

**BORNEO OIL BERHAD**

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

**QUARTERLY REPORT ON CONSOLIDATED RESULTS  
FOR THE SECOND QUARTER ENDED  
31 DECEMBER 2020**

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

**BORNEO OIL BERHAD**  
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**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

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 2020.

	Individual Quarter		Cumulative Quarter	
	3 Months 1 Oct 2020 to 31 Dec 2020 RM'000	3 Months 1 Oct 2019 to 31 Dec 2019 RM'000	6 Months 1 July 2020 to 31 Dec 2020 RM'000	6 Months 1 July 2019 to 31 Dec 2019 RM'000
Revenue	10,007	29,173	22,045	52,406
Cost of sales	(7,521)	(21,813)	(15,773)	(39,228)
Gross profit	2,486	7,360	6,272	13,178
Other income	9,145	310	9,836	2,676
Operating expenses	(9,628)	(6,845)	(18,982)	(14,310)
Profit/(Loss) from operations	2,003	825	(2,874)	1,544
Finance costs	(239)	(291)	(468)	(606)
Profit/(Loss) before taxation	1,764	534	(3,342)	938
Taxation	(87)	(10)	(173)	(38)
Profit/(Loss) for the period	1,677	524	(3,515)	900
Other comprehensive income for the financial period				
- Foreign currency translation	(134)	(28)	(151)	18
Total comprehensive income/(deficit) for the financial period	1,543	496	(3,666)	918
Income/(Deficit) attributable to:				
- Owners of the parent	1,677	524	(3,515)	900
Total comprehensive income/(deficit) attributable to:				
- Owners of the parent	1,543	496	(3,666)	918
Earnings/(Loss) per share				
- basic (sen)	0.03	0.01	(0.06)	0.02
- diluted (sen)	0.02	0.01	(0.04)	0.02

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**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	<b>Unaudited as at 31 Dec 2020 RM'000</b>	<b>Audited as at 30 Jun 2020 RM'000</b>
<b>Non Current Assets</b>		
Property, plant and equipment	14,438	15,136
Right-of-use assets	7,695	9,087
Investment properties	612,267	612,267
Intangible assets	9	-
Other investments	544	393
Development expenditure	94	-
Exploration expenditure	3,801	1,693
Receivables	17,351	17,351
	<u>656,199</u>	<u>655,927</u>
<b>Current Assets</b>		
Inventories	29,702	21,209
Trade receivables	16,806	27,101
Other receivables	23,093	13,021
Contract asset	3,124	851
Tax recoverable	899	1,824
Fixed deposits with licensed banks	3,980	3,957
Cash and bank balances	35,597	5,597
	<u>113,201</u>	<u>73,560</u>
<b>Total Assets</b>	<u>769,400</u>	<u>729,487</u>
<b>Shareholders' Fund</b>		
Share capital	592,833	536,349
Reserves	68,170	77,273
Retained earnings	54,671	58,186
	<u>715,674</u>	<u>671,808</u>
<b>Non Current Liabilities</b>		
Long term borrowings	10,713	10,968
Hire purchase creditors	779	1,246
Lease liabilities	2,593	3,504
Deferred tax liabilities	18,370	18,370
Payables	699	699
	<u>33,154</u>	<u>34,787</u>
<b>Current Liabilities</b>		
Trade payables	7,359	6,738
Other payables	7,881	9,789
Hire purchase creditors	831	792
Short term borrowings	919	1,569
Lease liabilities	1,589	1,825
Bank overdraft	1,339	1,590
Tax payable	654	589
	<u>20,572</u>	<u>22,892</u>
<b>Total Equity and Liabilities</b>	<u>769,400</u>	<u>729,487</u>
Net assets per share (RM)	<u>0.11</u>	<u>0.13</u>

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 2020.

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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

	Non-Distributable Reserves					Distributable Reserves	Total Equity
	Share Capital	ESOS Reserve	Warrants Reserve	Treasury Shares	Translation Reserve	Retained Earnings	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>At 1 July 2020</b>	536,349	-	93,441	(16,200)	32	58,186	671,808
<b>Total comprehensive income for the financial period:-</b>							
Profit for the financial period	-	-	-	-	-	(3,515)	(3,515)
Other comprehensive income for the financial period	-	-	-	-	(151)	-	(151)
<b>Total comprehensive income</b>	-	-	-	-	(151)	(3,515)	(3,666)
<b>Transactions with owners:-</b>							
Issue of shares	23,720	-	-	-	-	-	23,720
Share- based payment transactions	-	8,428	-	-	-	-	8,428
ESOS exercised	32,764	(8,149)	-	-	-	-	24,615
Acquisition of treasury shares	-	-	-	(9,231)	-	-	(9,231)
<b>Total transactions with owners</b>	56,484	279	-	(9,231)	-	-	47,532
<b>At 31 December 2020</b>	592,833	279	93,441	(25,431)	(119)	54,671	715,674

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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)**

	Non-Distributable Reserves				Distributable Reserves	Total Equity RM'000
	Share Capital RM'000	Warrants Reserve RM'000	Treasury Shares RM'000	Translation Reserve RM'000	Retained Earnings RM'000	
<b>Balance as at 1 July 2019</b>	536,349	93,441	(13,238)	93	56,833	673,478
Adjustment on application of MFRS 16, net of tax	-	-	-	-	(396)	(396)
<b>At 1 July 2019</b>	536,349	93,441	(13,238)	93	56,437	673,082
<b>Total comprehensive income/ (deficit) for the financial period:-</b>						
Profit for the financial year	-	-	-	-	900	900
Other comprehensive income for the financial year	-	-	-	18	-	18
<b>Total comprehensive income/(deficit)</b>	-	-	-	18	900	918
<b>Transactions with owners:-</b>						
Acquisition of treasury shares	-	-	(2,324)	-	-	(2,324)
<b>Total transactions with owners</b>	-	-	(2,324)	-	-	(2,324)
<b>Balance as at 31 December 2019</b>	536,349	93,441	(15,562)	111	57,337	671,676

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 2020.

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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	<b>6 Months 1 July 2020 to 31 Dec 2020 RM'000</b>	<b>6 Months 1 July 2019 to 31 Dec 2019 RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:-</b>		
(Loss)/Profit before taxation	(3,342)	938
Adjustments for:		
Amortisation of prepaid lease rental	-	10
Bad debts written back - other receivables	(8,501)	(330)
Equity settled share- based payment	8,428	-
Fair value adjustment on biological assets	-	(2)
Fair value gain on investment in quoted securities	(120)	-
Gain on disposal of investment in quoted shares	(30)	-
Gain on disposal of property, plant and equipment	(1)	-
Gain on unrealised exchange difference	(164)	-
Reversal of impairment loss on other receivables	-	(1,740)
Reversal of impairment loss on trade receivables	(119)	(21)
Reversal of waiver of debts- Non trade	104	-
Depreciation of properties, plant and equipment	3,084	3,361
Loss on disposal of property, plant and equipment	2	122
Loss on unrealised exchange difference	1	42
Property, plant and equipment written off	134	262
Interest expense	468	606
Interest income	(54)	(74)
Changes in working capital:-	(110)	3,174
Inventories	(8,494)	1,449
Trade receivables	10,577	(19,107)
Other receivables, deposits and prepayments	(1,063)	4,759
Trade payables	618	(3,773)
Other payables and accruals	(2,013)	(1,726)
Contract asset	(2,273)	6,442
	(2,758)	(8,782)
Interest paid	(468)	(606)
Tax paid	(332)	(359)
Tax refunded	1,148	-
<b>Net Operating Cash Flows</b>	<b>(2,410)</b>	<b>(9,747)</b>

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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)**

	<b>6 Months</b> <b>1 July 2020 to</b> <b>31 Dec 2020</b> <b>RM'000</b>	<b>6 Months</b> <b>1 July 2018 to</b> <b>31 Dec 2018</b> <b>RM'000</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:-</b>		
Acquisition of investment properties	-	(65)
Acquisition of quoted investments	(189)	-
Acquisition of subsidiaries	(750)	-
Additional of development expenditure	(94)	(181)
Additional of exploration expenditure	(2,108)	-
(Placement)/withdrawal of fixed deposits	(23)	(36)
Proceeds from disposal of quoted investments	188	-
Proceeds from disposal of properties, plant and equipment	4	88
Purchases of properties, plant and equipment	(1,132)	(616)
Interest received	54	74
<b>Net Investing Cash Flows</b>	<b>(4,050)</b>	<b>(736)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:-</b>		
Acquisition of treasury shares	(9,231)	(2,324)
Issurance of ordinary shares	23,720	-
Net lease liabilities	(1,146)	(975)
Repayment of hire purchase payables, net	(427)	(609)
Drawdown of term borrowings, net	(92)	1,861
(Repayment)/Drawdown of banker's acceptance, net	(812)	417
Proceeds from ESOS exercised	24,615	-
<b>Net Financing Cash Flows</b>	<b>36,627</b>	<b>(1,630)</b>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>30,167</b>	<b>(12,113)</b>
<b>EFFECT OF FOREIGN EXCHANGE RATE CHANGES</b>	<b>(151)</b>	<b>28</b>
<b>CASH AND CASH EQUIVALENTS AT THE</b> <b>BEGINNING OF THE FINANCIAL PERIOD</b>	<b>4,242</b>	<b>22,288</b>
<b>CASH AND CASH EQUIVALENTS AT THE</b> <b>END OF THE FINANCIAL PERIOD</b>	<b>34,258</b>	<b>10,203</b>
<b>ANALYSIS OF CASH AND CASH EQUIVALENTS</b>		
Cash and bank balances	35,597	11,377
Bank overdrafts	(1,339)	(1,174)
	<b>34,258</b>	<b>10,203</b>

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 2020.

**NOTES ON THE QUARTERLY REPORT- 31 DECEMBER 2020**

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

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**A1. Basis of Preparation**

This interim financial report is 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 2020.

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 2020.

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

The accounting policies adopted for the interim financial statements are consistent with those of the audited financial statements for the financial year ended 30 June 2020 except for the adoption of the following MFRSs, Amendments to MFRSs and IC Interpretations:-

**Effective for financial periods beginning on or after 1 January 2020:**

- Amendments to MFRS 3, Business Combinations- Definition of a Business
- Amendments to MFRS 101, Presentation of Financial Statements and MFRS 108, Accounting Policies, Changes in Accounting Estimates and Errors- Definition of Material
- Amendments to References to the Conceptual Framework in MFRS Standards
- Amendments to MFRS9, Financial Instruments, MFRS 139, Financial Instruments: Recognition and Measurement and MFRS 7, Financial Instrument: Disclosures- Interest Rate Benchmark Reform

**Effective for financial periods beginning on or after 1 June 2020:**

- Amendments to MFRS16, Leases- Covid-19 Related Rent Concessions

The adoption of the above MFRSs, Amendments to MFRSs and IC Interpretations did not result in material impact to the interim financial statements of the Group.



**NOTES ON THE QUARTERLY REPORT- 31 DECEMBER 2020**

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

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

*MFRSs, Amendments to MFRSs and IC Interpretations issued but not yet effective*

The following MFRSs, Amendments to MFRSs have been issued but are not yet effective, and have yet to be adopted other than marked “\*” which are not applicable to the Group:-

**Effective for financial periods beginning on or after 1 January 2021:-**

- Interest Rate Benchmark Reform Phase 2 (Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16)

**Effective for financial periods beginning on or after 1 January 2022:-**

- Amendments to MFRS 3, Business Combinations – Reference to the Conceptual Framework
- Amendments to MFRS 116, Property, Plant and Equipment – Proceeds before Intended Use
- Amendments to MFRS 137, Provisions, Contingent Liabilities and Contingent Assets – Onerous Contracts – Cost of Fulfilling a Contract
- Amendments to MFRS 1, First-time Adoption of Malaysian Financial Reporting Standards, MFRS 9, Financial Instruments, Illustrative Examples accompanying MFRS 16, Leases and MFRS 141, Agriculture (Annual Improvements to MFRS Standards 2018 – 2020 cycle)

**Effective for financial periods beginning on or after 1 January 2023:-**

- MFRS 17, Insurance Contracts\*
- Amendments to MFRS 101, Presentation of Financial Statements – Classification of Liabilities as Current or Non-current

**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

**A3. Audit Report**

The auditors’ report on the audited financial statements for the financial year ended 30 June 2020 was not qualified.

**NOTES ON THE QUARTERLY REPORT- 31 DECEMBER 2020**

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

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**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 that 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 have 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 375,000,000 new ordinary shares were issued pursuant to the exercise of ESOS. As at the quarter ended 31 December 2020, there were a total of 6,741,683,754 issued ordinary shares.

There were repurchases of 12,580,000 issued ordinary shares from the open market during the quarter. Cumulative total number of shares repurchased at the end of the quarter was 405,126,000. The shares repurchased are being held as treasury shares in accordance with Section 127 of Companies Act 2016.

There were no other issuance, cancellations, resale and repayment of debt and equity securities other than disclosed above.

**A8. Dividends Paid**

There was no dividend paid during the quarter under review.

**A10. Significant Event**

There were no significant events during the quarter.

**NOTES ON THE QUARTERLY REPORT- 31 DECEMBER 2020**

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

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**A11. Material Subsequent Event**

Subsequent to the quarter under review, the Company had on 7 January 2021 issued a Notice of Extraordinary General Meeting in relation to the Proposed Subscription of up to 1,205,827,550 New Ordinary Shares in Borneo Oil Berhad ("Bornoil") by Macquarie Bank Limited.

On 8 January 2021, the Company issued a circular to shareholders in relation to the Proposed Subscription of up to 1,205,827,550 new ordinary shares in Borneo Oil Berhad ("Bornoil") by Macquarie Bank Limited.

On 25 January 2021, the ordinary resolution on the Proposed Subscription as prescribed in the Notice of the Extraordinary General Meeting ("EGM") of the Company dated 08 January 2021 was duly passed and approved by the shareholders of the Company by way of poll via remote participation and voting at the EGM of the Company held on 25 January 2021.

**A12. Changes in Composition of the Group**

There were no changes in the Group's composition during the quarter.

**A13 Changes in Contingent Liabilities or Contingent Assets**

The Group's contingent liabilities totalling RM34.40 million comprises of corporate guarantees to licensed financial institutions for banking facilities granted to the subsidiaries of the Group.

**A14. Capital Commitments**

There was no material capital commitment which was not provided for in the Interim Financial Statements as at reporting date.

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**NOTES ON THE QUARTERLY REPORT- 31 DECEMBER 2020**

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

**A15. Significant Related Party Transactions (Inter- company within the Group)**

	Individual Quarter		Cumulative Quarter	
	3 Months 1 Oct 2020 to 31 Dec 2020 RM'000	3 Months 1 Oct 2019 to 31 Dec 2019 RM'000	6 Months 1 July 2020 to 31 Dec 2020 RM'000	6 Months 1 July 2019 to 31 Dec 2019 RM'000
Sales of fast food and restaurant operations among subsidiaries	177	191	316	477
Sales of limestone among subsidiaries	90	144	266	218
Rental income among subsidiaries	24	24	48	48
Management fee among subsidiaries	330	330	660	660
Consultancy fee among subsidiaries	125	82	226	164
Rental expenses among subsidiaries	24	24	48	48

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**NOTES ON THE QUARTERLY REPORT- 31 DECEMBER 2020**

**A16. Group Segmental Information**

	Head office & others		Food and franchise operations		Property investment & management		Resources & sustainable energy		Total Consolidated	
	31.12.2020	31.12.2019	31.12.2020	31.12.2019	31.12.2020	31.12.2019	31.12.2020	31.12.2019	31.12.2020	31.12.2019
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Revenue</b>										
External revenue	18	18	18,939	24,840	120	23,293	2,968	4,255	22,045	52,406
Inter-segment revenue	886	843	316	477	-	-	266	218	1,468	1,538
<b>Total revenue</b>	<b>904</b>	<b>861</b>	<b>19,255</b>	<b>25,317</b>	<b>120</b>	<b>23,293</b>	<b>3,234</b>	<b>4,473</b>	<b>23,513</b>	<b>53,944</b>
Less: Inter-segment revenue									(1,468)	(1,538)
									<b>22,045</b>	<b>52,406</b>
<b>Results</b>										
Segment results	(1,133)	(1,058)	1,101	2,078	(1,339)	921	8,720	2,909	7,349	4,850
Consolidation elimination									(7,193)	(19)
									156	4,831
<i>Not included in the measure of segment profit/(loss):-</i>										
Depreciation and amortisation									(3,084)	(3,361)
Finance costs									(468)	(606)
Interest income									54	74
Income tax expenses									(173)	(38)
<b>Profit/(Loss) for the financial period</b>									<b>(3,515)</b>	<b>900</b>

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**NOTES ON THE QUARTERLY REPORT- 31 DECEMBER 2020**

**A16. Group Segmental Information (Continued)**

	Head office & others		Food and franchise operations		Property investment & management		Resources & sustainable energy		Total Consolidated	
	31.12.2020	30.06.2020	31.12.2020	30.06.2020	31.12.2020	30.06.2020	31.12.2020	30.06.2020	31.12.2020	30.06.2020
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Assets</b>										
Segment assets	677,817	641,059	33,067	34,520	520,425	508,401	285,904	270,121	1,517,213	1,454,101
Consolidation elimination									(747,813)	(724,614)
<b>Consolidated total assets</b>									<b>769,400</b>	<b>729,487</b>
<b>Liabilities</b>										
Segment liabilities	6,270	7,243	33,447	33,907	460,577	447,223	281,056	272,265	781,350	760,638
Tax payables	-	-	158	7	14	-	482	582	654	589
Loans and borrowings	-	-	4,304	5,207	274	320	10,003	10,637	14,581	16,164
Deferred tax liabilities	-	-	366	366	13,861	13,861	4,143	4,143	18,370	18,370
Lease liabilities	317	368	3,100	4,029	-	-	765	932	4,182	5,329
Consolidation elimination									(765,411)	(743,411)
<b>Consolidated total liabilities</b>									<b>53,726</b>	<b>57,679</b>

**NOTES ON THE QUARTERLY REPORT- 31 DECEMBER 2020**

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

**B1. Financial Review for the Current Quarter**

	Individual Quarter		Individual Quarter	
	1 Oct 2020 to 31 Dec 2020		1 Oct 2019 to 31 Dec 2019	
	Profit/(Loss)		Profit/(Loss)	
	Revenue	Before Tax	Revenue	Before Tax
	RM'000	RM'000	RM'000	RM'000
Head office & others	9	(1,507)	9	(1,175)
Food and franchise operations	9,293	(2,553)	12,404	563
Property investment & management	90	(1,676)	13,474	895
Resources & sustainable energy	615	7,500	3,286	251
Group revenue and profit from (net of finance cost)	10,007	1,764	29,173	534

The Group registered a revenue of RM10.01 million and a profit before tax of RM1.76 million for the current quarter against a revenue of RM29.17 million and a profit before tax of RM0.53 million for the corresponding quarter.

The Food and Franchise Operations (“FFO”) recorded a revenue of RM9.29 million and a loss before tax of RM2.55 million for the current quarter against the revenue of RM12.40 million and a profit before tax of RM0.56 million for the corresponding quarter. The reduction in revenue was due to weak consumer sentiments of the economic outlook and poor employment prospects from the recovery of COVID-19 pandemic. The loss before tax of RM2.55 million for the quarter was mainly attributable to the reduction in revenue and the allocation of share-based payment of RM2.73 million on ESOS granted during the quarter under review.

The Property Investment & Management (“PIM”) registered a revenue of RM0.09 million and a loss before tax RM1.68 million for the current quarter as compared to a revenue of RM13.47 million and a profit before tax of RM0.90 million for the corresponding quarter. The lower revenue was mainly attributable to the activities on site for the project management of a construction of an Integrated Limestone Processing Plant (“ILPP”) which was put on hold due to the restricted entry of foreign nationals to Malaysia who possesses the prerequisite expertise to install the prefabricated plant equipment at the ILPP. The loss before tax was mainly due to the allocation of share-based payment of RM1.16 million on ESOS granted during the quarter under review.

The Resources & Sustainable Energy (“RSE”) reported a revenue of RM0.62 million and a profit before tax of RM7.50 million for the current quarter against the revenue of RM3.29 million and a profit before tax of RM0.25 million for the corresponding quarter. The reduction in revenue was mainly due to the lower sale of limestones and the profit was attributable to the bad debts written back of RM8.5 million during the quarter under review.

**NOTES ON THE QUARTERLY REPORT- 31 DECEMBER 2020**

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

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

	<b>Current Quarter ended 31 Dec 2020 RM'000</b>	<b>Preceding Quarter ended 30 Sept 2020 RM'000</b>	<b>Variances</b>	
			<b>RM'000</b>	<b>%</b>
Revenue	10,007	12,038	(2,031)	-17%
Profit/(Loss) before taxation	1,764	(5,106)	6,870	-135%

The Group registered a revenue of RM10.01 million and a profit before taxation of RM1.76 million for the current quarter as compared to a revenue of RM12.04 million and a loss before taxation of RM5.11 million for the immediate preceding quarter.

The Group posted a lower revenue of RM2.03 million which was primarily due to the lower sale of limestones during the quarter under review.

The Group reported a profit before taxation of RM1.76 million as compared to a loss before taxation of RM5.11 million was mainly due to the bad debts written back of RM8.5 million during the quarter under review.

**B3. Prospects**

With the roll out of the vaccines in leading markets across the world and Malaysia eventually, we are cautiously optimistic of a gradual global economic recovery.



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**NOTES ON THE QUARTERLY REPORT- 31 DECEMBER 2020**

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

**B4. Variation Profit Forecast/Profit Guarantee**

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

**B5. Taxation**

The tax charge for the Group are as follows:-

	<b>Individual Quarter</b>	<b>Cumulative Quarter</b>
	<b>3 Months</b>	<b>6 Months</b>
	<b>1 Oct 2020 to 31 Dec 2020</b>	<b>1 July 2020 to 31 Dec 2020</b>
	<b>RM'000</b>	<b>RM'000</b>
Income tax- current year	(136)	(188)
Income tax- prior year	-	15
Deferred tax- current year	49	-
Deferred tax- prior year	-	-
	(87)	(173)

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

**NOTES ON THE QUARTERLY REPORT- 31 DECEMBER 2020**

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

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**B6. Corporate Proposals**

There was no corporate proposal announced but not completed as at 18 February 2021, 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) Establishment of a new employees' share option scheme of Bornoil ("ESOS") 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 22 June 2020, the Company announced that the effective date for the implementation of the New ESOS is 22 June 2020, 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.

- (b) Proposed private placement of up to 10% of the total number of issued shares of Bornoil ("Proposed Private Placement").

On 15 July 2020, the Company announced that Bursa Malaysia Securities Berhad ("Bursa Securities") had, vide its letter dated 14 July 2020, resolved to approve the listing and quotation of up to 745,374,758 Bornoil Shares to be issued pursuant to the Proposed Private Placement.

- (c) Proposed subscription of up to 1,205,827,550 new ordinary shares in Bornoil ("Bornoil share(s)" or "Share(s)") by Macquarie Bank Limited ("Proposed Subscription")

On 25 January 2021, the ordinary resolution on the Proposed Subscription as prescribed in the Notice of the Extraordinary General Meeting ("EGM") of the Company dated 08 January 2021 was duly passed and approved by the shareholders of the Company by way of poll via remote participation and voting at the EGM of the Company held on 25 January 2021.

**NOTES ON THE QUARTERLY REPORT- 31 DECEMBER 2020**

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

**B7. Borrowings and Debts Securities**

	<b>Unaudited as at 31 Dec 2020 RM'000</b>	<b>Audited as at 30 Jun 2020 RM'000</b>
Short term borrowings:		
- Bank overdrafts	1,339	1,590
- Bankers' acceptances	455	1,267
- Term loans	464	302
- Hire purchase payables	831	792
	<u>3,089</u>	<u>3,951</u>
Long term borrowings:		
- Term loans	10,713	10,967
- Hire purchase payables	779	1,246
	<u>11,492</u>	<u>12,213</u>
Total borrowings	<u>14,581</u>	<u>16,164</u>

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.

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**NOTES ON THE QUARTERLY REPORT- 31 DECEMBER 2020**

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

**B10. Earnings per Share**

	Individual Quarter		Cumulative Quarter	
	3 Months	3 Months	6 Months	6 Months
	1 Oct 2020 to 31 Dec 2020	1 Oct 2019 to 31 Dec 2019	1 July 2020 to 31 Dec 2020	1 July 2019 to 31 Dec 2019
<b>(a) Basic EPS</b>				
Net profit/(loss) for the period attributable to equity holders (RM'000)	1,677	524	(3,515)	900
Weighted average number of ordinary shares in issue ('000)	6,252,805	5,140,871	6,327,592	5,159,363
Basic earnings/(loss) per share (sen)	0.03	0.01	(0.06)	0.02
	Individual Quarter		Cumulative Quarter	
	3 Months	3 Months	6 Months	6 Months
	1 Oct 2020 to 31 Dec 2020	1 Oct 2019 to 31 Dec 2019	1 July 2020 to 31 Dec 2020	1 July 2019 to 31 Dec 2019
<b>(b) Diluted EPS</b>				
Net profit/(loss) for the period attributable to equity holders (RM'000)	1,677	524	(3,515)	900
Weighted average number of ordinary shares in issue ('000)	6,252,805	5,140,871	6,327,592	5,159,363
Effects of dilution of Warrants C (Warrants 2015/2025) ('000)	1,734,680	1,734,680	1,734,680	1,734,680
Effects of dilution of Warrants C (Warrants 2017/2027) ('000)	378,684	378,684	378,684	378,684
Adjusted weighted average number of ordinary shares in issue ('000)	8,366,169	7,254,235	8,440,956	7,272,727
Diluted earnings/(loss) per share (sen)	0.02	0.01	(0.04)	0.01

**NOTES ON THE QUARTERLY REPORT- 31 DECEMBER 2020**

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

**B11. Notes to the Condensed Consolidated Statement of Comprehensive Income**

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

	Individual Quarter		Cumulative Quarter	
	3 Months 1 Oct 2020 to 31 Dec 2020 RM'000	3 Months 1 Oct 2019 to 31 Dec 2019 RM'000	6 Months 1 July 2020 to 31 Dec 2020 RM'000	6 Months 1 July 2019 to 31 Dec 2019 RM'000
<b>Profit before tax is arrived after (charging):</b>				
Amortisation of prepaid lease rental	-	(5)	-	(10)
Loss on disposal of property, plant and equipment	-	-	(2)	(122)
Loss on exchange difference	36	40	(1)	(42)
Property, plant and equipment written off	(130)	(2)	(134)	(262)
Reversal on waiver of debts	-	-	(104)	-
Depreciation of property, plant and equipment	(1,520)	(1,644)	(3,084)	(3,361)
Interest expense	(239)	(291)	(468)	(606)
Share-based payment by ESOS	(4,468)	-	(8,428)	-
<b>and crediting the following items:</b>				
Bad debts written back	8,501	-	8,501	330
Fair value adjustment on biological assets	-	6	-	2
Fair value gain on investment in quoted securities	120	-	120	-
Gain on disposal of investment in quoted shares	-	-	30	-
Gain on disposal of property, plant and equipment	1	-	1	-
Gain on exchange difference	110	-	164	-
Government grant / subsidies	189	-	527	-
Interest income	46	10	54	74
Rental income	120	-	237	-
Reversal of impairment loss on other receivables	-	2	-	1,740
Reversal of impairment loss on trade receivables	4	-	119	21

**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.

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**NOTES ON THE QUARTERLY REPORT- 31 DECEMBER 2020**

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

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**B13. Status of Utilisation of Proceeds from Corporate Proposal**

<b>No.</b>	<b>Purpose</b>	<b>Proposed Utilisation RM'000</b>	<b>Actual Utilisation RM'000</b>	<b>Intended Timeframe for Utilisation</b>
1	Upgrading of general infrastructure at limestone quarry operations site	5,000	-	Within 24 months from the receipt of placement funds
2	Working capital expenses	18,610	8,948	Within 24 months from the receipt of placement funds
3	Estimated expenses in relation to the Placement	110	110	Upon completion of the Placement
	<b>Total</b>	<u>23,720</u>	<u>9,058</u>	

By Order of the Board

Chin Siew Kim  
Company Secretary

25 February 2021