BORNEO OIL BERHAD

Company No. 121919-H

(Incorporated in Malaysia)

QUARTERLY REPORT ON CONSOLIDATED RESULTS

FOR THE SECOND QUARTER ENDED

31 JULY 2017

(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 2017

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 THE SECOND QUARTER ENDED 31 JULY 2017  THE FIGURES HAVE NOT BEEN AUDITED  CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION |  |  |  |  |  | |

BORNEO OIL BERHAD

(Company No. 121919-H)

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QUARTERLY REPORT ON CONSOLIDATED RESULTS

FOR THE SECOND QUARTER ENDED 31 JULY 2017

THE FIGURES HAVE NOT BEEN AUDITED

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY



The condensed consolidated statements of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 January 2017 and the explanatory notes attached to the interim financial statements.

BORNEO OIL BERHAD

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QUARTERLY REPORT ON CONSOLIDATED RESULTS

FOR THE SECOND QUARTER ENDED 31 JULY 2017

THE FIGURES HAVE NOT BEEN AUDITED

CONSOLIDATED CASH FLOW STATEMENT



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BORNEO OIL BERHAD

(Company No. 121919-H)

Incorporated in Malaysia

QUARTERLY REPORT ON CONSOLIDATED RESULTS

FOR THE SECOND QUARTER ENDED 31 JULY 2017

THE FIGURES HAVE NOT BEEN AUDITED

CONSOLIDATED CASH FLOW STATEMENT (Continue)

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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 2017 and the accompanying explanatory notes attached to the interim financial statements.

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BORNEO OIL BERHAD

(Company No. 121919-H)

Incorporated in Malaysia

Notes on the quarterly report – 31 July 2017

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 2017. 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 2017.

All the MFRSs and IC Interpretations applicable to the Group have been applied in the preparation of the current quarter report as in previous quarters.

A2. Audit Report

The auditors’ report on the audited financial statements for the year ended 31 January 2017 was not qualified.

A3. Seasonal or Cyclical Factors

The operations of the Group generally move in tandem with the performance of the various industries undertaken.

A4. Unusual Items

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

A5. Other Income

Included in the Other Income was a fair value gain of RM 3.84 million from the trading of gold spot contracts.

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BORNEO OIL BERHAD

(Company No. 121919-H)

Incorporated in Malaysia

Notes on the quarterly report – 31 July 2017

A6. 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.

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

A total of 2,112,341,814 new ordinary shares were credited as fully paid-up shares on the basis of four (4) bonus shares for every eight (8) existing Bornoil shares held on an entitlement during the quarter.

A total of 528,085,453 new warrants in Bornoil (Warrant D) on the basis of one (1) free Warrant D for every eight (8) existing Bornoil shares held on an entitled during the quarter.

A8. Dividends Paid

There is no dividend paid during the quarter under review.

A9. Valuation of Property, Plant & Equipment

There were no valuation conducted during the quarter.

A10. Significant Event

There were no significant events during the quarter except for the announcement made to Bursa on 15 June 2017 with regards to the following:

1. a proposed establishment of a new Employees’ Share Option Scheme of up to 15% of the total number of issued shares of the Company, and
2. a proposed amendment to the Articles of Association of the Company.

A11. Subsequent Events

There were no significant events during the quarter.

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BORNEO OIL BERHAD

(Company No. 121919-H)

Incorporated in Malaysia

Notes on the quarterly report – 31 July 2017

A12. Changes in Composition of the Group

There was no major changes in the Group’s composition during the quarter.

A13. Changes in Contingent Liabilities or Contingent Assets

The Group’s contingent liabilities totaling RM 1.84 million comprises of corporate guarantees given on behalf of subsidiaries in securing banking facilities.

A14. Group Segmental Information

Group segmental results by business activities.



A15. Financial assets and liabilities

The amount of financial assets of RM 423,724,000 and financial liabilities of RM 384,994,000 were related to unsold balance of gold spot contracts and the amount financed by the financial institution in respect of gold spot trading respectively.

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| BORNEO OIL BERHAD  (Company No. 121919-H)  Incorporated in Malaysia  Notes on the quarterly report – 31 July 2017    B. ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENTS  B1. Review of Performance  The Group recorded a total turnover of RM 19.41 million for the current quarter mainly from its contributing divisions ie fast food and franchise (FF), mining, energy and related (MM) and the property and management operation (PM). The amount achieved was consistent with that of the preceding period of RM 19.37 million.  FF division managed to maintain a total revenue of RM 10.96 million as achieved in the preceding quarter of RM 10.57 million despite the continuing unfavourable market condition affecting the fast food business and the discontinuation of 3 SugarBun and 2 Pezzo outlets due to poor business and fire during the quarter.  MM division’s turnover was RM 6.89 million as compared to the preceding quarter of RM 7.39 million. During the quarter the division produced 317.49 oz of gold dore out of 153,667.2 MT of ore mined as compared to the preceding quarter of 194.95 oz produced and 142,218.4 MT mined respectively. As for the trading of gold spot contracts, a total of 9,440 kg were purchased and 8,437 kg sold during the quarter.  PM division’s revenue contribution to the Group was RM 1.55 million as compared to the preceding quarter of RM 1.42 million. | |  | |  | |  | |
| B2. Review of results.  The Group’s profit for the quarter of RM 4.05 million was slightly lower than that of the preceding quarter of RM 5.25 million. This was mainly due to the MM division’s comparatively much lower fair value gain from the trading of the gold spot contracts whilst the results of the other divisions were proportionately in line with their respective recorded revenue.  Notwithstanding the above the Group’s overall result achieved from the generally unfavourable market condition during the quarter was quite satisfactory and as expected.  10  BORNEO OIL BERHAD  (Company No. 121919-H)  Incorporated in Malaysia  Notes on the quarterly report – 31 July 2017  B3. Current year prospects  The Board had taken note of the Group’s overall performance and would accordingly make every effort to improve in the coming periods and barring any unforeseen circumstances, the Board is confident that the Company will be in the correct and positive path in achieving an improved result in line with the corporate and operational plans.  B4. Variation Profit Forecast / Profit Guarantee  There were no profit forecast or guarantee made during the quarter.  B5. Taxation  No taxation was provided during the quarter under review.  B6. Corporate Proposals  There was no new corporate proposal during the quarter.          11 | |  | |  | |  | |
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| BORNEO OIL BERHAD  (Company No. 121919-H)  Incorporated in Malaysia  Notes on the quarterly report – 31 July 2017 | |  | |  | |  | |
| B7. Borrowings and Debts Securities    All the above borrowings are denominated in Ringgit Malaysia    B8. Material Litigation  There is no material litigation that will have a material effect on the financial position and operation of the Company and the Group.  B9. Dividends  There was no dividend proposed or declared during the current quarter.  12 | |  | |  | |  | |
| BORNEO OIL BERHAD  (Company No. 121919-H)  Incorporated in Malaysia  Notes on the quarterly report – 31 July 2017  B10. Earnings per share | |  | |  | |  | |
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B11. Realised and Unrealised Profits/Losses Disclosure



The disclosure of realised and unrealised profits/losses above is solely for compliance with the directive

issued by BURSA and should not be used for any other purpose.

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BORNEO OIL BERHAD

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Incorporated in Malaysia

Notes on the quarterly report – 31 July 2017

B12. Notes to the Condensed Consolidated Statement of Comprehensive Income

Profit/(loss) before tax is derived after charging / (crediting) :



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BORNEO OIL BERHAD

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Notes on the quarterly report – 31 July 2017

B13. STATUS OF UTILISATION OF PROCEEDS FROM CORPORATE EXERCISES

Rights Issues Exercise:

Proposed Time frame Actual Balance Utilisation for utilisation utilization unutilised

RM’000 (Months) RM’000 RM’000

Exploration expenditure for

gold mining operation 15,000 Within 24 mths 11,699 3,301

Purchase of machineries &

Equipment for gold mining

operation 30,000 Within 24 mths 26,896 3,104

Working capital for gold

Mining operation 75,621 Within 30 mths 74,690 931

Purchase of plant and

equipment for limestone

mining operation 10,000 Within 12 mths 10,000 -

Working capital for limestone

mining operation 8,000 Within 24 mths 8,000 -

Working capital for fast food

Operation 5,000 Within 12 mths 5,000 -

Future investments 60,000 Within 24 mths 60,000 -

Repayment of borrowings 20,409 Within 3 mths 20,409 -

Estimated expenses in

relation to the Rights

Issue with warrants 4,750 Within 3 mths 4,750 -

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228,780 221,444 7,336

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Private Placement Exercise:

The remaining allocation of RM 5.0 million for the food processing factory has been fully utilised.

By Order of the Board

Chin Siew Kim

Company Secretary

28 September 2017

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