

BORNEO OIL BERHAD

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

**QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE THIRD QUARTER ENDED
31 MARCH 2021**

(THE FIGURES HAVE NOT BEEN AUDITED)

BORNEO OIL BERHAD
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Incorporated in Malaysia
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FOR THE THIRD QUARTER ENDED 31 MARCH 2021
(THE FIGURES HAVE NOT BEEN AUDITED)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Individual Quarter		Cumulative Quarter	
	3 Months 1 Jan 2021 to 31 Mar 2021 RM'000	3 Months 1 Jan 2020 to 31 Mar 2020 RM'000	9 Months 1 July 2020 to 31 Mar 2021 RM'000	9 Months 1 July 2019 to 31 Mar 2020 RM'000
Revenue	13,546	19,722	35,591	72,128
Cost of sales	(10,115)	(12,664)	(25,888)	(51,892)
Gross profit	3,431	7,058	9,703	20,236
Other income	393	158	10,229	2,834
Operating expenses	(7,198)	(7,009)	(26,180)	(21,319)
(Loss)/Profit from operations	(3,374)	207	(6,248)	1,751
Finance costs	(240)	(263)	(708)	(869)
(Loss)/Profit before taxation	(3,614)	(56)	(6,956)	882
Taxation	129	(544)	(44)	(582)
(Loss)/Profit for the period	(3,485)	(600)	(7,000)	300
Other comprehensive income for the financial period				
- Foreign currency translation	(68)	187	(219)	205
Total comprehensive (deficit)/income for the financial period	(3,553)	(413)	(7,219)	505
(Deficit)/Income attributable to:				
- Owners of the parent	(3,485)	(600)	(7,000)	300
Total comprehensive (deficit)/income attributable to:				
- Owners of the parent	(3,553)	(413)	(7,219)	505
(Loss)/Earnings per share				
- basic (sen)	(0.06)	0.01	(0.11)	0.01
- diluted (sen)	(0.04)	0.01	(0.08)	0.00

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.

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited as at 31 Mar 2021 RM'000	Audited as at 30 Jun 2020 RM'000
Non Current Assets		
Property, plant and equipment	16,951	15,136
Right-of-use assets	6,855	9,087
Investment properties	612,267	612,267
Intangible assets	9	-
Other investments	544	393
Development expenditure	108	-
Exploration expenditure	4,609	1,693
Receivables	17,351	17,351
	<u>658,694</u>	<u>655,927</u>
Current Assets		
Inventories	34,967	21,209
Trade receivables	12,356	27,101
Other receivables	27,706	13,021
Contract asset	247	851
Tax recoverable	1,008	1,824
Fixed deposits with licensed banks	4,004	3,957
Cash and bank balances	41,616	5,597
	<u>121,904</u>	<u>73,560</u>
Total Assets	<u>780,598</u>	<u>729,487</u>
Shareholders' Fund		
Share capital	606,678	536,349
Reserves	66,802	77,273
Retained earnings	51,186	58,186
	<u>724,666</u>	<u>671,808</u>
Non Current Liabilities		
Long term borrowings	14,958	10,968
Hire purchase creditors	616	1,246
Lease liabilities	2,276	3,504
Deferred tax liabilities	18,370	18,370
Payables	699	699
	<u>36,919</u>	<u>34,787</u>
Current Liabilities		
Trade payables	6,766	6,738
Other payables	7,497	9,789
Hire purchase creditors	1,069	792
Short term borrowings	903	1,569
Lease liabilities	1,352	1,825
Bank overdraft	964	1,590
Tax payable	462	589
	<u>19,013</u>	<u>22,892</u>
Total Equity and Liabilities	<u>780,598</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
At 1 July 2020	536,349	-	93,441	(16,200)	32	58,186	671,808
Total comprehensive income for the financial period:-							
Loss for the financial period	-	-	-	-	-	(7,000)	(7,000)
Other comprehensive deficit for the financial period	-	-	-	-	(219)	-	(219)
Total comprehensive income	-	-	-	-	(219)	(7,000)	(7,219)
Transactions with owners:-							
Issue of shares	31,878	-	-	-	-	-	31,878
Share- based payment transactions	-	10,499	-	-	-	-	10,499
ESOS exercised	38,451	(9,441)	-	-	-	-	29,010
Acquisition of treasury shares	-	-	-	(11,310)	-	-	(11,310)
Total transactions with owners	70,329	1,058	-	(11,310)	-	-	60,077
At 31 March 2021	606,678	1,058	93,441	(27,510)	(187)	51,186	724,666

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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	
Balance as at 1 July 2019	536,349	93,441	(13,238)	93	56,833	673,478
Adjustment on application of MFRS 16, net of tax	-	-	-	-	(396)	(396)
At 1 July 2019	536,349	93,441	(13,238)	93	56,437	673,082
Total comprehensive income/ (deficit) for the financial period:-						
Profit for the financial year	-	-	-	-	300	300
Other comprehensive income for the financial year	-	-	-	205	-	205
Total comprehensive income/(deficit)	-	-	-	205	300	505
Transactions with owners:-						
Acquisition of treasury shares	-	-	(2,962)	-	-	(2,962)
Total transactions with owners	-	-	(2,962)	-	-	(2,962)
Balance as at 31 March 2020	536,349	93,441	(16,200)	298	56,737	670,625

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

	9 Months 1 July 2020 to 31 Mar 2021 RM'000	9 Months 1 July 2019 to 31 Mar 2020 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES:-		
(Loss)/Profit before taxation	(6,956)	882
Adjustments for:		
Amortisation of prepaid lease rental	-	10
Bad debts written back - other receivables	(8,504)	(330)
Equity settled share- based payment	10,499	-
Fair value adjustment on biological assets	-	33
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	(14)	-
Gain on unrealised exchange difference	(244)	-
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	4,722	5,043
Loss on disposal of property, plant and equipment	2	669
Loss on unrealised exchange difference	3	275
Property, plant and equipment written off	163	262
Interest expense	708	869
Interest income	(89)	(86)
Changes in working capital:-	125	5,866
Inventories	(13,758)	3,787
Trade receivables	15,104	(22,685)
Other receivables, deposits and prepayments	(5,672)	5,139
Trade payables	25	(4,180)
Other payables and accruals	(2,397)	(2,513)
Contract asset	604	3,987
	(5,969)	(10,599)
Interest paid	(708)	(869)
Tax paid	(503)	(569)
Tax refunded	1,148	-
Net Operating Cash Flows	(6,032)	(12,037)

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

	9 Months	9 Months
	1 July 2020 to	1 July 2019 to
	31 Mar 2021	31 Mar 2020
	RM'000	RM'000
CASH FLOWS FROM INVESTING ACTIVITIES:-		
Acquisition of investment properties	-	(65)
Acquisition of quoted investments	(189)	-
Acquisition of subsidiaries	(750)	-
Additional of development expenditure	(108)	(235)
Additional of exploration expenditure	(2,916)	-
(Placement)/withdrawal of fixed deposits	(46)	(291)
Proceeds from disposal of quoted investments	188	-
Proceeds from disposal of properties, plant and equipment	45	389
Purchases of properties, plant and equipment	(4,500)	(1,349)
Interest received	89	86
Net Investing Cash Flows	(8,187)	(1,465)
CASH FLOWS FROM FINANCING ACTIVITIES:-		
Acquisition of treasury shares	(11,310)	(2,962)
Issuance of ordinary shares	31,878	-
Net lease liabilities	(1,701)	(1,449)
Repayment of hire purchase payables, net	(353)	(862)
Drawdown of term borrowings, net	4,154	1,757
(Repayment)/Drawdown of banker's acceptance, net	(830)	70
Proceeds from ESOS exercised	29,010	-
Net Financing Cash Flows	50,848	(3,446)
NET CHANGE IN CASH AND CASH EQUIVALENTS	36,629	(16,948)
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	(219)	230
CASH AND CASH EQUIVALENTS AT THE		
BEGINNING OF THE FINANCIAL PERIOD	4,242	22,288
CASH AND CASH EQUIVALENTS AT THE		
END OF THE FINANCIAL PERIOD	40,652	5,570
ANALYSIS OF CASH AND CASH EQUIVALENTS		
Cash and bank balances	41,616	7,302
Bank overdrafts	(964)	(1,732)
	40,652	5,570

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 MARCH 2021

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

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 MARCH 2021

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

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 MARCH 2021

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

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 130,900,000 and 244,105,775 new ordinary shares were issued pursuant to the exercise of ESOS and issuance of private placement respectively. As at the quarter ended, there were a total of 7,116,689,529 issued ordinary shares.

There were repurchases of 46,200,000 issued ordinary shares from the open market during the quarter. The cumulative total number of shares repurchased at the end of the quarter was 451,326,000. 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 MARCH 2021

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

A11. Material Subsequent Event

Subsequent to the quarter under review, the Company had on 10 May 2021 announced that Borneo Energy Sdn Bhd, its indirect wholly-owned subsidiary, had entered into a Sale and Purchase Agreement with Gold Billion Global Limited (BVI Company No. 1759774), a wholly-owned subsidiary of Verde Resources Inc., a Nevada USA corporation listed under OTCQB for the disposal of Technology Assets and Intellectual Property Rights for a total consideration of USD5 million to be fully settled by way of allotment of shares in Verde Resources Inc.

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.

NOTES ON THE QUARTERLY REPORT- 31 MARCH 2021

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 Jan 2021 to 31 Mar 2021 RM'000	3 Months 1 Jan 2020 to 31 Mar 2020 RM'000	9 Months 1 July 2020 to 31 Mar 2021 RM'000	9 Months 1 July 2019 to 31 Mar 2020 RM'000
Sales of fast food and restaurant operations among subsidiaries	131	134	447	611
Sales of limestone among subsidiaries	83	493	349	711
Rental income among subsidiaries	6	24	54	72
Management fee among subsidiaries	330	330	990	990
Consultancy fee among subsidiaries	138	134	364	298
Rental expenses among subsidiaries	6	24	54	72

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NOTES ON THE QUARTERLY REPORT- 31 MARCH 2021

A16. Group Segmental Information

	Head office & others		Food and franchise operations		Property investment & management		Resources & sustainable energy		Total Consolidated	
	31.03.2021	31.03.2020	31.03.2021	31.03.2020	31.03.2021	31.03.2020	31.03.2021	31.03.2020	31.03.2021	31.03.2020
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue										
External revenue	27	27	27,711	33,653	896	25,563	6,957	12,885	35,591	72,128
Inter-segment revenue	1,354	1,288	447	611	-	-	349	711	2,150	2,610
Total revenue	1,381	1,315	28,158	34,264	896	25,563	7,306	13,596	37,741	74,738
Less: Inter-segment revenue									(2,150)	(2,610)
									35,591	72,128
Results										
Segment results	(3,241)	(1,896)	(5,024)	1,474	(1,837)	600	9,049	6,557	(1,053)	6,735
Consolidation elimination									(562)	(27)
									(1,615)	6,708
<i>Not included in the measure of segment profit/(loss):-</i>										
Depreciation and amortisation									(4,722)	(5,043)
Finance costs									(708)	(869)
Interest income									89	86
Income tax expenses									(44)	(582)
(Loss)/Profit for the financial period									(7,000)	300

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A16. Group Segmental Information (Continued)

	Head office & others		Food and franchise operations		Property investment & management		Resources & sustainable energy		Total Consolidated	
	31.03.2021	30.06.2020	31.03.2021	30.06.2020	31.03.2021	30.06.2020	31.03.2021	30.06.2020	31.03.2021	30.06.2020
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Assets										
Segment assets	696,741	641,059	33,542	34,520	521,779	508,401	297,177	270,121	1,549,239	1,454,101
Consolidation elimination									(768,641)	(724,614)
Consolidated total assets									780,598	729,487
Liabilities										
Segment liabilities	6,440	7,243	40,524	33,907	462,509	447,223	288,608	272,265	798,081	760,638
Tax payables	-	-	7	7	-	-	455	582	462	589
Loans and borrowings	-	-	4,400	5,207	228	320	13,882	10,637	18,510	16,164
Deferred tax liabilities	-	-	366	366	13,861	13,861	4,143	4,143	18,370	18,370
Lease liabilities	291	368	2,653	4,029	-	-	684	932	3,628	5,329
Consolidation elimination									(783,119)	(743,411)
Consolidated total liabilities									55,932	57,679

NOTES ON THE QUARTERLY REPORT- 31 MARCH 2021

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

B1. Financial Review for the Current Quarter

	Individual Quarter		Individual Quarter	
	1 Jan 2021 to 31 Mar 2021		1 Jan 2020 to 31 Mar 2020	
	Profit/(Loss)		Profit/(Loss)	
	Revenue	Before Tax	Revenue	Before Tax
	RM'000	RM'000	RM'000	RM'000
Head office & others	9	(1,413)	9	(1,534)
Food and franchise operations	8,772	(1,488)	8,813	(995)
Property investment & management	776	(762)	2,270	(692)
Resources & sustainable energy	3,989	49	8,630	3,165
Group revenue and profit from (net of finance cost)	13,546	(3,614)	19,722	(56)

The Group registered a revenue of RM13.55 million and a loss before tax of RM3.61 million for the current quarter against a revenue of RM19.72 million and a loss before tax of RM0.06 million for the corresponding quarter.

The Food and Franchise Operations (“FFO”) recorded a revenue of RM8.78 million and a loss before tax of RM1.49 million for the current quarter against the revenue of RM8.81 million and a loss before tax of RM1.00 million for the corresponding quarter. The lower reported revenue was due to the persistent weak consumer sentiments of the economic outlook from the recovery of the COVID-19 pandemic. The loss before tax of RM1.49 million for the quarter was mainly attributable to the reduction in revenue and the allocation of share-based payment of RM1.32 million on ESOS granted during the quarter under review.

The Property Investment & Management (“PIM”) registered a revenue of RM0.78 million and a loss before tax RM0.76 million for the current quarter as compared to a revenue of RM2.27 million and a loss before tax of RM0.69 million for the corresponding quarter. The lower revenue was mainly due to the partial resumption of installation activities on-site for the project management of a construction of an Integrated Limestone Processing Plant (“ILPP”) during March 2021. The loss before tax was mainly due to the allocation of share-based payment of RM0.32 million on ESOS granted during the quarter under review.

The Resources & Sustainable Energy (“RSE”) reported a revenue of RM3.99 million and a profit before tax of RM0.05 million for the current quarter against the revenue of RM8.63 million and a profit before tax of RM3.17 million for the corresponding quarter. The reduction in revenue was mainly due to the lower sale of limestones for the quarter under review.

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

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

	Current Quarter ended 31 Mar 2021 RM'000	Preceding Quarter ended 31 Dec 2020 RM'000	Variances	
			RM'000	%
Revenue	13,546	10,007	3,539	35%
Profit/(Loss) before taxation	(3,614)	1,764	(5,378)	-305%

The Group registered a revenue of RM13.55 million and a loss before taxation of RM3.61 million for the current quarter as compared to a revenue of RM10.01 million and a profit before taxation of RM1.76 million for the immediate preceding quarter.

The Group posted an increase in revenue of RM3.54 million was mainly attributable to the improvement in the sale of limestones during the quarter with the recovery of the construction sector from the COVID-19.

The Group reported a loss before taxation of RM3.61 million as compared to a profit before taxation of RM1.76 million was mainly due to the bad debts written back of RM8.5 million during the preceding quarter.

B3. Prospects

The Group remains vigilant with the implementation of additional curbs on MCO 3.0 (except on Sabah and Sarawak) that are stricter on the economic and social sectors, which are expected to impact businesses negatively.

While the government is set to ramp up the Covid-19 National Immunisation Programme with the arrival of more Sinovac and Pfizer- BioNTech vaccination doses from July, the intermittent lockdowns and restrictive measures are expected to dampen our recovery momentum in the medium term.

Barring any unforeseen circumstances, if the National Immunisation Programme is successfully implemented, the Group is cautiously optimistic of the future prospects.

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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: -

	Individual Quarter	Cumulative Quarter
	3 Months	9 Months
	1 Jan 2021 to 31 Mar 2021	1 July 2020 to 31 Mar 2021
	RM'000	RM'000
Income tax- current year	149	(39)
Income tax- prior year	(20)	(5)
Deferred tax- current year	-	-
Deferred tax- prior year	-	-
	129	(44)

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 MARCH 2021

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

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) 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 implementing 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.

On 13 January 2021, the Company completed the issuances and listing pursuant to the Proposed Private Placement. A total of 633,405,775 Bornoil Shares had been issued at an issue price ranging from RM0.0316 to RM0.0536 per Bornoil Share and raised a total proceeds of RM23.98 million.

- (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.

As at the date of this report, a total of 354,500,000 Bornoil Shares had been issued pursuant to the Proposed Subscription at an issue price ranging from RM0.0320 to RM0.0400 per Bornoil Share. As at to-date, a total of thirty-six (36) tranches had been completed, and the Company has raised a total proceeds of RM12.37 million from the Proposed Subscription. The Proposed Subscription is still ongoing.

NOTES ON THE QUARTERLY REPORT- 31 MARCH 2021

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

B7. Status of Utilisation of Proceeds from Corporate Proposal

- (a) On 13 January 2021, the Company completed the Proposed Private Placement with the issuance of 633,405,775 Bornoil Shares and raised a total proceeds of RM23.98 million.

The status of the utilisation of the Proposed Private Placement proceeds as at the date of this announcement is as follows: -

No.	Purpose	Proposed Utilisation RM'000	Actual Utilisation RM'000	Intended Timeframe for Utilisation
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	18,865	17,599	Within 24 months from the receipt of placement funds
3	Estimated expenses in relation to the Placement	110	110	Upon completion of the Placement
Total		<u>23,975</u>	<u>17,709</u>	

NOTES ON THE QUARTERLY REPORT- 31 MARCH 2021

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

- (b) On 25 January 2021, the Company proposed to undertake a Proposed Subscription of up to 1,205,827,550 new ordinary shares, representing approximately 20% of its existing total number of issued shares. As at the date of this report, a total of thirty-six (36) tranches comprising 354,500,000 Bornoil Shares had been issued pursuant to the Proposed Subscription. The total proceeds raised to date is approximately RM12.37 million.

The status of the utilisation of the Proposed Subscription proceeds as at the date of this announcement is as follows: -

No.	Purpose	Proposed Utilisation RM'000	Actual Utilisation RM'000	Intended Timeframe for Utilisation
1	Business expansion and/or new investments	20,000	500	Within 36 months from the receipt of placement funds
2	Gold exploration works at Hutan Simpan Bukit Ibam, Mukim Keratong, Pahang ("Plant")	10,000	2,722	Within 36 months from the receipt of placement funds
3	Working capital expenses	12,410	-	Within 36 months from the receipt of placement funds
4	Estimated expenses in relation to the Proposed subscription	1,000	286	Upon completion of the Proposed Subscription
	Total	43,410	3,508	

NOTES ON THE QUARTERLY REPORT- 31 MARCH 2021

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

B.8 Borrowings and Debts Securities

	Unaudited as at 31 Mar 2021 RM'000	Audited as at 30 Jun 2020 RM'000
Short term borrowings:		
- Bank overdrafts	964	1,590
- Bankers' acceptances	437	1,267
- Term loans	466	302
- Hire purchase payables	1,069	792
	<u>2,936</u>	<u>3,951</u>
Long term borrowings:		
- Term loans	14,958	10,967
- Hire purchase payables	616	1,246
	<u>15,574</u>	<u>12,213</u>
Total borrowings	<u>18,510</u>	<u>16,164</u>

All the above borrowings are denominated in Ringgit Malaysia.

B9. 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.

B10. Dividends

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

NOTES ON THE QUARTERLY REPORT- 31 MARCH 2021

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

B11. Earnings per Share

Earnings per Share

	Individual Quarter		Cumulative Quarter	
	3 Months 1 Jan 2021 to 31 Mar 2021	3 Months 1 Jan 2020 to 31 Mar 2020	9 Months 1 July 2020 to 31 Mar 2021	9 Months 1 July 2019 to 31 Mar 2020
(a) Basic EPS				
Net profit/(loss) for the period attributable to equity holders (RM'000)	(3,485)	(600)	(7,000)	300
Weighted average number of ordinary shares in issue ('000)	6,322,560	5,128,800	6,631,033	5,149,249
Basic earnings/(loss) per share (sen)	(0.06)	(0.01)	(0.11)	0.01
(b) Diluted EPS				
Net profit/(loss) for the period attributable to equity holders (RM'000)	(3,485)	(600)	(7,000)	300
Weighted average number of ordinary shares in issue ('000)	6,322,560	5,128,800	6,631,033	5,149,249
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 D (Warrants 2017/2027) ('000)	378,684	378,684	378,684	378,684
Adjusted weighted average number of ordinary shares in issue ('000)	8,435,924	7,242,164	8,744,397	7,262,613
Diluted earnings/(loss) per share (sen)	(0.04)	(0.01)	(0.08)	0.00

NOTES ON THE QUARTERLY REPORT- 31 MARCH 2021

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

B12. 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 Jan 2021 to 31 Mar 2021 RM'000	3 Months 1 Jan 2020 to 31 Mar 2020 RM'000	9 Months 1 July 2020 to 31 Mar 2021 RM'000	9 Months 1 July 2019 to 31 Mar 2020 RM'000
Profit before tax is arrived after (charging):				
Amortisation of prepaid lease rental	-	-	-	(10)
Loss on disposal of property, plant and equipment	-	(547)	(2)	(669)
Loss on exchange difference	(2)	(233)	(3)	(275)
Property, plant and equipment written off	(29)	-	(163)	(262)
Reversal on waiver of debts	-	-	(104)	-
Depreciation of property, plant and equipment	(1,638)	(1,682)	(4,722)	(5,043)
Interest expense	(240)	(263)	(708)	(869)
Share-based payment by ESOS	2,071	-	10,499	-
	-	-	-	-
and crediting the following items:				
Bad debts written back	3	-	8,504	330
Fair value adjustment on biological assets	-	(35)	-	(33)
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	13	-	14	-
Gain on exchange difference	80	-	244	-
Government grant / subsidies	26	-	553	-
Interest income	35	12	89	86
Rental income	217	-	454	-
Reversal of impairment loss on other receivables	-	-	-	1,740
Reversal of impairment loss on trade receivables	-	-	119	21

B13. 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
28 May 2021