD (Pledged Securities Account for Hap Seng Insurance Services Sdn Bhd)	117,000,000	6.79

STATEMENT OF WARRANT D (2017/2027) HOLDINGS

AS AT 30TH SEPTEMBER 2025

ANALYSIS OF WARRANT D (2017/2027)

SIZE OF HOLDINGS	NO. OF WARRANT HOLDERS	%	NO. OF WARRANTS	%
Less than 100	1,259	15.44	56,135	0.02
100 to 1,000	1,654	20.29	718,079	0.20
1,001 to 10,000	3,277	40.19	12,943,218	3.54
10,001 to 100,000	1,490	18.28	48,429,971	13.25
100,001 to less than 5% of issued warrants	472	5.79	280,573,956	76.77
5% and above of issued warrants	1	0.01	22,750,000	6.22
TOTAL	8,153	100	365,471,359	100

DIRECTORS' WARRANT D SHAREHOLDING AS AT 30TH SEPTEMBER 2025

NAME	DIRECT INTEREST	%	DEEMED INTEREST	%
1 Mr. Tan Kok Chor	–	–	–	–
2 Datuk Joseph Lee Yok Min @ Ambrose	92,000	0.025	–	–
3 Ms. Georgia Suzanne Lingam @ Georgianne	66,175	0.018	–	–
4 Mr. Sri Ganesh A/L K Balasubramaniam	–	–	–	–
5 Mr. Riorn Lee Kah Vui	–	–	92,000	0.025
6 Mr. Seroop Singh Ramday	–	–	–	–
7 Ms. Susie Chung Kim Lan	–	–	–	–
8 Ms. Siti Ainee Hanum Binti Suhaidi	–	–	–	–
TOTAL	158,175	0.043	92,000	0.025

Statement of Warrant D (2017/2027) Holdings (cont'd)

LIST OF TOP 30 WARRANT D (2017/2027) HOLDERS AS AT 30TH SEPTEMBER 2025

NO.	NAME	NO. OF WARRANTS	%
1	RHB NOMINEES (TEMPATAN) SDN BHD (Pledged Securities Account for Hap Seng Insurance Services Sdn Bhd)	22,750,000	6.22
2	NG MAN YEE	10,000,000	2.74
3	LIM CHIN KIONG	9,783,900	2.68
4	CHEN MEE ING	7,648,600	2.09
5	ER LING HONG	6,715,000	1.84
6	TIE MING CHUNG	5,932,900	1.62
7	CHONG MOW CHAI	5,607,400	1.53
8	PUA SOON HUAT	4,550,000	1.24
9	KHOO YONG AI	4,337,500	1.19
10	HUONG LEE KANG	3,755,000	1.03
11	HLIB NOMINEES (TEMPATAN) SDN BHD (Pledged Securities Account for Hong Leong Bank Bhd for Tan Teong Beng)	3,736,600	1.02
12	TAN SOH GEK	3,264,125	0.89
13	YEE CHIN CHIN	3,137,400	0.86
14	PUA SOON HUAT	3,125,100	0.86
15	HLIB NOMINEES (TEMPATAN) SDN BHD (Pledged Securities Account for Huang Chiong Hee)	3,049,000	0.83
16	WONG LING BIU	3,000,000	0.82
17	NIK FAIRUL ZAMRI BIN MOHD PAUZI	2,750,000	0.75
18	PUBLIC NOMINEES (TEMPATAN) SDN BHD (Pledged Securities Account for Low Ah Bah)	2,671,200	0.73
19	AFFIN HWANG NOMINEES (TEMPATAN) SDN BHD (Pledged Securities Account for Tan Keng Boon)	2,583,037	0.71
20	AFFIN HWANG NOMINEES (ASING) SDN BHD (Pledged Securities Account for Mohamed Yazid Merzouk)	2,500,000	0.68

Statement of Warrant D (2017/2027) Holdings (cont'd)

LIST OF TOP 30 WARRANT D (2017/2027) HOLDERS AS AT 30TH SEPTEMBER 2025 (CONT'D)

NO.	NAME	NO. OF WARRANTS	%
21	SAFWAN BIN JOHARI	2,300,000	0.63
22	PUA SOON HUAT	2,240,000	0.61
23	HUONG CHIONG HEE	2,131,800	0.58
24	RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD (Pledged Securities Account for Tan Hui Lee)	2,107,500	0.58
25	APEX NOMINEES (TEMPATAN) SDN BHD (Pledged Securities Account for Lai Wai Yee)	2,100,000	0.57
26	CHUA AH HOO	2,000,012	0.55
27	KENANGA NOMINEES (TEMPATAN) SDN BHD (Pledged Securities Account for Rakuten Trade Sdn Bhd for Tan Sin Yen)	2,000,000	0.55
28	LEE CHEE KIAN	2,000,000	0.55
29	ROSMAWATI BINTI MAHMUD	2,000,000	0.55
30	LIM TUAN SENG	1,825,200	0.50
TOTAL		131,601,274	36.00

SUBSTANTIAL WARRANT D (2017/2027) HOLDERS AS AT 30TH SEPTEMBER 2025

NO.	NAME	NO. OF WARRANTS	%
1	RHB NOMINEES (TEMPATAN) SDN BHD (Pledged Securities Account for Hap Seng Insurance Services Sdn Bhd)	22,750,000	6.22

STATEMENT OF WARRANT E (2025/2030) HOLDINGS

AS AT 30TH SEPTEMBER 2025

ANALYSIS OF WARRANT E (2025/2030)

SIZE OF HOLDINGS	NO. OF WARRANT HOLDERS	%	NO. OF WARRANTS	%
Less than 100	796	3.54	24,972	0.00
100 to 1,000	1,921	8.54	906,646	0.04
1,001 to 10,000	7,153	31.79	33,621,980	1.32
10,001 to 100,000	9,876	43.90	344,490,649	13.47
100,001 to less than 5% of issued warrants	2,751	12.23	1,863,042,082	72.87
5% and above of issued warrants	1	0.00	314,602,062	12.30
TOTAL	22,498	100	2,556,688,391	100

DIRECTORS' WARRANT E SHAREHOLDING AS AT 30TH SEPTEMBER 2025

NAME	DIRECT INTEREST	%	DEEMED INTEREST	%
1 Mr. Tan Kok Chor	–	–	–	–
2 Datuk Joseph Lee Yok Min @ Ambrose	11,948,375	0.467	318,101,326	12.442
3 Ms. Georgia Suzanne Lingam @ Georgianne	–	–	–	–
4 Mr. Sri Ganesh A/L K Balasubramaniam	350,000	0.014	–	–
5 Mr. Riorn Lee Kah Vui	3,426,875	0.134	11,948,396	0.467
6 Mr. Seroop Singh Ramday	–	–	–	–
7 Ms. Susie Chung Kim Lan	–	–	–	–
8 Ms. Siti Ainee Hanum Binti Suhaidi	–	–	–	–
TOTAL	15,725,250	0.615	330,049,722	12.909

Statement of Warrant E (2025/2030) Holdings (cont'd)

LIST OF TOP 30 WARRANT E (2025/2030) HOLDERS AS AT 30TH SEPTEMBER 2025

NO.	NAME	NO. OF WARRANTS	%
1	AFFIN HWANG NOMINEES (ASING) SDN BHD (Exempt an for Lei Shing Hong Securities Limited)	314,602,062	12.31
2	RHB NOMINEES (TEMPATAN) SDN BHD (Pledged Securities Account for Hap Seng Insurance Services Sdn Bhd)	68,250,000	2.67
3	CIMSEC NOMINEES (TEMPATAN) SDN BHD (Pledged Securities Account for CIMB for Chu Sheng Taur)	50,000,000	1.96
4	QUECK HAN TIONG	44,125,000	1.73
5	M & A NOMINEE (TEMPATAN) SDN BHD (Pledged Securities Account for Chew Ben Ben)	32,523,250	1.27
6	KENANGA NOMINEES (TEMPATAN) SDN BHD (Pledged Securities Account for Por Teong Eng)	31,250,000	1.22
7	KENANGA NOMINEES (TEMPATAN) SDN BHD (Pledged Securities Account for Merry Noel Robert)	27,500,000	1.08
8	PUBLIC NOMINEES (TEMPATAN) SDN BHD (Pledged Securities Account for Por Teong Eng)	27,468,400	1.07
9	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN BHD (Pledged Securities Account for Lai Chee Chuen)	24,200,000	0.95
10	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN BHD (Pledged Securities Account for Lee Yoke Foong)	20,000,000	0.78
11	TAN SOH GEK	19,892,375	0.78
12	PUBLIC NOMINEES (TEMPATAN) SDN BHD (Pledged Securities Account for How Bee Hua)	19,761,025	0.77
13	KENANGA NOMINEES (TEMPATAN) SDN BHD (Pledged Securities Account for Tan Kim Lan)	18,750,000	0.73
14	JAMES HO THAU YOOUNG	18,135,550	0.71
15	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD (Pledged Securities Account for Lim Sor Yee)	17,500,000	0.68
16	HLIB NOMINEES (TEMPATAN) SDN BHD (Pledged Securities Account for Hong Leong Bank Bhd for Tan Teong Beng)	17,133,700	0.67
17	AFFIN HWANG NOMINEES (TEMPATAN) SDN BHD (Pledged Securities Account for Sim Hui Leng)	16,750,000	0.66
18	LIEW KUAT KIONG	16,750,000	0.66
19	KHOO YONG AI	16,012,500	0.63
20	POR TEONG ENG	15,750,000	0.62

Statement of Warrant E (2025/2030) Holdings (cont'd)

LIST OF TOP 30 WARRANT E (2025/2030) HOLDERS AS AT 30TH SEPTEMBER 2025 (CONT'D)

NO.	NAME	NO. OF WARRANTS	%
21	MAYBANK NOMINEES (TEMPATAN) SDN BHD (Pledged Securities Account for TNTT Realty Sdn Bhd)	15,587,500	0.61
22	YIK PHOOI HAR	15,175,000	0.59
23	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD (Pledged Securities Account for Lim Sor Yee)	14,475,700	0.57
24	HAN XIN YING	13,596,550	0.53
25	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN BHD (Pledged Securities Account for Ong Yoong Nyock)	12,668,950	0.50
26	MAYBANK NOMINEES (TEMPATAN) SDN BHD (Pledged Securities Account for Samuel Lum Hon Whye)	12,550,000	0.49
27	CHIEW SOON HUI	12,078,100	0.47
28	KENANGA NOMINEES (TEMPATAN) SDN BHD (Pledged Securities Account for Mustal Bin Liasin)	12,050,000	0.47
29	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN BHD (Pledged Securities Account for Joseph Lee Yok Min @ Ambrose)	10,038,825	0.39
30	TA NOMINEES (TEMPATAN) SDN BHD (Pledged Securities Account for Lim Sor Yee)	9,985,700	0.39
TOTAL		944,560,187	36.96

SUBSTANTIAL WARRANT E (2025/2030) HOLDERS AS AT 30TH SEPTEMBER 2025

NO.	NAME	NO. OF WARRANTS	%
1	AFFIN HWANG NOMINEES (ASING) SDN BHD (Exempt an for Lei Shing Hong Securities Limited)	314,602,062	12.31

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Forty-First (41st) Annual General Meeting (“AGM”) of BORNEO OIL BERHAD (“Bornoil” or “the Company”) will be held at Mezzanine Floor, Shell Plaza, 29, Jln. Tunku Abdul Rahman, Pusat Bandar, 88000 Kota Kinabalu, Sabah on Friday, 12 December 2025 at 2.00 p.m. for the following purposes:

AGENDA

AS ORDINARY BUSINESSES:

1. To receive the Audited Financial Statements for the financial year ended 30 June 2025 together with the Reports of the Directors and Auditors thereon.
Please refer to Explanatory Note (i)
2. To re-elect the following Directors who retire by rotation pursuant to Clause 143 of the Constitution of the Company and being eligible, have offered themselves for re-election:

(a) Mr. Seroop Singh Ramday	Ordinary Resolution 1
(b) Ms. Susie Chung Kim Lan	Ordinary Resolution 2
(c) Ms. Siti Ainee Hanum Binti Suhaidi	Ordinary Resolution 3

Please refer to Explanatory Note (ii)
3. To approve the payment of Directors’ fees amounting to RM408,000.00 to Non-Executive Directors for the financial year ended 30 June 2025.
Please refer to Explanatory Note (iii) **Ordinary Resolution 4**
4. To approve the Director’s fees and benefits of up to an amount of RM2,380,625.00 payable from the 13 December 2025 until the 42nd AGM of the Company. **Ordinary Resolution 5**
5. To re-appoint THELYX MALAYSIA PLT as the External Auditors of the Company to hold office until the conclusion of the next Annual General Meeting and to authorize the Directors to fix their remuneration. **Ordinary Resolution 6**
6. **AS SPECIAL BUSINESSES:**

To consider and, if thought fit, to pass the followings as Ordinary Resolutions: **Ordinary Resolution 7**

 - (a) **Retention of Independent Non-Executive Director**

“**THAT** Mr. Seroop Singh Ramday (appointed on 1 Aug 2014) and who has served as the Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, be and is hereby retained as an Independent Non-Executive Director of the Company up to 31 July 2026 in accordance with the Malaysian Code on Corporate Governance”
Please refer to Explanatory Note (iv)

Notice of Annual General Meeting (cont'd)

(b) Authority to issue Shares pursuant to Companies Act 2016 and Waiver of Pre-emptive Rights:

Ordinary Resolution 8

“THAT subject always to the Companies Act 2016 (“the Act”), the Company’s Constitution, Bursa Malaysia Securities Berhad (“BURSA Securities”) Main Market Listing Requirements (“MMLR”) and any relevant governmental and/or regulatory authorities, the Directors be and are hereby empowered pursuant to the Act, to issue and allot shares in the Company, at any time to such persons and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares to be issued pursuant to this Resolution does not exceed 10% of the total number of issued shares (excluding treasury shares) of the Company for the time being;

THAT pursuant to Section 85 of the Act to be read together with Clause 16 of the Constitution of the Company, approval be and is hereby given to waive the statutory pre-emptive rights of the shareholders of the Company to be offered new shares ranking equally to the existing issued shares arising from any issuance of new shares pursuant to Section 75 and 76 of the Act;

AND THAT the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Securities;

AND FURTHER THAT such authority shall commence immediately upon the passing of this Resolution and continue to be in force until the conclusion of the next Annual General Meeting of the Company”.

Please refer to Explanatory Note (v)

7. To transact any other business for which due notice shall have been given.

By Order of the Board

CHIN SIEW KIM (L.S. 0000982) ; Practising Cert No. 202008004110

ANDREA HUONG JIA MEI (MIA 36347) ; Practising Cert No. 202008003125

Labuan F.T.

Dated : 31 October 2025

Notice of Annual General Meeting (cont'd)

NOTES:

1. Members Entitled To Attend

- (a) *A Member of the Company entitled to attend and vote at the meeting may appoint up to two (2) proxies to attend and vote instead of him/her. If a Member appoints two (2) proxies, the appointments shall be invalid unless he/she specifies the proportions of his/her holdings to be represented by each proxy.*
- (b) *In the case of a corporate body, the proxy appointed must be in accordance with the Constitution, and the instrument appointing a proxy shall be given under the Company's Common Seal or under the hand of an officer or attorney duly authorized.*
- (c) *For instrument appointing a proxy executed outside Malaysia, the signature must be attested by a Solicitor, Notary Public, Consul or Magistrate.*
- (d) *Where a Member of the Company is an exempt authorized nominee as defined under the Securities Industry (Central Depository) Act 1991 which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("Omnibus account"), there is no limit to the number of proxies which the exempt authorized nominee may appoint in respect of each omnibus account it holds.*
- (e) *The instrument appointing a proxy shall be deposited at the Registered office of the Company at 1st & 2nd Floor, Victoria Point, Jalan OKK Awang Besar, 87007, Wilayah Persekutuan Labuan not less than Forty-eight (48) hours before the time appointed for holding the AGM or any adjournment thereof.*
- (f) *For the purpose of determining a Member who shall be entitled to participate and vote at the AGM in accordance with Clause 77 of the Company's Constitution and Section 34(1) of the Securities Industry (Central Depositories) Act 1991, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to issue a Record of Depositors as at 1 December 2025. Only a Member whose name appears therein shall be entitled to participate at the AGM or appoint proxy(ies) to participate and vote on his/her behalf.*

Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all the resolutions set out in the Notice of the meeting, including resolutions in addendum, errata or amended notice will be put to vote by way of poll. A Poll Administrator and Independent Scrutineer will be appointed respectively to conduct the polling process and to verify the results of the poll.

Explanatory Notes on Ordinary and Special Businesses:-

i. Audited Financial Statements for the financial year ended 30 June 2025

The audited financial statements are laid in accordance with Section 340(1) of the Companies Act 2016 for discussion only under Agenda 1. They do not require shareholders' approval and hence, will not be put forward for voting.

ii. Ordinary Resolution 1, 2 & 3: Retirement and rotation of Directors

Every Director shall be subject to retirement at least once in every three (3) years. A retiring Director shall be eligible for re-election. The Directors to retire shall be the Directors who have been longest in office.

Notice of Annual General Meeting (cont'd)

Explanatory Notes on Ordinary and Special Businesses:- (cont'd)

iii. Ordinary Resolution 4: Directors' fees

Section 230(1) of the Companies Act 2016 which came into effect on 31 January 2017, provides amongst others, that "the fees" of the Directors and "any benefits" payable to the Directors of a listed company and its subsidiaries shall be approved at a general meeting.

Clause 119 of the Company's Constitution on "Fees and benefits of Directors" states that the fees and benefits payable to Directors shall be subject to annual shareholders' approval at a general meeting.

Clause 120 of the Company's Constitution on "Fees of non-executive Directors" states that the fees payable to non-executive Directors shall be by a fixed sum, and not by a commission on or percentage of profits or turnover. Salaries payable to executive Directors may not include a commission on or percentage of turnover.

- Resolution 4 on payment of Directors' fees for Non-Executive Directors in respect of the year ended 30 June 2025.

Note: The Executive Directors are also receiving Directors fees amounting to RM1,499,000.00 for the financial year ended 30 June 2025.

iv. Ordinary Resolution 7: Continuation in office as Independent Non-Executive Director

The proposed Ordinary Resolution No 7, if passed, and subject to the passing of Resolution will allow Mr. Seroop Singh Ramday who shall remain as Independent Non-Executive Director ("INED"). The justification of the Board of Directors for recommending and supporting the resolutions for him continuing in office as INED are set out under the Corporate Governance Overview Statement in the 2025 Annual Report of the Company.

Resolution 7 if passed, will authorised Mr. Seroop Singh Ramday to continue in office as INED.

v. Ordinary Resolution 8: Authority to Allot Shares pursuant to Section 75 and Section 76 of the Companies Act 2016

The proposed Resolution 8 is to seek for the renewal of a Previous Mandate (as defined herein) to give flexibility to the Board of Directors to issue and allot shares up to 10% of the total number of issued shares (excluding treasury shares) of the Company for the time being, at any time in their absolute discretion for such purposes as the Board of Directors' consider to be in the best interest of the Company (hereinafter referred to as the "General Mandate"). This General Mandate is sought to avoid any delays and costs involved with the convening of a general meeting. This General Mandate, unless revoked or varied by the Company in a general meeting, will expire at the conclusion of the next AGM of the Company.

The Company has been granted a general mandate by its shareholders at the last AGM held on 19 December 2024 (hereinafter referred to as the "Previous Mandate").

As at the date of this Notice, the Company did not implement its proposal for new allotment of shares under the Previous Mandate and hence, no proceeds were raised therefrom.

The General Mandate, upon renewal, will provide flexibility to the Company for any possible fund-raising activities, including but not limited to further placing of shares, for purpose of funding future investment project(s), working capital and/or acquisition(s).

The waiver of pre-exemptive rights will allow the Board of Directors to issue new Ordinary Shares of the Company which rank equally to existing issued shares of the Company, to any person without having to offer new shares to all existing shareholders of the Company prior to issuance of new shares in the Company under the General Mandate.

STATEMENT ACCOMPANYING NOTICE OF FORTY-FIRST (41ST) ANNUAL GENERAL MEETING

(Pursuant to paragraph 8.27 (2) of Bursa Malaysia Securities Berhad Main Market Listing Requirements)

1. Pursuant to Clause 143 of the Constitution of the Company,
 - a. Mr Seroop Singh Ramday;
 - b. Ms Susie Chung Kim Lan; and
 - c. Ms Siti Ainee Hanum Binti Suhaidiare subject to retirement by rotation and have offered themselves for re-election.
2. Pursuant to Clause 118 of the Company's Constitution, no new Directors have been appointed during the year and therefore none are eligible for re-election at the 41st Annual General Meeting ("AGM") of the Company.
3. As at the date of this notice, there are no individuals who are standing for election as Directors (excluding the above Directors who are standing for re-election) at this forthcoming 41st AGM.
4. The profiles of the Directors who are standing for re-election at the 41st AGM are set out in the Company's Annual Report 2025 as follows:-
 - (i) Directors' profile on pages 10 to 18
 - (ii) Details of the Directors' interests in the securities of the Company as at 30 June 2025 are disclosed in the Directors' shareholding on pages 119 to 120
5. General Meeting Record of Depositors

For the purpose of determining who shall be entitled to attend this meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company pursuant to Paragraph 7.16 (2) of the Bursa Malaysia Securities Berhad's Main Market Listing Requirements, a Record of Depositors as at 1st December 2025, and a depositor whose name appears on such Record of Depositors shall be entitled to attend this meeting or appoint proxy to attend, speak and/or vote in his stead.
6. General Mandate for issue of securities in accordance with Paragraph 6.03(3) of Bursa Malaysia Securities Berhad's Main Market Listing Requirements.

Details of the general mandate to issue securities in the Company pursuant to Sections 75 and 76 of the Act are set out in Explanatory Note v of the Notice of 41st AGM.



BORNEO OIL BERHAD
Registration No. 198901005309 (121919-H)
(Incorporated in Malaysia)

PROXY FORM

No. of Shares held	
CDS Number	

I/We *NRIC/ Company No.
of
being *a member/members of BORNEO OIL BERHAD (Reg. No: 198901005309 (121919-H)) hereby appoint
..... *NRIC No./Passport No.
of
email address mobile No.
or failing *him/her *NRIC No./Passport No.
of
email address mobile No.

or failing *him/her, the Chairman of the Meeting as *my/our proxy/ proxies to attend, participate, speak and vote for *me/us on *my/our behalf at the 41st Annual General Meeting ("AGM") of the Company to be held at Mezzanine Floor, Shell Plaza, 29, Jln. Tunku Abdul Rahman, Pusat Bandar, 88000 Kota Kinabalu, Sabah on Friday, 12 December 2025 at 2.00 p.m. or any adjournment thereof.

*My/our proxy is to vote as indicated below: -

NO.	ORDINARY RESOLUTIONS	FOR	AGAINST
1.	To re-elect Mr. Seroop Singh Ramday as a Director.		
2.	To re-elect Ms. Susie Chung Kim Lan as a Director.		
3.	To re-elect Ms Siti Ainee Hanum Binti Suhaidi as a Director.		
4.	To approve the payment of Directors' fees amounting to RM408,000.00 to Non- Executive Directors for the financial year ended 30 June 2025.		
5.	To approve the Directors' fees and benefits of up to an amount of RM2,380,625.00 payable from 13 December 2025 until the next 42 nd Annual General Meeting.		
6.	To re-appoint THELYX MALAYSIA PLT as the External Auditors of the Company to hold office until the conclusion of the next Annual General Meeting and to authorize the Directors to fix their remuneration.		
7.	To approve the retention of Mr. Seroop Singh Ramday as an Independent Non-Executive Director.		
8.	Renewal of Authority to allot and issue Shares pursuant to Section 75 & 76 of the Companies Act 2016.		

Proxy 1	%
Proxy 2	%

Please mark with "X" in either box if you wish to direct the proxy how to vote. If no mark is made the proxy may vote on the resolution or abstain from voting as the proxy thinks fit.

- *Strike out whichever is not desired*

Signed this day of, 2025

Contact Number :

.....
Signature of Member(s) / Authorised Signatory
Common Seal of Appointer



Notes:

1. In respect of deposited securities, only shareholders whose name appear in the Company's Record of Depositors as at 1st December 2025 shall be eligible to attend, participate, speak and vote at this meeting or appoint proxy(ies) to attend, participate, speak and vote on his/her behalf.
2. A shareholder of the Company who is entitled to attend, participate, speak and vote at this meeting is entitled to appoint not more than two (2) proxies, and in the case of a Corporation, a duly authorized representative to attend, participate, speak and vote in its stead.
3. A proxy may but need not be member of the Company, an advocate, an approved company auditor or a person approved by the Registrar. Where a member appoints more than one (1) proxy, he/she shall specify the proportions of his/her shareholdings to be represented by each proxy.
4. Where a shareholder of the Company is an exempt authorized nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account (Omnibus account), there is no limit to the number of proxies which the exempt authorized nominee may appoint in respect of each omnibus account it holds.
5. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his/her attorney duly authorized in writing or, if the appointer is a corporation, either under its common seal or under the hand of an officer or its attorney duly authorized in writing.
6. The original instrument appointing a proxy must be deposited at the Registered Office of the Company situated at 1st & 2nd Floor, Victoria Point, Jalan OKK Awang Besar, 87007, Wilayah Persekutuan Labuan not less than Forty-Eight (48) hours before the time set for holding the meeting which shall be voted by poll pursuant to paragraph 8.29A(1) of Bursa Securities Main Market Listing Requirements or any adjournment thereof.

PERSONAL DATA PRIVACY:-

By submitting an instrument appointing a proxy(ies) and/or representative(s), the shareholder accepts and agrees to the personal data privacy terms set out in the Notice of the 41st Annual General Meeting("AGM") dated 31 October 2025.

1st Fold Here

AFFIX
STAMP

THE COMPANY SECRETARY

BORNEO OIL BERHAD

Registration No. 198901005309 (121919-H)

1st & 2nd Floor,

Victoria Point,

Jalan OKK Awang Besar,

87007 W.P. Labuan

2nd Fold Here

Fold This Flap For Sealing

1st & 2nd Floor. Victoria Point,
Jalan OKK Awang Besar,
87007, W.P. Labuan, Malaysia.