BORNEO OIL BERHAD

Company Reg. No. 198901005309 (121919-H)
(Incorporated in Malaysia)

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 31 DECEMBER 2025

(THE FIGURES HAVE NOT BEEN AUDITED)

BORNEO OIL BERHAD
Company Reg. No. 198901005309 (121919-H)
Incorporated in Malaysia
QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE SECOND QUARTER ENDED 31 DECEMBER 2025
(THE FIGURES HAVE NOT BEEN AUDITED)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Individual Quarter		Cumulative Quarter	
	3 Months 1 Oct 2025 to 31 Dec 2025 RM'000	3 Months 1 Oct 2024 to 31 Dec 2024 RM'000	6 Months 1 Jul 2025 to 31 Dec 2025 RM'000	6 Months 1 Jul 2024 to 31 Dec 2024 RM'000
Revenue	22,366	19,697	41,250	38,918
Cost of sales	(15,262)	(15,623)	(29,931)	(32,232)
Gross profit	7,104	4,074	11,319	6,686
Other income	3,393	23,705	3,739	1,499
Operating expenses	(9,014)	(9,141)	(16,458)	(17,076)
Other operating expenses	(33,240)	(18)	(36,020)	(128,655)
(Loss)/ Profit from operations	(31,757)	18,620	(37,420)	(137,546)
Finance costs	(1,374)	(844)	(2,775)	(1,727)
Share of results of an associate	-	-	-	-
(Loss)/ Profit before taxation	(33,131)	17,776	(40,195)	(139,273)
Taxation	(1,619)	(256)	(2,030)	(569)
(Loss)/ Profit for the period	(34,750)	17,520	(42,225)	(139,842)
Other comprehensive deficit for the financial period/year				
- Foreign currency translation	(43)	(31)	(29)	(37)
Total comprehensive (deficit)/ income for the financial period	(34,793)	17,489	(42,254)	(139,879)
(Loss)/ Profit attributable to:				
- Owners of the parent	(34,750)	17,520	(42,225)	(139,842)
- Non- controling interest	-	-	-	-
	(34,750)	17,520	(42,225)	(139,842)
Total comprehensive (deficit)/ income attributable to:				
- Owners of the parent	(34,793)	17,489	(42,254)	(139,879)
- Non- controling interest	-	-	-	-
	(34,793)	17,489	(42,254)	(139,879)
(Loss)/ Profit per share				
- basic (sen)	(0.23)	0.15	(0.28)	(1.17)

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying notes and the Annual Audited Financial Statements for the year ended 30 June 2025.

BORNEO OIL BERHAD
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QUARTERLY REPORT ON CONSOLIDATED RESULTS
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(THE FIGURES HAVE NOT BEEN AUDITED)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited as at 31 Dec 2025 RM'000	Audited as at 30 Jun 2025 RM'000
Non Current Assets		
Properties, plant and equipment	12,756	13,142
Right-of-use assets	115,990	118,992
Investment properties	493,312	493,312
Other investments	47,847	76,907
	669,905	702,353
Current Assets		
Inventories	21,286	22,260
Biological assets	92	92
Trade receivables	3,956	6,518
Other receivables, deposits and prepayments	18,510	17,995
Tax recoverables	106	837
Amount owing by an associate	10,154	8,700
Fixed deposits with licensed banks	3,351	4,175
Cash and bank balances	8,579	9,785
	66,913	70,362
Total Assets	736,818	772,715
Equity		
Share capital	736,638	727,257
Reserves	55,927	55,956
Accumulated loss	(178,226)	(136,001)
	614,339	647,212
Non- controlling interests	208	208
	614,547	647,420
Non Current Liabilities		
Deferred tax liabilities	13,343	13,343
Lease liabilities	6,185	5,646
Hire purchase payables	730	812
Term loans	58,723	59,227
	78,981	79,028
Current Liabilities		
Trade payables	6,865	8,576
Other payables, deposits and accruals	18,238	15,174
Amount owing to an associate	8,109	6,788
Tax payables	842	780
Lease liabilities	422	1,389
Hire purchase payables	567	951
Term loans	6,451	7,406
Banker's acceptances	881	3,865
Bank overdrafts	915	1,338
	43,290	46,267
Total Equity and Liabilities	736,818	772,715
Net assets per share (RM)	0.04	0.05

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes and the Annual Audited Financial Statements for the year ended 30 June 2025.

BORNEO OIL BERHAD
Company Reg. No. 198901005309 (121919-H)
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QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE SECOND QUARTER ENDED 31 DECEMBER 2025
(THE FIGURES HAVE NOT BEEN AUDITED)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to owners of the Company								
	Non-Distributable Reserves					Non-Distributable Reserves			
	Share Capital RM'000	ESOS Reserve RM'000	Warrants Reserve RM'000	Translation Reserve RM'000	Other Reserves RM'000	Retained Earnings/ Accumulated loss RM'000	Total RM'000	Non-controlling interest RM'000	Total Equity RM'000
At 1 July 2025	727,257	-	92,803	(210)	(36,637)	(136,001)	647,212	-	647,212
Total comprehensive deficit for the financial year:-									
Loss for the financial period	-	-	-	-	-	(42,225)	(42,225)	-	(42,225)
Other comprehensive deficit for the financial period	-	-	-	(29)	-	-	(29)	-	(29)
Total comprehensive deficit	-	-	-	(29)	-	(42,225)	(42,254)	-	(42,254)
Transactions with owner:-									
Changes in ownership interest in a subsidiary	-	-	-	-	-	-	-	208	208
Share - based payment transactions	-	446	-	-	-	-	446	-	446
Employee Share Option Scheme exercised	2,797	(446)	-	-	-	-	2,351	-	2,351
Warrants exercised	6,584	-	-	-	-	-	6,584	-	6,584
Total transactions with owners	9,381	-	-	-	-	-	9,381	208	9,589
At 30 September 2025	736,638	-	92,803	(239)	(36,637)	(178,226)	614,339	208	614,547

BORNEO OIL BERHAD
Company Reg. No. 198901005309 (121919-H)
Incorporated in Malaysia
QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE SECOND QUARTER ENDED 31 DECEMBER 2025
(THE FIGURES HAVE NOT BEEN AUDITED)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

	Non-Distributable Reserves					Distributable Reserves			
	Share Capital RM'000	ESOS Reserve RM'000	Warrants Reserve RM'000	Translation Reserve RM'000	Other Reserves RM'000	Retained Earnings RM'000	Total RM'000	Non-controlling interest RM'000	Total Equity RM'000
At 1 July 2024	709,329	-	92,803	(153)	(36,637)	164,060	929,402	-	929,402
Total comprehensive income for the financial year:-									
Loss for the financial year	-	-	-	-	-	(300,061)	(300,061)	(47)	(300,108)
Other comprehensive deficit for the financial year	-	-	-	(57)	-	-	(57)	-	(57)
Total comprehensive income	-	-	-	(57)	-	(300,061)	(300,118)	(47)	(300,165)
Transactions with owners:-									
Changes in ownership interest in a subsidiary	-	-	-	-	-	-	-	255	255
Share - based payment	-	3,894	-	-	-	-	3,894	-	3,894
Employee Share Option Scheme exercised	15,354	(3,894)	-	-	-	-	11,460	-	11,460
Warrant exercised	2,574	-	-	-	-	-	2,574	-	2,574
Total transactions with owners	17,928	-	-	-	-	-	17,928	255	18,183
At 30 June 2025	727,257	-	92,803	(210)	(36,637)	(136,001)	647,212	208	647,420

The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the accompanying notes and the Annual Audited Financial Statements for the year ended 30 June 2025.

BORNEO OIL BERHAD
Company Reg. No. 198901005309 (121919-H)
Incorporated in Malaysia
QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE SECOND QUARTER ENDED 31 DECEMBER 2025
(THE FIGURES HAVE NOT BEEN AUDITED)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	6 Months 1 Jul 2025 to 31 Dec 2025 RM'000	6 Months 1 Jul 2024 to 31 Dec 2024 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES:-		
Loss before taxation	(40,196)	(139,273)
Adjustments for:		
Amortisation of right- of- use assets	3,226	3,272
Depreciation of properties, plant and equipment	1,197	1,285
Employees' share option scheme ("ESOS")	446	-
Fair value loss on investment in quoted securities	34,211	126,304
Gain on disposal of property, plant and equipment	(60)	(125)
Gain on realised exchange difference	-	(91)
Interest income	(26)	(2)
Interest expense	2,775	1,727
Loss on unrealised exchange difference	1,285	1,950
Property, plant and equipment written off	-	33
Reversal of impairment loss on amount owing by an associate	3,026	-
Reversal of impairment loss on other receivables	-	(247)
	5,884	(5,167)
Changes in working capital:-		
Inventories	975	925
Trade and other receivables	1,205	1,911
Trade and other payables	1,505	(861)
Contract asset	(175)	-
Associate company	(3,158)	6,640
Biological assets	-	-
	6,236	3,448
Tax paid	(1,239)	(411)
Tax refunded	-	5
Interest paid	(2,775)	(1,727)
Net cash used in operating activities	2,222	1,315

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the accompanying notes and the Annual Audited Financial Statements for the year ended 30 June 2025.

BORNEO OIL BERHAD
Company Reg. No. 198901005309 (121919-H)
Incorporated in Malaysia
QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE SECOND QUARTER ENDED 31 DECEMBER 2025
(THE FIGURES HAVE NOT BEEN AUDITED)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

	6 Months 1 Jul 2025 to 31 Dec 2025 RM'000	6 Months 1 Jul 2024 to 31 Dec 2024 RM'000
CASH FLOWS FROM INVESTING ACTIVITIES:-		
Interest received	26	2
Placement of fixed deposits with licensed banks	823	-
Proceeds from disposal of properties, plant and equipment	101	230
Purchase of quoted shares	(6,450)	(2,923)
Purchase of properties, plant and equipment	(633)	(169)
Net cash used in investing activities	(6,133)	(2,860)
CASH FLOWS FROM FINANCING ACTIVITIES:-		
ESOS exercised	2,352	-
Warrants exercised	6,584	-
(Repayment)/ Drawdown of term loans, net	(1,459)	21,480
Repayment of hire purchase payables, net	(684)	(1,100)
(Repayment)/ Drawdown of banker's acceptance, net	(2,984)	566
Payment of lease liabilities	(652)	(794)
Net cash generated from financing activities	3,157	20,152
NET CHANGE IN CASH AND CASH EQUIVALENTS	(754)	18,607
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	(29)	(37)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR	8,447	8,118
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	7,664	26,688
ANALYSIS OF CASH AND CASH EQUIVALENTS		
Cash and bank balances	8,579	28,388
Bank overdrafts	(915)	(1,700)
	7,664	26,688

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the accompanying notes and the Annual Audited Financial Statements for the year ended 30 June 2025.

NOTES ON THE QUARTERLY REPORT- 31 DECEMBER 2025

A. EXPLANATORY NOTES AS PER MALAYSIAN FINANCIAL REPORTING STANDARD (MFRS) 134, *INTERIM FINANCIAL REPORTING*

A1. Basis of Preparation

This interim financial report was prepared in accordance with the requirements of paragraph 9.22 of the Main Market Listing Requirement of Bursa Malaysia Securities Berhad and complies with MFRS 134, *Interim Financial Reporting* and other MFRS issued by the Malaysian Accounting Standards Board ("MASB").

The interim financial report is unaudited and should be read in conjunction with the Group's audited financial statements for the financial year ended 30 June 2025.

These explanatory notes attached to the interim financial report provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 30 June 2025.

A2. Changes in accounting policies arising from the adoption of new MFRSs, Amendments/Improvements to MFRSs and new IC Interpretations 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.

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

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A2. Changes in accounting policies arising from the adoption of new MFRSs, Amendments to MFRSs and IC Interpretations (Continued)

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*

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.

A3. Audit Report

The auditors' report on the audited financial statements for the financial year ended 30 June 2025 was not qualified.

A4. Seasonal or Cyclical Factors

The operations of the Group are not materially affected by seasonal or cyclical factors.

A5. Unusual Items

There were no items or events arose, which affect the assets, liabilities, equity, net income or cash flows, that were unusual by reason of their nature, size or incidence.

A6. Material Changes in Estimates

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

A7. Issuance, Cancellations, Repurchases, Resale and Repayments of Debts and Equity Securities

During the quarter under review, a total of 145,000 Warrant C were exercised at RM0.07 per share, 23,503,525 Warrant E were exercised at RM0.01 per share and 18,300,000 new ordinary shares at RM0.005 were issued pursuant to the exercise of ESOS. There are no outstanding options that were granted and not exercised under the existing ESOS.

As at the quarter ended, there were a total of 15,177,428,905 issued ordinary shares.

A8. Dividends Paid

There was no dividend paid during the quarter under review.

A9. Revaluation of Assets

The Group did not revalue any of its property, plant and equipment during the quarter under review.

A. EXPLANATORY NOTES AS PER MALAYSIAN FINANCIAL REPORTING STANDARD (MFRS) 134, *INTERIM FINANCIAL REPORTING*

A10. Material Subsequent Event

There were no material events subsequent to the end of the current financial quarter under review that have not been reflected in the Condensed Consolidated Financial Statement.

A11. Changes in Composition of the Group

There were no material events subsequent to the end of the current financial quarter under review that have not been reflected in the Condensed Consolidated Financial Statement.

A12. Changes in Contingent Liabilities or Contingent Assets

The Group's contingent liabilities totalling RM81.39 million, comprise of corporate guarantees to licensed financial institutions for banking facilities granted to the subsidiaries of the Group.

A13. Capital Commitments

There were no commitments for capital expenditure as at 31 December 2025.

A. EXPLANATORY NOTES AS PER MALAYSIAN FINANCIAL REPORTING STANDARD (MFRS) 134, *INTERIM FINANCIAL REPORTING*

A14. Significant Related Party Transactions (Intercompany within the Group)

	Individual Quarter		Cumulative Quarter	
	3 Months	3 Months	6 Months	6 Months
	1 Oct 2025 to	1 Oct 2024 to	1 Jul 2025 to	1 Jul 2024 to
	31 Dec 2025	31 Dec 2024	31 Dec 2025	31 Dec 2024
	RM'000	RM'000	RM'000	RM'000
Sale of fast food and restaurant operations among subsidiaries	-	14	-	64
Sale of limestones among subsidiaries	416	-	454	140
Rental income among subsidiaries	72	57	144	114
Management fee among subsidiaries	6	336	12	972
Consultancy fee among subsidiaries	688	675	1,382	1,374
Rental expenses among subsidiaries	72	57	144	114

BORNEO OIL BERHAD
Company Reg. No. 198901005309 (121919-H)
Incorporated in Malaysia

NOTES ON THE QUARTERLY REPORT- 31 DECEMBER 2025

A15. Group Segmental Information

	Head office & others		Food and franchise operations		Property investment & management		Resources & sustainable energy		Total Consolidated	
	31.12.2025	31.12.2024	31.12.2025	31.12.2024	31.12.2025	31.12.2024	31.12.2025	31.12.2024	31.12.2025	31.12.2024
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue										
External revenue	18	18	38,074	36,198	591	826	2,567	1,876	41,250	38,918
Inter-segment revenue	1,394	2,346	-	63	-	1	455	140	1,849	2,550
Total revenue	1,412	2,364	38,074	36,261	591	827	3,022	2,016	43,099	41,468
Less: Inter-segment revenue									(1,849)	(2,550)
									41,250	38,918
Results										
Segment results	(36,641)	(127,056)	5,842	1,337	(536)	(3,349)	(2,012)	(4,658)	(33,347)	(133,726)
Consolidation elimination									324	735
									(33,023)	(132,991)
Not included in the measure of segment loss:-										
Depreciation and amortisation									(4,423)	(4,557)
Interest income									26	2
Finance costs									(2,775)	(1,727)
Share of results of an associate									-	-
Loss before tax									(40,195)	(139,273)
Income tax expenses									(2,030)	(569)
Loss for the financial period									(42,225)	(139,842)

BORNEO OIL BERHAD
Company Reg. No. 198901005309 (121919-H)
Incorporated in Malaysia

NOTES ON THE QUARTERLY REPORT- 31 DECEMBER 2025

A15. Group Segmental Information (Continued)

	Head office & others		Food and franchise operations		Property investment & management		Resources & sustainable energy		Total Consolidated	
	31.12.2025	30.06.2025	31.12.2025	30.06.2025	31.12.2025	30.06.2025	31.12.2025	30.06.2025	31.12.2025	30.06.2025
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Assets										
Segment assets	628,609	661,920	55,028	56,142	542,205	545,681	262,112	266,207	1,487,954	1,529,950
Consolidation elimination									(751,136)	(757,235)
Consolidated total assets									736,818	772,715
Liabilities										
Segment liabilities	2,604	1,459	24,011	26,913	422,172	425,012	111,269	111,078	560,056	564,462
Tax payables	(20)	-	-	780	-	-	862	-	842	780
Loans and borrowings	46,065	47,501	5,320	7,436	262	287	16,620	18,375	68,267	73,599
Deferred tax liabilities	-	-	-	-	9,727	9,727	3,616	3,616	13,343	13,343
Lease liabilities	319	371	5,368	5,748	117	26	803	889	6,607	7,034
Consolidation elimination									(526,844)	(533,923)
Consolidated total liabilities									122,271	125,295

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Incorporated in Malaysia

NOTES ON THE QUARTERLY REPORT- 31 DECEMBER 2025

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

B1. Financial Review for the Current Quarter

	Individual Quarter 1 Oct 2025 to 31 Dec 2025		Individual Quarter 1 Oct 2024 to 31 Dec 2024	
	Revenue RM'000	Profit/(Loss) Before Tax RM'000	Revenue RM'000	Profit/(Loss) Before Tax RM'000
Head office & others	9	(35,646)	9	22,724
Food and franchise operations	20,280	4,302	18,350	(1,627)
Property investment & management	325	(1,065)	453	(1,471)
Resources & sustainable energy	1,752	(722)	885	(1,850)
Share of results of associate	-	-	-	-
Group revenue and profit/(loss) from (net of finance cost)	22,366	(33,131)	19,697	17,776

Head Office and Others (HOO) recorded a loss of RM35.65 million for the quarter, compared to a profit of RM22.72 million in the corresponding quarter last year. The loss was primarily attributable to a fair value loss of RM31.87 million on quoted securities in Verde Resources, Inc. (OTC: VRDR).

Food and Franchise Operations (FFO) achieved revenue of RM20.28 million, representing a 10% increase from RM18.35 million in the same quarter last year, mainly driven by the addition of 24 outlets over the past 12 months. During the quarter, the total number of outlets increased from 155 to 163, reflecting continued expansion. The segment recorded a profit of RM4.30 million, compared to a loss of RM1.63 million in the corresponding quarter last year, which was mainly due to one-off expenses incurred for the franchisees' convention held in Kota Kinabalu in November 2024. Excluding this, performance remained consistent with the accrual basis of profit recognition.

Property Investment & Management (PIM) reported revenue of RM0.33 million for the quarter, compared to RM0.45 million in the same period last year. The segment recorded a loss of RM1.07 million, an improvement from a loss of RM1.47 million in the corresponding quarter, mainly due to lower business activities within the segment.

Resources & Sustainable Energy (RSE) posted revenue of RM1.76 million for the quarter, compared to RM0.89 million in the same quarter last year. The segment recorded a loss of RM0.72 million, compared to a loss of RM1.85 million previously, primarily due to reduced business activities during the quarter under review.

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

B2. Financial Review for the Current Quarter with the Immediate Preceding Quarter

	Current Quarter ended 31 Dec 2025	Preceding Quarter ended 30 Sep 2025	Variances	
	RM'000	RM'000	RM'000	%
Revenue	22,366	18,884	3,482	18%
Loss before taxation	(33,131)	(7,064)	(26,067)	369%

The Group recorded revenue of RM22.37 million for the quarter, an increase from RM18.89 million in the preceding quarter. However, the Group reported a loss of RM33.13 million, compared to a loss of RM7.06 million in the previous quarter.

The improvement in revenue was mainly driven by stronger contributions from the FFO segment, largely attributable to the increase in the number of outlets. During the quarter, the Group also recognised a fair value loss on quoted securities, which significantly widened the overall loss to RM33.13 million.

Despite this short-term valuation impact, the Company remains confident in VRDR’s long-term prospects and anticipates a potential recovery in its market performance. On 23 December 2025, VRDR announced that it had applied to list its common stock on the Nasdaq Stock Market, and a registration statement in connection with its proposed underwritten offering has been filed with the Securities and Exchange Commission.

B3. Prospects

Malaysia’s economic outlook remains stable, supported by resilient domestic demand, a steady labour market and continued recovery in consumer spending. While external uncertainties and global market volatility may persist, inflationary pressures are expected to remain manageable. These conditions are anticipated to provide a generally stable operating environment for the Group in the coming quarters.

Against this backdrop, the Group will continue to strengthen its core businesses. The FFO segment is expected to sustain its growth momentum driven by outlet expansion. The Group will maintain prudent financial management and closely monitor market developments, particularly in relation to its investment portfolio to capture potential upside opportunities.

Looking ahead, the Group remains focused on execution of its strategic plans, operational efficiency improvements and selective investments in growth areas. Barring any unforeseen circumstances, the Board is cautiously optimistic that the Group’s performance for the FY2026 will be supported by its expanding operational footprint and long-term strategic initiatives.

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Company Reg. No. 198901005309 (121919-H)
Incorporated in Malaysia

NOTES ON THE QUARTERLY REPORT- 31 DECEMBER 2025

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

B4. Variation Profit Forecast/Profit Guarantee

Not applicable as there was no profit forecast or guarantee issued.

B5. Taxation

The tax charge for the Group are as follows: -

	Individual Quarter	Cumulative Quarter
	3 Months 1 Oct 2025 to 31 Dec 2025 RM'000	6 Months 1 Jul 2025 to 31 Dec 2025 RM'000
Income tax- current year	(451)	(862)
Income tax- prior year	(1,168)	(1,168)
	(1,619)	(2,030)

The disproportionate tax charge of the Group for the current quarter was mainly due to the utilisation of tax losses brought forward by the subsidiary companies.

B6. 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 the Proposals were approved by shareholders through poll voting at the Extraordinary General Meeting (EGM) held on the same date.

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

B6. Status of Corporate Proposals (Continued)

i. 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.

   As of the reporting date, a cumulative total of 914,848,675 Warrant E have been exercised at RM0.01 per share.

ii. 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, a total of 2,270,300,000 options were granted and fully exercised. There are no outstanding options that were granted but remain unexercised under the existing ESOS.

B7 Borrowings and Debts Securities

	Unaudited as at 31 Dec 2025 RM'000	Audited as at 30 Jun 2025 RM'000
Short term borrowings:		
- Bank overdrafts	915	1,338
- Bankers' acceptances	881	3,864
- Term loans	6,451	7,406
- Hire purchase payables	567	951
	8,814	13,559
Long term borrowings:		
- Term loans	58,723	59,227
- Hire purchase payables	730	812
	59,453	60,039
Total borrowings	68,267	73,598

All the above borrowings are denominated in Ringgit Malaysia.

B8. Material Litigation

The Management is not aware of any litigation which will have a material effect on the financial position or the business of the Group and the Board is not aware of any proceedings pending or threatened against the Group or of any fact likely to give rise to any proceedings which may materially and adversely affect the financial position or business of the Group at the date of this report.

B9. Dividends

No dividend has been proposed and paid for during the current financial quarter.

BORNEO OIL BERHAD
Company Reg. No. 198901005309 (121919-H)
Incorporated in Malaysia

NOTES ON THE QUARTERLY REPORT- 31 DECEMBER 2025

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

B10. Earnings per Share

	Individual Quarter		Cumulative Quarter	
(a) Basic EPS	**3 Months 1 Oct 2025 to 31 Dec 2025**	**3 Months 1 Oct 2024 to 31 Dec 2024**	**6 Months 1 Jul 2025 to 31 Dec 2025**	**6 Months 1 Jul 2024 to 31 Dec 2024**
Net (loss)/profit for the period/year attributable to equity holders (RM'000)	(34,750)	17,520	(42,225)	(139,842)
Weighted average number of ordinary shares in issue (‘000)	15,145,702	11,992,135	15,002,760	11,992,135
Basic (loss)/earning per share (sen)	(0.23)	0.15	(0.28)	(1.17)

The Group does not have any potential dilutive ordinary shares as the market price of the shares was lower than the exercise price. As a result, the warrants are anti-dilutive in nature and have not been considered in the computation of diluted earnings per share.

B11. Notes to the Condensed Consolidated Statement of Comprehensive Income

Total comprehensive (deficit)/income is arrived at after (charging)/ crediting: -

	Individual Quarter		Cumulative Quarter	
	3 Months 1 Oct 2025 to 31 Dec 2025 RM'000	**3 Months 1 Oct 2024 to 31 Dec 2024 RM'000**	**6 Months 1 Jul 2025 to 31 Dec 2025 RM'000**	**6 Months 1 Jul 2024 to 31 Dec 2024 RM'000**
(Loss)/Profit before tax is arrived after (charging):				
Amortisation of right- of- use assets	(3,226)	(1,625)	(3,226)	(3,272)
CSR expenses	(8)	(1)	(14)	(5)
Depreciation of property, plant and equipment	(603)	(640)	(1,197)	(1,285)
Employee share option scheme ("ESOS")	(28)	-	(446)	-
Fair value loss on investment in quoted securities	(31,869)	20,655	(34,211)	(126,304)
Loss on realised exchange difference	(6)	(5)	(6)	(5)
Loss on unrealised exchange difference	(1,336)	2,397	(1,358)	(2,313)
Property, plant and equipment written off	-	(15)	-	(33)
Interest expense	(1,374)	(844)	(2,775)	(1,727)

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

B11. Notes to the Condensed Consolidated Statement of Comprehensive Income (Continued)

	Individual Quarter		Cumulative Quarter	
	3 Months	3 Months	6 Months	6 Months
	1 Oct 2025 to 31 Dec 2025	1 Oct 2024 to 31 Dec 2024	1 Jul 2025 to 31 Dec 2025	1 Jul 2024 to 31 Dec 2024
	RM'000	RM'000	RM'000	RM'000
and crediting the following items:				
Gain on disposal of property, plant and equipment	31	125	60	125
Gain on realised exchange difference	(1)	64	-	91
Gain on unrealised exchange difference	73	110	73	363
Government grant	-	-		
Reversal of impairment loss on amount owing by an associate	3,026	-	3,026	
Reversal of impairment loss on other receivables	-	-	-	247
Interest income	12	1	26	2
Rental income	209	296	436	592

B12. Fair Value Changes of Financial Liabilities

There were no material gain/loss arising from fair value changes of financial liabilities for the current financial quarter ended.

By Order of the Board
Chin Siew Kim
Company Secretary
27 February 2026