

BORNEO OIL BERHAD

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

**QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE THIRD QUARTER ENDED
31 MARCH 2022**

(THE FIGURES HAVE NOT BEEN AUDITED)

BORNEO OIL BERHAD
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Incorporated in Malaysia
QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE THIRD QUARTER ENDED 31 MARCH 2022
(THE FIGURES HAVE NOT BEEN AUDITED)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

| | Individual Quarter | | Cumulative Quarter | |
|---|--|--|---|---|
| | 3 Months 1 Jan 2022 to 31 Mar 2022 RM'000 | 3 Months 1 Jan 2021 to 31 Mar 2021 RM'000 | 9 Months 1 July 2021 to 31 Mar 2022 RM'000 | 9 Months 1 July 2020 to 31 Mar 2021 RM'000 |
| Revenue | 22,344 | 13,546 | 51,777 | 35,591 |
| Cost of sales | (16,582) | (10,115) | (39,409) | (25,888) |
| Gross profit | 5,762 | 3,431 | 12,368 | 9,703 |
| Other income | 36,400 | 393 | 56,436 | 10,229 |
| Operating expenses | (6,919) | (7,198) | (18,770) | (26,180) |
| Profit/(Loss) from operations | 35,243 | (3,374) | 50,034 | (6,248) |
| Finance costs | (312) | (240) | (917) | (708) |
| Profit/(Loss) before taxation | 34,931 | (3,614) | 49,117 | (6,956) |
| Taxation | (89) | 129 | (216) | (44) |
| Profit/(Loss) for the period | 34,842 | (3,485) | 48,901 | (7,000) |
| Other comprehensive income for the financial period | | | | |
| - Foreign currency translation | (111) | (68) | (24) | (219) |
| Total comprehensive income/(deficit) for the financial period | 34,731 | (3,553) | 48,877 | (7,219) |
| Income attributable to: | | | | |
| - Owners of the parent | 34,842 | (3,485) | 48,901 | (7,000) |
| Total comprehensive income attributable to: | | | | |
| - Owners of the parent | 34,731 | (3,553) | 48,877 | (7,219) |
| Earnings per share | | | | |
| - basic (sen) | 0.47 | (0.06) | 0.67 | (0.11) |
| - diluted (sen) | 0.36 | (0.04) | 0.52 | (0.08) |

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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(THE FIGURES HAVE NOT BEEN AUDITED)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| | Unaudited as at 31 Mar 2022 RM'000 | Audited as at 30 Jun 2021 RM'000 |
|-------------------------------------|---|---|
| Non Current Assets | | |
| Property, plant and equipment | 19,117 | 16,312 |
| Right-of-use assets | 9,786 | 9,175 |
| Investment properties | 614,933 | 614,811 |
| Goodwill | 9 | 9 |
| Other investments | 115,468 | 45,395 |
| Exploration expenditure | 7,155 | 5,310 |
| Receivables | 19,135 | 19,135 |
| | <u>785,603</u> | <u>710,147</u> |
| Current Assets | | |
| Inventories | 44,251 | 42,807 |
| Trade receivables | 21,535 | 6,296 |
| Other receivables | 23,240 | 27,437 |
| Contract asset | - | 426 |
| Tax recoverable | 837 | 702 |
| Fixed deposits with licensed banks | 4,061 | 4,050 |
| Cash and bank balances | 17,312 | 31,425 |
| | <u>111,236</u> | <u>113,143</u> |
| Total Assets | <u>896,839</u> | <u>823,290</u> |
| Shareholders' Fund | | |
| Share capital | 639,460 | 618,968 |
| Reserves | 55,593 | 61,803 |
| Retained earnings | 135,572 | 86,671 |
| | <u>830,625</u> | <u>767,442</u> |
| Non Current Liabilities | | |
| Long term borrowings | 23,873 | 14,290 |
| Hire purchase creditors | 1,636 | 531 |
| Lease liabilities | 4,151 | 3,546 |
| Deferred tax liabilities | 17,725 | 17,725 |
| Payables | 215 | 846 |
| | <u>47,600</u> | <u>36,938</u> |
| Current Liabilities | | |
| Trade payables | 7,626 | 6,424 |
| Other payables | 7,021 | 7,760 |
| Hire purchase creditors | 1,019 | 890 |
| Short term borrowings | 1,080 | 1,624 |
| Lease liabilities | 989 | 1,303 |
| Bank overdraft | 950 | 909 |
| Tax payable | (71) | - |
| | <u>18,614</u> | <u>18,910</u> |
| Total Equity and Liabilities | <u>896,839</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 RM'000 |
|--|----------------------------|------------------------|----------------------------|---------------------------|-------------------------------|-----------------------------|------------------------|
| | Share Capital RM'000 | ESOS Reserve RM'000 | Warrants Reserve RM'000 | Treasury Shares RM'000 | Translation Reserve RM'000 | Retained Earnings RM'000 | |
| At 1 July 2021 | 618,968 | - | 93,441 | (31,493) | (145) | 86,671 | 767,442 |
| Total comprehensive income for the financial period:- | | | | | | | |
| Profit for the financial period | - | - | - | - | - | 48,901 | 48,901 |
| Other comprehensive deficit for the financial period | - | - | - | - | (24) | - | (24) |
| Total comprehensive income | - | - | - | - | (24) | 48,901 | 48,877 |
| Transactions with owners:- | | | | | | | |
| Issue of shares | 20,002 | - | - | - | - | - | 20,002 |
| Share- based payment transactions | - | 786 | - | - | - | - | 786 |
| ESOS exercised | 490 | (145) | - | - | - | - | 345 |
| Acquisition of treasury shares | - | - | - | (6,827) | - | - | (6,827) |
| Total transactions with owners | 20,492 | 641 | - | (6,827) | - | - | 14,306 |
| At 31 March 2022 | 639,460 | 641 | 93,441 | (38,320) | (169) | 135,572 | 830,625 |

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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 |
| At 1 July 2020 | 536,349 | - | 93,441 | (16,200) | 32 | 58,187 | 671,809 |
| Total comprehensive income for the financial period:- | | | | | | | |
| Profit for the financial period | - | - | - | - | - | 28,484 | 28,484 |
| Other comprehensive deficit for the financial period | - | - | - | - | (177) | - | (177) |
| Total comprehensive income | - | - | - | - | (177) | 28,484 | 28,307 |
| Transactions with owners:- | | | | | | | |
| 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) |
| Total transactions with owners | 82,619 | - | - | (15,293) | - | - | 67,326 |
| At 30 June 2021 | 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

| | 9 Months 1 July 2021 to 31 Mar 2022 RM'000 | 9 Months 1 Jul 2020 to 31 Mar 2021 RM'000 |
|--|---|--|
| CASH FLOWS FROM OPERATING ACTIVITIES:- | | |
| Profit/(Loss) before taxation | 49,117 | (6,956) |
| Adjustments for: | | |
| Bad debts recovered - other receivables | - | (8,504) |
| Equity settled share- based payment | 786 | 10,499 |
| Fair value discount on retention payables | 55 | - |
| Fair value gain on investment in quoted securities | (50,678) | (120) |
| Gain on disposal of quoted securities | (3,340) | (30) |
| Gain on disposal of property, plant and equipment | (588) | (14) |
| Gain on unrealised exchange difference | (35) | (244) |
| Reversal of impairment loss on other receivables | (442) | - |
| Reversal of impairment loss on trade receivables | (45) | (119) |
| Reversal of waiver of debts | - | 104 |
| Depreciation of properties, plant and equipment | 2,354 | 2,867 |
| Depreciation of right-of-use | 1,506 | 1,855 |
| Loss on disposal of property, plant and equipment | - | 2 |
| Loss on unrealised exchange difference | 9 | 3 |
| Property, plant and equipment written off | 124 | 163 |
| Interest expense | 917 | 708 |
| Interest income | (129) | (89) |
| Changes in working capital:- | (389) | 125 |
| Inventories | (1,443) | (13,758) |
| Trade receivables | (15,390) | 15,104 |
| Other receivables, deposits and prepayments | 4,617 | (5,672) |
| Trade payables | 739 | 25 |
| Other payables and accruals | (720) | (2,397) |
| Contract asset | 426 | 604 |
| | (12,160) | (5,969) |
| Interest paid | (917) | (708) |
| Tax paid | (492) | (503) |
| Tax refunded | 69 | 1,148 |
| Net Operating Cash Flows | (13,500) | (6,032) |

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(THE FIGURES HAVE NOT BEEN AUDITED)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

| | 9 Months 1 July 2021 to 31 Mar 2022 RM'000 | 9 Months 1 Jul 2020 to 31 Mar 2021 RM'000 |
|---|---|--|
| CASH FLOWS FROM INVESTING ACTIVITIES:- | | |
| Acquisition of investment properties | (122) | - |
| Acquisition of right- of- use | (860) | - |
| Acquisition of quoted securities | (4,386) | (189) |
| Acquisition of other investment | (19,300) | - |
| Additional of development expenditure | - | (108) |
| Additional of exploration expenditure | (1,845) | (2,916) |
| Net cash outflow on acquisition of subsidiary | - | (750) |
| Placement of fixed deposits | (11) | (46) |
| Proceeds from disposal of quoted securities | 7,631 | 188 |
| Proceeds from disposal of properties, plant and equipment | 596 | 45 |
| Purchases of properties, plant and equipment | (5,290) | (4,500) |
| Interest received | 129 | 89 |
| Net Investing Cash Flows | (23,458) | (8,187) |
| CASH FLOWS FROM FINANCING ACTIVITIES:- | | |
| Acquisition of treasury shares | (6,827) | (11,310) |
| Issuance of ordinary shares | 20,003 | 31,878 |
| Payment of lease liabilities | (966) | (1,701) |
| Drawdown/(Repayment) of hire purchase payables, net | 1,235 | (353) |
| Drawdown of term borrowings, net | 9,192 | 4,154 |
| Repayment of banker's acceptance, net | (152) | (830) |
| ESOS exercised | 344 | 29,010 |
| Net Financing Cash Flows | 22,829 | 50,848 |
| NET CHANGE IN CASH AND CASH EQUIVALENTS | (14,129) | 36,629 |
| EFFECT OF FOREIGN EXCHANGE RATE CHANGES | (25) | (219) |
| CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD | 30,516 | 4,242 |
| CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD | 16,362 | 40,652 |
| ANALYSIS OF CASH AND CASH EQUIVALENTS | | |
| Cash and bank balances | 17,312 | 41,616 |
| Bank overdrafts | (950) | (964) |
| | 16,362 | 40,652 |

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- 31 MARCH 2022

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 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- 31 MARCH 2022

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)

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- 31 MARCH 2022

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

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 8,000,000 and 112,827,550 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 8,211,117,079 issued ordinary shares.

There were repurchases of 3,650,000 issued ordinary shares from the open market during the quarter. The cumulative total number of shares repurchased at the end of the quarter was 745,236,000. The shares repurchased are being held as treasury shares in accordance with Section 127 of the 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- 31 MARCH 2022

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

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 31 March 2022 is as follows:

| | As at 31 Mar 2022 RM'000 | As at 30 Jun 2021 RM'000 |
|--------------------------------------|---|---|
| Property, plant and equipment | | |
| - contracted but not provided for | 26 | 1,638 |

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

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

| | Individual Quarter | | Cumulative Quarter | |
|--|--|--|---|---|
| | 3 Months 1 Jan 2022 to 31 Mar 2022 RM'000 | 3 Months 1 Jan 2021 to 31 Mar 2021 RM'000 | 9 Months 1 July 2021 to 31 Mar 2022 RM'000 | 9 Months 1 July 2020 to 31 Mar 2021 RM'000 |
| Sale of fast food and restaurant operations among subsidiaries | 7 | 131 | 145 | 447 |
| Sale of limestones among subsidiaries | 132 | 83 | 370 | 349 |
| Rental income among subsidiaries | 39 | 6 | 117 | 54 |
| Management fee among subsidiaries | 330 | 330 | 990 | 990 |
| Consultancy fee among subsidiaries | 139 | 138 | 417 | 364 |
| Rental expenses among subsidiaries | 39 | 6 | 117 | 54 |

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NOTES ON THE QUARTERLY REPORT- 31 MARCH 2022

A15. Group Segmental Information

| | Head office & others | | Food and franchise operations | | Property investment & management | | Resources & sustainable energy | | Total Consolidated | |
|---|----------------------|--------------|-------------------------------|---------------|----------------------------------|------------|--------------------------------|--------------|--------------------|----------------|
| | 31.03.2022 | 31.03.2021 | 31.03.2022 | 31.03.2021 | 31.03.2022 | 31.03.2021 | 31.03.2022 | 31.03.2021 | 31.03.2022 | 31.03.2021 |
| | 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 | 33,796 | 27,711 | 14,103 | 896 | 3,851 | 6,957 | 51,777 | 35,591 |
| Inter-segment revenue | 1,407 | 1,354 | 145 | 447 | - | - | 370 | 349 | 1,922 | 2,150 |
| Total revenue | 1,434 | 1,381 | 33,941 | 28,158 | 14,103 | 896 | 4,221 | 7,306 | 53,699 | 37,741 |
| Less: Inter-segment revenue | | | | | | | | | (1,922) | (2,150) |
| | | | | | | | | | 51,777 | 35,591 |
| Results | | | | | | | | | | |
| Segment results | 51,964 | (3,241) | 858 | (5,024) | (214) | (1,837) | 3,963 | 9,049 | 56,571 | (1,053) |
| Consolidation elimination | | | | | | | | | (2,806) | (562) |
| | | | | | | | | | 53,765 | (1,615) |
| <i>Not included in the measure of segment profit/(loss):-</i> | | | | | | | | | | |
| Depreciation and amortisation | | | | | | | | | (3,860) | (4,722) |
| Finance costs | | | | | | | | | (917) | (708) |
| Interest income | | | | | | | | | 129 | 89 |
| Income tax expenses | | | | | | | | | (216) | (44) |
| Profit for the financial period | | | | | | | | | 48,901 | (7,000) |

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NOTES ON THE QUARTERLY REPORT- 31 MARCH 2022

A15. Group Segmental Information (Continued)

| | Head office & others | | Food and franchise operations | | Property investment & management | | Resources & sustainable energy | | Total Consolidated | |
|---------------------------------------|----------------------|------------|-------------------------------|------------|----------------------------------|------------|--------------------------------|------------|--------------------|----------------|
| | 31.03.2022 | 30.06.2021 | 31.03.2022 | 30.06.2021 | 31.03.2022 | 30.06.2021 | 31.03.2022 | 30.06.2021 | 31.03.2022 | 30.06.2021 |
| | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 |
| Assets | | | | | | | | | | |
| Segment assets | 787,054 | 721,222 | 34,795 | 32,529 | 527,910 | 513,166 | 305,117 | 304,226 | 1,654,876 | 1,571,143 |
| Consolidation elimination | | | | | | | | | (758,037) | (747,853) |
| Consolidated total assets | | | | | | | | | 896,839 | 823,290 |
| Liabilities | | | | | | | | | | |
| Segment liabilities | 6,431 | 11,725 | 44,700 | 36,382 | 334,148 | 318,985 | 100,487 | 112,439 | 485,766 | 479,531 |
| Tax payables | (1) | - | - | - | - | - | (70) | - | (71) | - |
| Loans and borrowings | - | - | 4,042 | 4,413 | 78 | 201 | 24,438 | 13,630 | 28,558 | 18,244 |
| Deferred tax liabilities | - | - | 532 | 532 | 13,861 | 13,861 | 3,332 | 3,332 | 17,725 | 17,725 |
| Lease liabilities | 182 | 264 | 3,863 | 3,709 | 14 | 22 | 1,081 | 1,205 | 5,140 | 5,200 |
| Consolidation elimination | | | | | | | | | (470,904) | (464,852) |
| Consolidated total liabilities | | | | | | | | | 66,214 | 55,848 |

NOTES ON THE QUARTERLY REPORT- 31 MARCH 2022

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

B1. Financial Review for the Current Quarter

| | Individual Quarter | | Individual Quarter | |
|--|---------------------------|------------|---------------------------|------------|
| | 1 Jan 2022 to 31 Mar 2022 | | 1 Jan 2021 to 31 Mar 2021 | |
| | Profit/(Loss) | | Profit/(Loss) | |
| | Revenue | Before Tax | Revenue | Before Tax |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Head office & others | 9 | 33,932 | 9 | (1,413) |
| Food and franchise operations | 11,694 | 441 | 8,772 | (1,488) |
| Property investment & management | 9,216 | 913 | 776 | (762) |
| Resources & sustainable energy | 1,425 | (355) | 3,989 | 49 |
| Group revenue and profit from (net of finance cost) | 22,344 | 34,931 | 13,546 | (3,614) |

The Head Office and Others (“HOO”) recorded a profit before tax of RM33.93 million against a loss before tax of RM1.41 million mainly due to the fair value gain on quoted securities of RM35.30 million for the quarter under review.

The Food and Franchise Operations (“FFO”) recorded a revenue of RM11.69 million and a profit before tax of RM0.44 million for the current quarter against a revenue of RM8.77 million and a loss before tax of RM1.49 million for the corresponding quarter. The higher reported revenue for the current quarter reflects the improved market sentiments with the easing of the Movement Control Order which also coincided with the festive season in the quarter under review.

The Property Investment & Management (“PIM”) registered a revenue of RM9.22 million for the current quarter with the full resumption of installation activities on-site for the project management of an Integrated Limestone Processing Plant (“ILPP”). The ILPP is scheduled for completion in the third quarter of 2022 in accordance with the plan.

The Resources & Sustainable Energy (“RSE”) reported a revenue of RM1.43 million and a loss before tax of RM0.36 million for the current quarter against a revenue of RM3.99 million and a profit before tax of RM0.05 million for the corresponding quarter. The reduction in revenue for the current quarter was mainly due to the lower than the expected sale of limestones which resulted in a loss before tax for the quarter under review.

NOTES ON THE QUARTERLY REPORT- 31 MARCH 2022

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 2022 RM'000 | Preceding Quarter ended 31 Dec 2021 RM'000 | Variances | |
|------------------------|---|---|------------------|----------|
| | | | RM'000 | % |
| Revenue | 22,344 | 18,368 | 3,976 | 22% |
| Profit before taxation | 34,931 | 10,397 | 24,534 | 236% |

The Group registered a revenue of RM22.34 million and a profit before tax of RM34.93 million for the current quarter compared to a revenue of RM18.37 million and a profit before tax of RM10.40 million for the immediate preceding quarter.

The Group reported higher a revenue of RM3.98 million as compared to the immediate preceding quarter was mainly attributable to the improvement in revenue of RM4.36 million derived from the full resumption of installation activities on-site for the project management of an ILPP.

The Group reported an increase in profit before tax of RM24.53 million as compared to the immediate preceding quarter was mainly due to the fair value gain on investment in quoted securities of RM35.30 million for the current quarter against RM12.12 million for the previous quarter.

B3. Prospects

The Malaysian Government has removed all restrictions on Covid-19 movement control measures in May 2022. Businesses are gradually recovering as international borders open and the population embrace the new normal. The economy and domestic demands are expected to remain on its recovery path with the reopening of borders.

Barring unforeseen circumstances, the Board is cautiously optimistic that the Group will continue to deliver satisfactory performance for the financial year ended 2022

NOTES ON THE QUARTERLY REPORT- 31 MARCH 2022

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 2022 to 31 Mar 2022 | 1 July 2021 to 31 Mar 2022 |
| | RM'000 | RM'000 |
| Income tax- current year | (86) | (213) |
| Income tax- prior year | (3) | (3) |
| Deferred tax- current year | - | - |
| | (89) | (216) |

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 2022

**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 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.

On 26 January 2022, the Company completed the issuances and listing pursuant to the Proposed Subscription. A total of 1,205,827,550 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 seventy (70) tranches had been completed, and the Company has raised total proceeds of RM36.33 million from the Proposed Subscription.

NOTES ON THE QUARTERLY REPORT- 31 MARCH 2022

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 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 | 707 | 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 |
| Total | | <u>23,975</u> | <u>19,682</u> | |

NOTES ON THE QUARTERLY REPORT- 31 MARCH 2022

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 seventy (70) tranches comprising 1,205,827,550 Bornoil Shares had been issued pursuant to the Proposed Subscription. The total proceeds raised to date is approximately RM36.33 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 | 6,742 | Within 36 months from the receipt of placement funds |
| 2 | Gold exploration works at Hutan Simpan Bukit Ibam, Mukim Keratong, Pahang ("Plant") | 10,000 | 7,691 | Within 36 months from the receipt of placement funds |
| 3 | Working capital expenses | 12,410 | 12,410 | Within 36 months from the receipt of placement funds |
| 4 | Estimated expenses in relation to the Proposed subscription | 1,000 | 842 | Upon completion of the Proposed Subscription |
| | Total | <u>43,410</u> | <u>27,685</u> | |

NOTES ON THE QUARTERLY REPORT- 31 MARCH 2022

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

B.8 Borrowings and Debts Securities

| | Unaudited as at 31 Mar 2022 RM'000 | Audited as at 30 Jun 2021 RM'000 |
|--------------------------|---|---|
| Short term borrowings: | | |
| - Bank overdrafts | 950 | 909 |
| - Bankers' acceptances | 388 | 540 |
| - Term loans | 692 | 1,084 |
| - Hire purchase payables | 1,019 | 890 |
| | <u>3,049</u> | <u>3,423</u> |
| Long term borrowings: | | |
| - Term loans | 23,873 | 14,290 |
| - Hire purchase payables | 1,636 | 531 |
| | <u>25,509</u> | <u>14,821</u> |
| Total borrowings | <u>28,558</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.

BORNEO OIL BERHAD
Company Reg. No. 198901005309 (121919-H)
Incorporated in Malaysia

NOTES ON THE QUARTERLY REPORT- 31 MARCH 2022

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

B11. Earnings per Share

| | Individual Quarter | | Cumulative Quarter | |
|--|--|--|---|---|
| | 3 Months 1 Jan 2022 to 31 Mar 2022 | 3 Months 1 Jan 2021 to 31 Mar 2021 | 9 Months 1 July 2021 to 31 Mar 2022 | 9 Months 1 July 2020 to 31 Mar 2021 |
| (a) Basic EPS | | | | |
| Net profit/(loss) for the period attributable to equity holders (RM'000) | 34,842 | (3,485) | 48,901 | (7,000) |
| Weighted average number of ordinary shares in issue ('000) | 7,436,258 | 6,322,560 | 7,282,685 | 6,631,033 |
| Basic earnings per share (sen) | 0.47 | (0.06) | 0.67 | (0.11) |

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.

NOTES ON THE QUARTERLY REPORT- 31 MARCH 2022

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 2022 to 31 Mar 2022 RM'000 | 3 Months 1 Jan 2021 to 31 Mar 2021 RM'000 | 9 Months 1 July 2021 to 31 Mar 2022 RM'000 | 9 Months 1 July 2020 to 31 Mar 2021 RM'000 |
| Profit before tax is arrived after (charging): | | | | |
| Loss on disposal of property, plant and equipment | - | - | - | (2) |
| Loss on exchange difference | 84 | (2) | (9) | (3) |
| Property, plant and equipment written off | - | (29) | (124) | (163) |
| Reversal on waiver of debts | - | - | - | (104) |
| Depreciation of property, plant and equipment | (775) | (924) | (2,354) | (2,867) |
| Depreciation of right-of-use | (496) | (714) | (1,506) | (1,855) |
| Interest expense | (312) | (240) | (917) | (708) |
| Share-based payment by ESOS | (139) | 2,071 | (786) | 10,499 |
| and crediting the following items: | | | | |
| Bad debts written back | - | 3 | - | 8,504 |
| Fair value discount on payables | (1) | - | (55) | - |
| Fair value gain on investment in quoted securities | 35,298 | - | 50,678 | 120 |
| Gain on disposal of investment in quoted shares | 37 | - | 3,340 | 30 |
| Gain on disposal of property, plant and equipment | 588 | 13 | 588 | 14 |
| Gain on exchange difference | 35 | 80 | 35 | 244 |
| Government grant / subsidies | 5 | 26 | 56 | 553 |
| Interest income | 20 | 35 | 129 | 89 |
| Rental income | 175 | 217 | 515 | 454 |
| Reversal of impairment loss on other receivables | - | - | 442 | - |
| Reversal of impairment loss on trade receivables | - | - | 45 | 119 |

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
26 May 2022