

**BORNEO OIL BERHAD**

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

**QUARTERLY REPORT ON CONSOLIDATED RESULTS  
FOR THE FIRST QUARTER ENDED  
30 SEPTEMBER 2021**

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

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

	<b>Individual Quarter</b>	
	<b>3 Months</b>	<b>3 Months</b>
	<b>1 July 2021 to</b>	<b>1 Jul 2020 to</b>
	<b>30 Sept 2021</b>	<b>30 Sept 2020</b>
	<b>RM'000</b>	<b>RM'000</b>
Revenue	11,065	12,038
Cost of sales	(8,555)	(8,252)
Gross profit	2,510	3,786
Other income	6,887	691
Operating expenses	(5,318)	(9,354)
Profit from operations	4,079	(4,877)
Finance costs	(290)	(229)
Profit before taxation	3,789	(5,106)
Taxation	(2)	(86)
Profit/(Loss) for the period	3,787	(5,192)
Other comprehensive income for the financial period		
- Foreign currency translation	100	(17)
Total comprehensive income/(deficit) for the financial period	3,887	(5,209)
Income attributable to:		
- Owners of the parent	3,787	(5,192)
Total comprehensive income attributable to:		
- Owners of the parent	3,887	(5,209)
Earnings per share		
- basic (sen)	0.05	(0.09)

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 2021.

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**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	<b>Unaudited as at 30 Sept 2021 RM'000</b>	<b>Audited as at 30 Jun 2021 RM'000</b>
<b>Non Current Assets</b>		
Property, plant and equipment	18,783	16,312
Right-of-use assets	9,719	9,175
Investment properties	614,837	614,811
Goodwill	9	9
Other investments	60,333	45,395
Exploration expenditure	5,956	5,310
Receivables	19,135	19,135
	<u>728,772</u>	<u>710,147</u>
<b>Current Assets</b>		
Inventories	43,866	42,807
Trade receivables	5,593	6,296
Other receivables	26,080	27,437
Contract asset	4,449	426
Tax recoverable	658	702
Fixed deposits with licensed banks	4,055	4,050
Cash and bank balances	22,873	31,425
	<u>107,574</u>	<u>113,143</u>
<b>Total Assets</b>	<u>836,346</u>	<u>823,290</u>
<b>Shareholders' Fund</b>		
Share capital	633,583	618,968
Reserves	55,190	61,803
Retained earnings	90,458	86,671
	<u>779,231</u>	<u>767,442</u>
<b>Non Current Liabilities</b>		
Long term borrowings	14,564	14,290
Hire purchase creditors	1,870	531
Lease liabilities	4,638	3,546
Deferred tax liabilities	17,725	17,725
Payables	256	846
	<u>39,053</u>	<u>36,938</u>
<b>Current Liabilities</b>		
Trade payables	6,618	6,424
Other payables	7,299	7,760
Hire purchase creditors	1,137	890
Short term borrowings	1,323	1,624
Lease liabilities	989	1,303
Bank overdraft	904	909
Tax payable	(208)	-
	<u>18,062</u>	<u>18,910</u>
<b>Total Equity and Liabilities</b>	<u>836,346</u>	<u>823,290</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 2021.

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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 2021</b>	618,968		93,442	(31,493)	(145)	86,671	767,443
<b>Total comprehensive income for the financial period:-</b>							
Profit for the financial period	-	-	-	-	-	3,787	3,787
Other comprehensive income for the financial period	-	-	-	-	100	-	100
<b>Total comprehensive income</b>	-	-	-	-	100	3,787	3,887
<b>Transactions with owners:-</b>							
Issue of shares	14,615	-	-	-	-	-	14,615
Acquisition of treasury shares	-	-	-	(6,714)	-	-	(6,714)
<b>Total transactions with owners</b>	14,615	-	-	(6,714)	-	-	7,901
<b>At 30 Sept 2021</b>	633,583	-	93,442	(38,207)	(45)	90,458	779,231

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

	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	58,187	671,809
<b>Total comprehensive income for the financial period:-</b>							
Loss for the financial period	-	-	-	-	-	28,484	28,484
Other comprehensive deficit for the financial period	-	-	-	-	(177)	-	(177)
<b>Total comprehensive income</b>	-	-	-	-	(177)	28,484	28,307
<b>Transactions with owners:-</b>							
Issue of shares	39,483	-	-	-	-	-	39,483
Share- based payment transactions	-	10,499	-	-	-	-	10,499
ESOS exercised	43,136	(10,499)	-	-	-	-	32,637
Acquisition of treasury shares	-	-	-	(15,293)	-	-	(15,293)
<b>Total transactions with owners</b>	82,619	-	-	(15,293)	-	-	67,326
<b>At 30 June 2021</b>	618,968	-	93,441	(31,493)	(145)	86,671	767,442

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 2021.

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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	<b>3 Months</b> <b>1 July 2021 to</b> <b>30 Sept 2021</b> <b>RM'000</b>	<b>3 Months</b> <b>1 Jul 2020 to</b> <b>30 Sept 2020</b> <b>RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:-</b>		
Profit before taxation	3,789	(5,106)
Adjustments for:		
Equity settled share- based payment	-	3,960
Fair value discount on retention payables	54	-
Fair value gain on investment in quoted securities	(3,256)	-
Gain on disposal of quoted securities	(3,294)	(30)
Gain on unrealised exchange difference	-	(18)
Reversal of impairment loss on trade receivables	-	(115)
Depreciation of properties, plant and equipment	777	1,564
Depreciation of right-of-use	479	-
Loss on disposal of property, plant and equipment	-	2
Loss on unrealised exchange difference	108	1
Property, plant and equipment written off	1	4
Waiver of debts	-	104
Interest expense	290	229
Interest income	(49)	(8)
Changes in working capital:-	(1,101)	587
Inventories	(1,059)	(315)
Trade receivables	372	7,926
Other receivables, deposits and prepayments	1,336	1,930
Trade payables	(227)	2,224
Other payables and accruals	(439)	(1,668)
Contract asset	(4,023)	(2,078)
	(5,141)	8,606
Interest paid	(290)	(229)
Tax paid	(166)	(161)
Tax refunded	-	48
<b>Net Operating Cash Flows</b>	<b>(5,597)</b>	<b>8,264</b>

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

	<b>3 Months</b> <b>1 July 2021 to</b> <b>30 Sept 2021</b> <b>RM'000</b>	<b>3 Months</b> <b>1 Jul 2020 to</b> <b>30 Sept 2020</b> <b>RM'000</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:-</b>		
Acquisition of investment properties	(26)	-
Acquisition of quoted securities	(4,168)	(189)
Acquisition of other investment	(11,500)	-
Additional of development expenditure	-	(62)
Additional of exploration expenditure	(646)	(1,660)
Net cash outflow on acquisition of subsidiary	-	(750)
Placement of fixed deposits	(5)	(18)
Proceeds from disposal of quoted securities	7,280	188
Purchases of properties, plant and equipment	(3,246)	(845)
Interest received	49	8
<b>Net Investing Cash Flows</b>	<b>(12,262)</b>	<b>(3,328)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:-</b>		
Acquisition of treasury shares	(6,714)	(8,717)
Issuance of ordinary shares	14,615	23,720
Payment of lease liabilities	(245)	(566)
Repayment of hire purchase payables, net	1,586	(164)
Drawdown of term borrowings, net	(152)	(10)
Drawdown/(Repayment) of banker's acceptance, net	125	(286)
ESOS exercised	-	10,800
<b>Net Financing Cash Flows</b>	<b>9,215</b>	<b>24,777</b>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>(8,644)</b>	<b>29,713</b>
<b>EFFECT OF FOREIGN EXCHANGE RATE CHANGES</b>	<b>97</b>	<b>(17)</b>
<b>CASH AND CASH EQUIVALENTS AT THE</b> <b>BEGINNING OF THE FINANCIAL PERIOD</b>	<b>30,516</b>	<b>4,242</b>
<b>CASH AND CASH EQUIVALENTS AT THE</b> <b>END OF THE FINANCIAL PERIOD</b>	<b>21,969</b>	<b>33,938</b>
<b>ANALYSIS OF CASH AND CASH EQUIVALENTS</b>		
Cash and bank balances	22,873	35,665
Bank overdrafts	(904)	(1,727)
	<b>21,969</b>	<b>33,938</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 2021.

**NOTES ON THE QUARTERLY REPORT- 30 SEPTEMBER 2021**

**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 2021.

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 2021.

**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 2021 except for the adoption of the following MFRSs, Amendments to MFRSs and IC Interpretations: -

**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 April 2021: -**

- Amendments to MFRS 16, Leases – Covid- 19- Related Rent Concessions beyond 30 June 2021

***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: -



**NOTES ON THE QUARTERLY REPORT- 30 SEPTEMBER 2021**

**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)**

**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
- Amendments to MFRS 101, Presentation of Financial Statements - Disclosure of Accounting Policies
- Amendments to MFRS 108, Accounting Policies, Changes in Accounting Estimates and Error- Definition of Accounting Estimate
- Amendments to MFRS 112, Deferred Tax related to Assets and Liabilities arising from a Single Transactions

**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

**NOTES ON THE QUARTERLY REPORT- 30 SEPTEMBER 2021**

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

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**A3. Audit Report**

The auditors' report on the audited financial statements for the financial year ended 30 June 2021 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 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 517,000,000 new ordinary shares were issued pursuant to the issuance of private placement. As at the quarter ended, there were a total of 7,967,289,529 issued ordinary shares.

There were repurchases of 199,260,000 issued ordinary shares from the open market during the quarter. The cumulative total number of shares repurchased at the end of the quarter was 740,786,000. 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.

**NOTES ON THE QUARTERLY REPORT- 30 SEPTEMBER 2021**

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

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**A9. Valuation of Property, Plant and Equipment**

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

**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 changes in the composition of the Group for the current quarter under review.

**A12. Changes in Contingent Liabilities or Contingent Assets**

The Group's contingent liabilities totalling RM36.10 million comprises of corporate guarantees to licensed financial institutions for banking facilities granted to the subsidiaries of the Group.

**A13. Capital Commitments**

The amount of commitments for capital expenditure as at 30 September 2021 is as follows:

	<b>As at 30 Sept 2021 RM'000</b>	<b>As at 30 Jun 2021 RM'000</b>
<b>Property, plant and equipment</b>		
- contracted but not provided for	1,630,960	1,638,360

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**NOTES ON THE QUARTERLY REPORT- 30 SEPTEMBER 2021**

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

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

	<b>Individual Quarter</b>	
	<b>3 Months 1 July 2021 to 30 Sept 2021 RM'000</b>	<b>3 Months 1 Jul 2020 to 30 Sept 2020 RM'000</b>
Sale of fast food and restaurant operations among subsidiaries	120	139
Sale of limestones among subsidiaries	81	176
Rental income among subsidiaries	24	24
Management fee among subsidiaries	330	330
Consultancy fee among subsidiaries	139	101
Rental expenses among subsidiaries	24	24

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**NOTES ON THE QUARTERLY REPORT- 30 SEPTEMBER 2021**

**A15. Group Segmental Information**

	Head office & others		Food and franchise operations		Property investment & management		Resources & sustainable energy		Total Consolidated	
	30.09.2021	30.09.2020	30.09.2021	30.09.2020	30.09.2021	30.09.2020	30.09.2021	30.09.2020	30.09.2021	30.09.2020
	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	9	9	9,583	9,646	30	30	1,443	2,353	11,065	12,038
Inter-segment revenue	469	431	120	139	-	-	81	176	670	746
<b>Total revenue</b>	<b>478</b>	<b>440</b>	<b>9,703</b>	<b>9,785</b>	<b>30</b>	<b>30</b>	<b>1,524</b>	<b>2,529</b>	<b>11,735</b>	<b>12,784</b>
Less: Inter-segment revenue									(670)	(746)
									<b>11,065</b>	<b>12,038</b>
<b>Results</b>										
Segment results	6,055	(634)	38	807	(804)	(805)	3,599	670	8,888	38
Consolidation elimination									(3,602)	(3,359)
									<b>5,286</b>	<b>(3,321)</b>
<i>Not included in the measure of segment profit/(loss):-</i>										
Depreciation and amortisation									(1,256)	(1,564)
Finance costs									(290)	(229)
Interest income									49	8
Income tax expenses									(2)	(86)
<b>Profit for the financial period</b>									<b>3,787</b>	<b>(5,192)</b>

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**NOTES ON THE QUARTERLY REPORT- 30 SEPTEMBER 2021**

**A15. Group Segmental Information (Continued)**

	Head office & others		Food and franchise operations		Property investment & management		Resources & sustainable energy		Total Consolidated	
	30.09.2021	30.06.2021	30.09.2021	30.06.2021	30.09.2021	30.06.2021	30.09.2021	30.06.2021	30.09.2021	30.06.2021
	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	734,989	721,222	32,155	32,529	524,097	513,166	303,950	304,226	1,595,191	1,571,143
Consolidation elimination									(758,845)	(747,853)
<b>Consolidated total assets</b>									<b>836,346</b>	<b>823,290</b>
<b>Liabilities</b>										
Segment liabilities	6,481	11,725	41,445	36,382	330,794	318,985	107,710	112,439	486,430	479,531
Tax payables	-	-	-	-	-	-	(209)	-	(209)	-
Loans and borrowings	-	-	4,461	4,413	160	201	15,176	13,630	19,797	18,244
Deferred tax liabilities	-	-	532	532	13,861	13,861	3,332	3,332	17,725	17,725
Lease liabilities	264	264	3,709	3,709	22	22	1,205	1,205	5,200	5,200
Consolidation elimination									(471,828)	(464,852)
<b>Consolidated total liabilities</b>									<b>57,115</b>	<b>55,848</b>

**NOTES ON THE QUARTERLY REPORT- 30 SEPTEMBER 2021**

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

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

	Individual Quarter		Individual Quarter	
	1 July 2021 to 30 Sept 2021		1 Jul 2020 to 30 Sept 2020	
	Profit/(Loss)		Profit/(Loss)	
	Revenue	Before Tax	Revenue	Before Tax
	RM'000	RM'000	RM'000	RM'000
Head office & others	9	5,465	9	(2,023)
Food and franchise operations	9,583	(146)	9,646	(1,495)
Property investment & management	30	(700)	30	(1,680)
Resources & sustainable energy	1,443	(830)	2,353	92
Group revenue and profit from (net of finance cost)	11,065	3,789	12,038	(5,106)

The Head Office and Others (“HOO”) recorded a profit before tax of RM5.47 million against a loss before tax of RM2.02 million mainly due to the fair value gain on quoted securities and gain on disposal of quoted securities of RM3.26 million and RM3.29 million, respectively for the quarter under review.

The Food and Franchise Operations (“FFO”) recorded a revenue of RM9.58 million and a loss before tax of RM0.15 million for the current quarter against the revenue of RM9.65 million and a loss before tax of RM1.50 million for the corresponding quarter. The slightly lower reported revenue for the quarter was due to the business disruptions during the Full Movement Control Order (FMCO) caused by the Covid-19 pandemic. The loss before tax of RM1.50 million for the corresponding quarter was mainly attributable to the allocation of share-based payment on ESOS.

The Property Investment & Management (“PIM”) registered revenue of RM0.03 million and a loss before tax RM0.70 million for the current quarter was due to the FMCO, which restricts the installation activities on-site for the project management of an Integrated Limestone Processing Plant (“ILPP”).

The Resources & Sustainable Energy (“RSE”) reported revenue of RM1.44 million and a loss before tax of RM0.83 million for the current quarter against the revenue of RM2.35 million and a profit before tax of RM0.09 million for the corresponding quarter. The revenue reduction of RM0.91 million was due to the decrease in the sale of limestones during the quarter under review.

**NOTES ON THE QUARTERLY REPORT- 30 SEPTEMBER 2021**

**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 30 Sept 2021 RM'000</b>	<b>Preceding Quarter ended 30 June 2021 RM'000</b>	<b>Variances</b>	
			<b>RM'000</b>	<b>%</b>
Revenue	11,065	15,817	(4,752)	-30%
Profit before taxation	3,789	35,411	(31,622)	-89%

The Group registered a revenue of RM11.07 million and a profit before tax of RM3.79 million for the current quarter compared to revenue of RM15.82 million and a profit before tax of RM35.41 million for the immediate preceding quarter.

The Group posted a decrease in revenue of RM4.75 million, mainly attributable to the FMCO, which restricts the installation activities on-site for the project management of an Integrated Limestone Processing Plant (“ILPP”) during the quarter under review.

The Group reported a lower profit before tax of RM3.79 million compared to a profit before tax of RM35.41 million mainly due to the fair value gain on investment in quoted securities of RM26.40 million, reversal of impairment losses of RM18.11 million and gain on disposal of development expenditures and intellectual property rights of RM1.91 million in the immediate preceding quarter.

**B3. Prospects**

Malaysia's economy shrank 4.5% in the third quarter, contracting by more than expected after its rebound in the second quarter. This was primarily attributable to the strict containment measures, particularly in July, under Phase 1 of the National Recovery Plan (NRP). However, the central bank reaffirmed the government's outlook for economic growth this year at 3 per cent to 4 per cent, with headline inflation at 2 per cent to 3 per cent.

With the gradual lifting of containment measures and continued improvements in the economic conditions, the Group will continue to prospect for new opportunities and sustainable businesses which can grow shareholder value in the long run.



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**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>3 Months 1 July 2021 to 30 Sept 2021 RM'000</b>	<b>3 Months 1 Jul 2020 to 30 Sept 2020 RM'000</b>
Income tax- current year	(2)	(52)
Income tax- prior year	-	15
Deferred tax- current year	-	(49)
	<u>(2)</u>	<u>(86)</u>

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.

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**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 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 1,007,000,000 Bornoil Shares had been issued pursuant to the Proposed Subscription at an issue price ranging from RM0.0250 to RM0.0400 per Bornoil Share. As at to-date, a total of sixty-three (63) tranches had been completed, and the Company has raised total proceeds of RM31.36 million from the Proposed Subscription. The Proposed Subscription is still ongoing.

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**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 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: -

<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	117	Within 24 months from the receipt of placement funds
2	Working capital expenses	18,865	18,865	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>23,975</u>	<u>19,092</u>	

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- (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 sixty-three (63) tranches comprising 1,007,000,000 Bornoil Shares had been issued pursuant to the Proposed Subscription. The total proceeds raised to date is approximately RM31.36 million.

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

<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	Business expansion and/or new investments	20,000	3,551	Within 36 months from the receipt of placement funds
2	Gold exploration works at Hutan Simpan Bukit Ibam, Mukim Keratong, Pahang ("Plant")	10,000	4,626	Within 36 months from the receipt of placement funds
3	Working capital expenses	12,410	12,243	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
	<b>Total</b>	<b>43,410</b>	<b>20,706</b>	

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**B.8 Borrowings and Debts Securities**

	<b>Unaudited as at 30 Sept 2021 RM'000</b>	<b>Audited as at 30 Jun 2021 RM'000</b>
Short term borrowings:		
- Bank overdrafts	904	909
- Bankers' acceptances	665	540
- Term loans	658	1,084
- Hire purchase payables	1,137	890
	<u>3,364</u>	<u>3,423</u>
Long term borrowings:		
- Term loans	14,564	14,290
- Hire purchase payables	1,870	531
	<u>16,434</u>	<u>14,821</u>
Total borrowings	<u>19,798</u>	<u>18,244</u>

**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.

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**B11. Earnings per Share**

	<b>Individual Quarter</b>	
	<b>3 Months 1 July 2021 to 30 Sept 2021</b>	<b>3 Months 1 Jul 2020 to 30 Sept 2020</b>
<b>(a) Basic EPS</b>		
Net profit/(loss) for the period attributable to equity holders (RM'000)	3,787	(5,192)
Weighted average number of ordinary shares in issue ('000)	7,148,285	5,658,746
Basic earnings per share (sen)	0.05	(0.09)

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.

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

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

	<b>Individual Quarter</b>	
	<b>3 Months 1 July 2021 to 30 Sept 2021 RM'000</b>	<b>3 Months 1 Jul 2020 to 30 Sept 2020 RM'000</b>
<b>Profit before tax is arrived after (charging):</b>		
Loss on disposal of property, plant and equipment	-	(2)
Loss on realised exchange difference	(6)	-
Loss on unrealised exchange difference	(108)	-
Property, plant and equipment written off	(1)	(4)
Reversal on waiver of debts	-	(104)
Depreciation of property, plant and equipment	(777)	(997)
Depreciation of right-of-use	(479)	(567)
Interest expense	(290)	(229)
Share-based payment by ESOS	-	(3,960)
<b>and crediting the following items:</b>		
Fair value discount on payables	(54)	-
Fair value gain on investment in quoted securities	3,256	-
Gain on disposal of investment in quoted shares	3,294	30
Gain on exchange difference	-	20
Government grant / subsidies	43	338
Interest income	49	8
Rental income	163	117
Reversal of impairment loss on trade receivables	-	115

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**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  
29 Nov 2021