**BORNEO OIL BERHAD**

**Company No. 121919-H**

**(Incorporated in Malaysia)**

**QUARTERLY REPORT ON CONSOLIDATED RESULTS**

**FOR THESECOND QUARTER ENDED**

**31 JULY 2014**

**(THE FIGURES HAVE NOT BEEN AUDITED)**

**BORNEO OIL BERHAD**

*(Company No. 121919-H)*

**Incorporated in Malaysia**

**QUARTERLY REPORT ON CONSOLIDATED RESULTS**

**FOR THE SECOND QUARTER ENDED 31 JULY 2014**

* **THE FIGURES HAVE NOT BEEN AUDITED**

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

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| **BORNEO OIL BERHAD**  *(Company No. 121919-H)*  **Incorporated in Malaysia**  **QUARTERLY REPORT ON CONSOLIDATED RESULTS**  **FOR THESECONDQUARTER ENDED 31 JULY 2014**   * **THE FIGURES HAVE NOT BEEN AUDITED**   **CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION** |  |  |  |  |  |

**BORNEO OIL BERHAD**

*(Company No. 121919-H)*

**Incorporated in Malaysia**

**QUARTERLY REPORT ON CONSOLIDATED RESULTS**

**FOR THE SECOND QUARTER ENDED 31 JULY 2014**

* **THE FIGURES HAVE NOT BEEN AUDITED**



The condensed consolidated statements of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 January 2014 and the explanatory notes attached to the interim financial statements.

**BORNEO OIL BERHAD**

*(Company No. 121919-H)*

**Incorporated in Malaysia**

**QUARTERLY REPORT ON CONSOLIDATED RESULTS**

**FOR THE SECOND QUARTER ENDED 31 JULY 2014**

* **THE FIGURES HAVE NOT BEEN AUDITED**

**CONDENSED CONSOLIDATED CASH FLOW STATEMENT**

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The condensed consolidated cash flow statements should be read in conjunction with the audited financial statements for the year ended 31 January 2014 and the accompanying explanatory notes attached to the interim financial statements.

**BORNEO OIL BERHAD**

*(Company No. 121919-H)*

**Incorporated in Malaysia**

**Notes on the quarterly report – 31 July 2014**

**A. EXPLANATORY NOTES AS PER FRS 134 – INTERIM FINANCIAL REPORTING**

**A1. Basis of preparation**

The interim financial report is unaudited and has been prepared in accordance with the requirements of MFRS 134: Interim Financial Reporting and Chapter 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial report should be read in conjunction with the audited financial statements of the Company for the year ended 31 January 2014. These explanatory notes attached to the interim financial report provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Company since the financial year ended 31 January 2014.

As at 31 July 2014, the following MFRs and IC Interpretations were not in issue but not yet effective and have not been applied by the Group:

Effective date for

Financial periods

Beginning on or after

MFRS 9 Financial instruments (IFRS 9 issued by IABS 1 January 2015

In November 2009)

Financial instruments (IFRS 9 issued by IASB

In October 2010)

**A2. Audit Report**

The auditors’ report on the audited financial statements for the year ended 31 January 2014 was not qualified.

**A3. Seasonal or Cyclical Factors**

The operations of the Group generally move in tandem with the performance of the fast food and property industries and the overall economic landscape.

**A4. Unusual Items**

During the quarter under review there were no items or events that arose, which affected assets, liabilities, equity, net income or cash flows, that were unusual by reason of their nature, size or incidence.

**BORNEO OIL BERHAD**

*(Company No. 121919-H)*

**Incorporated in Malaysia**

**Notes on the quarterly report – 31 July 2014**

**A5. Changes in Estimates**

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

**A6. Issuance, Cancellations, Repurchases, Resale and Repayments of Debts and Equity Securities**

There is no repurchase, resale or cancellation of Company’s own shares during the quarter.

**A7. Dividends Paid**

There is no dividend paid during the quarter under review.

**A8. Segmental Information**

Revenue from the following business activities.

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| **BORNEO OIL BERHAD**  *(Company No. 121919-H)*  **Incorporated in Malaysia**  **Notes on the quarterly report – 31 July 2014**    **A9. Valuation of Property, Plant & Equipment**  Based on the latest up-dated professional valuer’s report, no provision for diminution in value of the Group’s investment properties is required as their overall market values are much higher than that of the previous report.  **A10. Material Post Reporting Quarter events**  The Company’s corporate exercise involving proposed par value reduction via the cancellation of RM0.90 of the par value of every existing ordinary share of RM1.00 each in its issued and paid-up share capital pursuant to Section 64 of the Companies Act, 1965, proposed private placement of up to 20% of the issued and paid-up share capital, proposed diversification of the existing core businesses of the Company and its subsidiaries to include mining and its related activities and proposed amendments to the Memorandum and Articles of Association of the Company had been approved by the shareholders at the extraordinary general meeting held on 09 September, 2014.The High Court of Malaya had on 22 September 2014 granted an order confirming the said par value reduction. Subsequent to the above which were duly announced to BURSA, the Company had on 24 September, 2014, through RHB Investment Bank Berhad, announced the adjusted exercise price of the outstanding warrants B - 2008/2018 pursuant to the said par value reduction.  **A11. Changes in Composition of the Group**  There were no changes in the composition of the Group for the current quarter and financial  year to date.  **A12. Changes in Contingent Liabilities or Contingent Assets**  There were no changes in contingent liabilities or contingent assets of the Group during the  quarter under review.  **A13. Acquisitions and disposals of property, plant and equipment**  There were no material acquisition or disposal of any major property, plant and equipment  of the Group other than those in the ordinary course of business during the quarter under  review.  **A14. Capital Commitment**  There were no material commitment of the Group for the quarter under review.  **BORNEO OIL BERHAD**  *(Company No. 121919-H)*  **Incorporated in Malaysia**  **Notes on the quarterly report – 31 July 2014**  **B.ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENTS**  **B1. Review of Performance**  The Group performed remarkably well in the Quarter under review. While the Fast Food division continued with its consistent and impressive performance, the Group’s new venture in the gold mining activities performed satisfactorily as envisaged. This was in line with the objective of the corporate exercise undertaken by the Company as outlined in paragraph A10 above in which gold mining and its related activities are expected to replace the existing fast food operations as the Group’s core business in the future. The other business divisions of the Group also performed as planned. | | | | The | |  | |  | |
| **B2. Variation of results against preceding quarter**  As can be noted in paragraph A8 - Segmental Information, the gold mining and its related activities contributed significantly in the Quarter under review. The division recorded a profit of RM2.79 million as compared to the initial loss in the preceding Quarter, attributable to the various pre-operating and start-up costs and expenses incurred. | | | | Wi | |  | |  | |
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| **B3**.**Current year prospects**  The gold mining operation has shown encouraging signs of future profitability. With the Company raising funds from the proposed private placement in due course to finance the required operational facilities and working capital for expanded activities, the Board is confident that the corporate objective of the proposed business diversification into gold mining would be able to contribute significantly to the overall profitability and financial strength of the Group. Couple with the contributions from the fast food and other divisions, the Board is confident of a brighter prospect for the Group.  **B4. Variation Profit Forecast / Profit Guarantee**  Profit Forecast – N/A  Profit Guarantee – N/A  The Group did not issue any profit forecast nor profit guarantee during the current financial  period to date.  **B5. Taxation**  The provision made is based on estimate subject to final taxation computation after having made due allowances for non-allowable expenses.  **BORNEO OIL BERHAD**  *(Company No. 121919-H)*  **Incorporated in Malaysia**  **Notes on the quarterly report – 31 July 2014**    **B6. Corporate Proposals**  The corporate exercises that are still pending are:   1. The application submitted to the Securities Commission on 3 December 2010 for proposed variation in the manner of utilisation of a portion of the cash proceeds amounting to RM 2.00 million previously raised through a special issue which is still pending their consideration and approval. 2. The proposed private placement is exercise referred to in paragraph 10A above. | | | |  | |  | |  | |
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| **B7. Borrowings and Debt Securities** | | | |  | |  | |  | |
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| **B8. Material Litigation** | | | |  | |  | |  | |

The Group has no material litigation which will affect its financial position or business operations.

**B9. Dividends**

No dividends had been declared in respect of the current quarter under review.

**BORNEO OIL BERHAD**

*(Company No. 121919-H)*

**Incorporated in Malaysia**

**Notes on the quarterly report – 31 July2014**

**B10. Earnings per share**

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There are no diluted earnings per share as the Company does not have any share option in issue at the current quarter under review.

**B11. Realised and Unrealised Profits/(Losses) Disclosure**

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The disclosure of realised and unrealised profits / losses above is solely for compliance with the directive issued by the Bursa Malaysia Securities Berhad and should not be used for any other purpose.

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| **BORNEO OIL BERHAD**  *(Company No. 121919-H)*  **Incorporated in Malaysia**  **Notes on the quarterly report – 31 July 2014** |  |

**B12. Notes to the Condensed Consolidated Statement of Comprehensive Income**

The result before taxis derived:



By Order of the Board

Chin Siew Kim

Company Secretary

29 September 2014