

BORNEO OIL BERHAD

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

**QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE FOURTH QUARTER ENDED
30 JUNE 2022**

(THE FIGURES HAVE NOT BEEN AUDITED)

BORNEO OIL BERHAD
Company Reg. No. 198901005309 (121919-H)
Incorporated in Malaysia
QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE FOURTH QUARTER ENDED 30 JUNE 2022
(THE FIGURES HAVE NOT BEEN AUDITED)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

| | Individual Quarter | | Cumulative Quarter | |
|--|---|---|---|---|
| | 3 Months 1 Apr 2022 to 30 June 2022 RM'000 | 3 Months 1 Apr 2021 to 30 June 2021 RM'000 | 12 Months 1 July 2021 to 30 June 2022 RM'000 | 12 Months 1 July 2020 to 30 June 2021 RM'000 |
| Revenue | 35,878 | 15,817 | 87,655 | 51,408 |
| Cost of sales | (30,455) | (14,464) | (69,864) | (40,352) |
| Gross profit | 5,423 | 1,353 | 17,791 | 11,056 |
| Other income | 11,084 | 48,820 | 67,520 | 59,049 |
| Operating expenses | (11,393) | (14,543) | (30,163) | (40,723) |
| Profit from operations | 5,114 | 35,630 | 55,148 | 29,382 |
| Finance costs | (434) | (201) | (1,351) | (909) |
| Profit before taxation | 4,680 | 35,429 | 53,797 | 28,473 |
| Taxation | (297) | 55 | (513) | 11 |
| Profit for the period/year | 4,383 | 35,484 | 53,284 | 28,484 |
| Other comprehensive income for the financial period/year | | | | |
| - Foreign currency translation | 89 | 42 | 65 | (177) |
| Total comprehensive income for the financial period/year | 4,472 | 35,526 | 53,349 | 28,307 |
| Income attributable to: | | | | |
| - Owners of the parent | 4,383 | 35,484 | 53,284 | 28,484 |
| Total comprehensive income attributable to: | | | | |
| - Owners of the parent | 4,472 | 35,526 | 53,349 | 28,307 |
| Earnings per share | | | | |
| - basic (sen) | 0.06 | 0.52 | 0.73 | 0.42 |
| - diluted (sen) | 0.06 | 0.52 | 0.73 | 0.42 |

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 30 June 2022 RM'000 | Audited as at 30 June 2021 RM'000 |
|-------------------------------------|--|--|
| Non Current Assets | | |
| Property, plant and equipment | 17,776 | 16,312 |
| Right-of-use assets | 12,292 | 9,175 |
| Investment properties | 614,654 | 614,811 |
| Goodwill | 9 | 9 |
| Other investments | 159,320 | 45,395 |
| Exploration expenditure | 7,518 | 5,310 |
| Receivables | 23,863 | 19,135 |
| | <u>835,432</u> | <u>710,147</u> |
| Current Assets | | |
| Inventories | 34,406 | 42,807 |
| Trade receivables | 4,797 | 6,296 |
| Other receivables | 47,625 | 27,437 |
| Contract asset | - | 426 |
| Tax recoverable | 749 | 702 |
| Fixed deposits with licensed banks | 1,876 | 4,050 |
| Cash and bank balances | 21,368 | 31,425 |
| | <u>110,821</u> | <u>113,143</u> |
| Total Assets | <u>946,253</u> | <u>823,290</u> |
| Shareholders' Fund | | |
| Share capital | 640,238 | 618,968 |
| Reserves | 94,507 | 61,803 |
| Retained earnings | 139,955 | 86,671 |
| | <u>874,700</u> | <u>767,442</u> |
| Non Current Liabilities | | |
| Long term borrowings | 23,151 | 14,290 |
| Hire purchase creditors | 1,956 | 531 |
| Lease liabilities | 5,823 | 3,546 |
| Deferred tax liabilities | 17,679 | 17,725 |
| Payables | 217 | 846 |
| | <u>48,826</u> | <u>36,938</u> |
| Current Liabilities | | |
| Trade payables | 7,198 | 6,424 |
| Other payables | 7,751 | 7,760 |
| Contract liabilities | 1,343 | - |
| Hire purchase creditors | 1,030 | 890 |
| Short term borrowings | 2,880 | 1,624 |
| Lease liabilities | 1,240 | 1,303 |
| Bank overdraft | 1,285 | 909 |
| | <u>22,727</u> | <u>18,910</u> |
| Total Equity and Liabilities | <u>946,253</u> | <u>823,290</u> |
| Net assets per share (RM) | <u>0.11</u> | <u>0.11</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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(THE FIGURES HAVE NOT BEEN AUDITED)

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 2021 | 618,968 | - | 93,441 | (31,493) | (145) | 86,671 | 767,442 |
| Total comprehensive income for the financial period:- | | | | | | | |
| Profit for the financial period | - | - | - | - | - | 53,284 | 53,284 |
| Other comprehensive deficit for the financial period | - | - | - | - | 65 | - | 65 |
| Total comprehensive income | - | - | - | - | 65 | 53,284 | 53,349 |
| Transactions with owners:- | | | | | | | |
| Issue of shares | 20,419 | (416) | - | - | - | - | 20,003 |
| Share- based payment transactions | - | 1,562 | - | - | - | - | 1,562 |
| Employee Share Option Scheme exercised | 851 | - | - | - | - | - | 851 |
| Proceeds/(Acquisition) of treasury shares | - | - | - | 31,493 | - | - | 31,493 |
| Total transactions with owners | 21,270 | 1,146 | - | 31,493 | - | - | 53,909 |
| At 30 June 2022 | 640,238 | 1,146 | 93,441 | - | (80) | 139,955 | 874,700 |

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(THE FIGURES HAVE NOT BEEN AUDITED)

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 |
| Employee Share Option Scheme 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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(THE FIGURES HAVE NOT BEEN AUDITED)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

| | 12 Months 1 July 2021 to 30 June 2022 RM'000 | 12 Months 1 July 2020 to 30 June 2021 RM'000 |
|---|---|---|
| CASH FLOWS FROM OPERATING ACTIVITIES:- | | |
| Profit/(Loss) before taxation | 53,797 | 28,473 |
| Adjustments for: | | |
| Allowance for impairment on obsolete inventories | - | 1,083 |
| Bad debts recovered - other receivables | (4) | (8,513) |
| Equity settled share- based payment | 1,562 | 10,499 |
| Fair value discount on retention receivables | 57 | (473) |
| Fair value discount on retention payables | (1,316) | 83 |
| Fair value gain on investment in quoted securities | (53,037) | (26,404) |
| Fair value adjustment on investment properties | (87) | 1,950 |
| Gain on disposal of quoted securities | (3,300) | (30) |
| Gain on disposal of investment in subsidiary company | - | (12) |
| Gain on disposal of development expenditures and intellectual property rights | - | (1,911) |
| Gain on disposal of property, plant and equipment | (20) | (801) |
| Gain on lease modification | - | (60) |
| Gain on realised exchange difference | (47) | - |
| Gain on unrealised exchange difference | (1,317) | (240) |
| Reversal on impairment loss on development expenditure | - | (4,105) |
| Reversal on impairment loss on intellectual property right | - | (14,000) |
| Reversal of impairment loss on other receivables | (3,149) | - |
| Reversal of impairment loss on trade receivables | (2,510) | - |
| Reversal of waiver of debts | - | 92 |
| Reversal of impairment losses on property, plant and equipment | - | (800) |
| Depreciation of properties, plant and equipment | 3,036 | 3,881 |
| Depreciation of right-of-use | 1,457 | 2,009 |
| Bad debts written off- trade | 2,514 | 2 |
| Bad debts written off- others | 873 | 1,088 |
| Impairment on other investments | - | 23 |
| Impairment on other receivables | 56 | 1,467 |
| Impairment on trade receivables | 575 | 3,548 |
| Loss on unrealised exchange difference | - | - |
| Property, plant and equipment written off | 162 | 687 |
| Waiver of debts | - | (78) |
| Waiver of rental | - | (115) |
| Interest expense | 1,351 | 909 |
| Interest income | (170) | (213) |
| Changes in working capital:- | <u>483</u> | <u>(1,961)</u> |

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

| | 12 Months 1 July 2021 to 30 June 2022 RM'000 | 12 Months 1 July 2020 to 30 June 2021 RM'000 |
|---|---|---|
| Inventories | 8,402 | (22,682) |
| Trade receivables | (4,142) | 15,940 |
| Other receivables, deposits and prepayments | (17,985) | (4,440) |
| Trade payables | 1,686 | (1,979) |
| Other payables and accruals | 11 | (317) |
| Contract asset | 1,769 | 424 |
| | <u>(9,776)</u> | <u>(15,015)</u> |
| Interest paid | (1,351) | (908) |
| Tax paid | (677) | (1,249) |
| Tax refunded | 72 | 1,148 |
| Net Operating Cash Flows | <u>(11,732)</u> | <u>(16,024)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES:- | | |
| Acquisition of investment properties | 243 | (4,494) |
| Acquisition of right- of- use | (1,328) | - |
| Acquisition of quoted securities | (12,401) | (2,064) |
| Acquisition of other investment | (51,400) | - |
| Additional of development expenditure | - | (196) |
| Additional of exploration expenditure | (2,208) | (3,616) |
| Net cash outflow on acquisition of subsidiary | - | (515) |
| Withdrawal/(Placement) of fixed deposits | 2,174 | (93) |
| Proceeds from disposal of quoted securities | 7,631 | 188 |
| Proceeds from disposal of properties, plant and equipment | 308 | 1,267 |
| Purchases of properties, plant and equipment | (4,951) | (5,040) |
| Interest received | 170 | 213 |
| Net Investing Cash Flows | <u>(61,762)</u> | <u>(14,350)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES:- | | |
| Proceeds/(Acquisition) of treasury shares | 31,493 | (15,293) |
| Issuance of ordinary shares | 20,003 | 39,483 |
| Payment of lease liabilities | (1,032) | (2,403) |
| Drawdown/(Repayment) of hire purchase payables, net | 1,565 | (987) |
| Drawdown of term borrowings, net | 9,017 | 4,105 |
| Drawdown/(Repayment) of banker's acceptance, net | 1,099 | (727) |
| ESOS exercised | 851 | 32,637 |
| Net Financing Cash Flows | <u>62,996</u> | <u>56,815</u> |

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

| | 12 Months 1 July 2021 to 30 June 2022 RM'000 | 12 Months 1 July 2020 to 30 June 2021 RM'000 |
|---|---|---|
| NET CHANGE IN CASH AND CASH EQUIVALENTS | (10,498) | 26,441 |
| EFFECT OF FOREIGN EXCHANGE RATE CHANGES | 65 | 67 |
| CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR | 30,516 | 4,008 |
| CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR | <u>20,083</u> | <u>30,516</u> |
| ANALYSIS OF CASH AND CASH EQUIVALENTS | | |
| Cash and bank balances | 21,368 | 31,425 |
| Bank overdrafts | (1,285) | (909) |
| | <u>20,083</u> | <u>30,516</u> |

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 JUNE 2022

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

A1. Basis of Preparation

This interim financial report was 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 the 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 JUNE 2022

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

A2. Changes in accounting policies arising from the 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 JUNE 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 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 22,000,000 new ordinary shares were issued pursuant to the exercise of ESOS. As at the quarter ended, there were a total of 8,233,117,079 issued ordinary shares.

The Company transferred a total of 745,236,000 Treasury Shares for a consideration of RM38,320,261.00 to MT 23 Resources Ltd via Direct Business Transaction to satisfy part of the purchase consideration for the Sale of Share Agreement for the acquisition of 13.76% representing 17,350,299 ordinary shares in Makin Teguh Sdn Bhd.

Save for the above, there were no other issuance and repayment of debt and equity securities, share cancellations and resale of treasury shares for the current quarter.

A8. Dividends Paid

There was no dividend paid during the quarter under review.

NOTES ON THE QUARTERLY REPORT- 30 JUNE 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 30 June 2022 is as follows:

| | As at 30 June 2022 RM'000 | As at 30 June 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 Apr 2022 to 30 June 2022 RM'000 | 3 Months 1 Apr 2021 to 30 June 2021 RM'000 | 12 Months 1 July 2021 to 30 June 2022 RM'000 | 12 Months 1 July 2020 to 30 June 2021 RM'000 |
| Dividend income among subsidiaries | - | - | - | - |
| Purchase of property, plant and equipment among subsidiaries | - | 4,810 | - | 4,810 |
| Sale of fast food and restaurant operations among subsidiaries | 68 | 108 | 213 | 555 |
| Sale of limestones among subsidiaries | 75 | 86 | 445 | 435 |
| Rental income among subsidiaries | 39 | 28 | 156 | 82 |
| Management fee among subsidiaries | 330 | 330 | 1,320 | 1,320 |
| Consultancy fee among subsidiaries | 143 | 139 | 560 | 503 |
| Rental expenses among subsidiaries | 39 | 28 | 156 | 82 |

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NOTES ON THE QUARTERLY REPORT- 30 JUNE 2022

A15. Group Segmental Information

| | Head office & others | | Food and franchise operations | | Property investment & management | | Resources & sustainable energy | | Total Consolidated | |
|---|----------------------|--------------|-------------------------------|---------------|----------------------------------|--------------|--------------------------------|--------------|--------------------|---------------|
| | 30.06.2022 | 30.06.2021 | 30.06.2022 | 30.06.2021 | 30.06.2022 | 30.06.2021 | 30.06.2022 | 30.06.2021 | 30.06.2022 | 30.06.2021 |
| | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 |
| Revenue | | | | | | | | | | |
| External revenue | 36 | 157 | 47,627 | 37,439 | 22,094 | 6,252 | 17,898 | 7,560 | 87,655 | 51,408 |
| Inter-segment revenue | 1,880 | 1,823 | 213 | 555 | - | - | 445 | 435 | 2,538 | 2,813 |
| Total revenue | 1,916 | 1,980 | 47,840 | 37,994 | 22,094 | 6,252 | 18,343 | 7,995 | 90,193 | 54,221 |
| Less: Inter-segment revenue | | | | | | | | | (2,538) | (2,813) |
| | | | | | | | | | 87,655 | 51,408 |
| Results | | | | | | | | | | |
| Segment results | 71,591 | 12,951 | 1,844 | (3,298) | 458 | (17,010) | (834) | 43,256 | 73,059 | 35,899 |
| Consolidation elimination | | | | | | | | | (13,588) | (840) |
| | | | | | | | | | 59,471 | 35,059 |
| <i>Not included in the measure of segment profit/(loss):-</i> | | | | | | | | | | |
| Depreciation and amortisation | | | | | | | | | (4,493) | (5,890) |
| Finance costs | | | | | | | | | (1,351) | (909) |
| Interest income | | | | | | | | | 170 | 213 |
| Income tax expenses | | | | | | | | | (513) | 11 |
| Profit for the financial year | | | | | | | | | 53,284 | 28,484 |

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A15. Group Segmental Information (Continued)

| | Head office & others | | Food and franchise operations | | Property investment & management | | Resources & sustainable energy | | Total Consolidated | |
|---------------------------------------|----------------------|------------|-------------------------------|------------|----------------------------------|------------|--------------------------------|------------|--------------------|----------------|
| | 30.06.2022 | 30.06.2021 | 30.06.2022 | 30.06.2021 | 30.06.2022 | 30.06.2021 | 30.06.2022 | 30.06.2021 | 30.06.2022 | 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 | 844,001 | 721,222 | 46,710 | 32,529 | 573,643 | 513,166 | 293,157 | 304,226 | 1,757,511 | 1,571,143 |
| Consolidation elimination | | | | | | | | | (811,258) | (747,853) |
| Consolidated total assets | | | | | | | | | 946,253 | 823,290 |
| Liabilities | | | | | | | | | | |
| Segment liabilities | 3,590 | 11,725 | 18,861 | 36,382 | 359,229 | 318,985 | 87,287 | 112,439 | 468,967 | 479,531 |
| Loans and borrowings | 597 | - | 5,221 | 4,413 | 62 | 201 | 24,420 | 13,630 | 30,300 | 18,244 |
| Deferred tax liabilities | - | - | 346 | 532 | 13,869 | 13,861 | 3,464 | 3,332 | 17,679 | 17,725 |
| Lease liabilities | 155 | 264 | 5,907 | 3,709 | 11 | 22 | 990 | 1,205 | 7,063 | 5,200 |
| Consolidation elimination | | | | | | | | | (452,456) | (464,852) |
| Consolidated total liabilities | | | | | | | | | 71,553 | 55,848 |

NOTES ON THE QUARTERLY REPORT- 30 JUNE 2022

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

B1. Financial Review for the Current Quarter

| | Individual Quarter | | Individual Quarter | |
|--|----------------------------|---------------|----------------------------|---------------|
| | 1 Apr 2022 to 30 June 2022 | | 1 Apr 2021 to 30 June 2021 | |
| | Revenue | Profit/(Loss) | Revenue | Profit/(Loss) |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Head office & others | 9 | 2,259 | 130 | 25,105 |
| Food and franchise operations | 13,831 | 1,036 | 9,728 | (946) |
| Property investment & management | 7,991 | 710 | 5,356 | (5,711) |
| Resources & sustainable energy | 14,047 | 675 | 603 | 16,981 |
| Group revenue and profit from (net of finance cost) | 35,878 | 4,680 | 15,817 | 35,429 |

The Head Office and Others (“HOO”) recorded a profit before tax of RM2.26 million against a profit before tax of RM25.11 million, mainly due to the fair value gain on quoted securities of RM2.36 million for the current quarter against RM26.28 million for the comparative quarter.

The Food and Franchise Operations (“FFO”) recorded a revenue of RM13.83 million and profit before tax of RM1.04 million for the current quarter against a revenue of RM9.73 million and loss before tax of RM0.95 million for the corresponding quarter. The higher reported revenue for the current quarter reflects the improvement in market sentiments which coincided with the festive seasons in the quarter under review. In the corresponding quarter, a total of RM1.08 million of slow-moving equipment were impaired due to the slowdown in outlets opening and coupled with the lower revenue, resulting in FFO reporting a loss before tax of RM0.95 million.

The Property Investment & Management (“PIM”) registered a revenue of RM7.99 million and profit before tax of RM0.71 million for the current quarter compared to a revenue of RM5.36 million and loss before tax of RM5.71 million for the corresponding quarter. The increase in revenue was due to the full resumption of on-site installation activities for the project management of an Integrated Limestone Processing Plant (“ILPP”) nearing completion. It is expected to start its trial run in the third quarter of 2022. The loss before tax of RM5.71 million for the corresponding quarter was mainly due to year-end adjustments on the impairment on receivables of RM3.63 million, fair value adjustments on investment properties of RM1.95 million and bad debt written off of RM1.02 million.

The Resources & Sustainable Energy (“RSE”) reported a revenue of RM14.05 million and profit before tax of RM0.68 million for the current quarter against a revenue of RM0.60 million and profit before tax of RM16.98 million for the corresponding quarter. The increase in revenue for the current quarter was mainly due to the sale of limestones/stones of RM12.82 million. The profit before tax of RM16.98 million for the corresponding quarter was mainly due to the gain of RM20.82 million on reversal of impairment loss and disposal of business assets.

NOTES ON THE QUARTERLY REPORT- 30 JUNE 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 30 June 2022 RM'000 | Preceding Quarter ended 31 Mar 2022 RM'000 | Variances | |
|------------------------|--|---|------------------|----------|
| | | | RM'000 | % |
| Revenue | 35,878 | 22,344 | 13,534 | 61% |
| Profit before taxation | 4,680 | 34,931 | (30,251) | -87% |

The Group registered a revenue of RM35.88 million and profit before tax of RM4.68 million for the current quarter compared to a revenue of RM22.34 million and profit before tax of RM34.93 million for the immediate preceding quarter.

The Group reported a higher revenue of RM13.54 million compared to the immediate preceding quarter, mainly attributable to the sale of limestones/stones of RM12.82 million from the RSE division during the quarter under review.

The Group reported a decrease in profit before tax of RM30.25 million compared to the immediate preceding quarter, mainly due to the fair value gain on investment in quoted securities of RM2.36 million for the current quarter against RM35.30 million for the preceding quarter.

B3. Prospects

The Malaysian economy grew by 8.9% in the second quarter of 2022, and it is expected to improve post-transition to the endemic phase of the Covid-19 pandemic. However, several macro headwinds and uncertainties, such as inflationary pressure on operational costs, the prospect of raising interest rates and supply chain disruption due to China's strict pandemic control measures, may affect the economic recovery and the Group's businesses. In addition, the weakening of the Ringgit against other currencies such as the USD may also impact the Group's financial performance. Closer to home, Malaysia's industries faced severe labour shortages as foreign workers slowly trickled in. Industries in Malaysia were also saddled with higher business costs with the drastic increases in minimum wages and electricity surcharges.

Despite increased pressure on its profitability, the Company remain focused on showing sustainable growth for the next financial year. We will continue to be vigilant in monitoring the volatile situation and tighten internal efficiencies with cost optimisation.

NOTES ON THE QUARTERLY REPORT- 30 JUNE 2022

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

B4. Variation Profit Forecast/Profit Guarantee

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

B5. Taxation

The tax charge for the Group are as follows: -

| | Individual Quarter | Cumulative Quarter |
|----------------------------|---------------------------------------|--|
| | 3 Months | 12 Months |
| | 1 Apr 2022 to 30 June 2022 | 1 July 2021 to 30 June 2022 |
| | RM'000 | RM'000 |
| Income tax- current year | (330) | (543) |
| Income tax- prior year | (12) | (15) |
| Deferred tax- current year | 45 | 45 |
| | (297) | (513) |

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- 30 JUNE 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- 30 JUNE 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 | 2,115 | 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>21,090</u> | |

NOTES ON THE QUARTERLY REPORT- 30 JUNE 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: -

Status of Utilisation of Proceeds from Corporate Exercises

| No. | Purpose | Proposed Utilisation RM'000 | Actual Utilisation RM'000 | Intended Timeframe for Utilisation |
|------------|---|--|--|--|
| 1 | Business expansion and/or new investments | 20,000 | 7,113 | Within 36 months from the receipt of placement funds |
| 2 | Gold exploration works at Hutan Simpan Bukit Ibam, Mukim Keratong, Pahang ("Plant") | 10,000 | 8,989 | 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 | 867 | Upon completion of the Proposed Subscription |
| | Total | 43,410 | 29,379 | |

NOTES ON THE QUARTERLY REPORT- 30 JUNE 2022

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

B.8 Borrowings and Debts Securities

| | Unaudited as at 30 June 2022 RM'000 | Audited as at 30 June 2021 RM'000 |
|--------------------------|--|--|
| Short term borrowings: | | |
| - Bank overdrafts | 1,285 | 909 |
| - Bankers' acceptances | 1,639 | 540 |
| - Term loans | 1,241 | 1,084 |
| - Hire purchase payables | 1,030 | 890 |
| | <u>5,195</u> | <u>3,423</u> |
| Long term borrowings: | | |
| - Term loans | 23,151 | 14,290 |
| - Hire purchase payables | 1,956 | 531 |
| | <u>25,107</u> | <u>14,821</u> |
| Total borrowings | <u>30,302</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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B. ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENTS

B11. Earnings per Share

| | Individual Quarter | | Cumulative Quarter | |
|--|---|---|---|---|
| | 3 Months 1 Apr 2022 to 30 June 2022 | 3 Months 1 Apr 2021 to 30 June 2021 | 12 Months 1 July 2021 to 30 June 2022 | 12 Months 1 July 2020 to 30 June 2021 |
| (a) Basic EPS | | | | |
| Net profit/(loss) for the period attributable to equity holders (RM'000) | 4,383 | 35,484 | 53,284 | 28,484 |
| Weighted average number of ordinary shares in issue ('000) | 7,525,655 | 6,774,434 | 7,343,261 | 6,818,660 |
| Basic earnings per share (sen) | 0.06 | 0.52 | 0.73 | 0.42 |

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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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 Apr 2022 to 30 June 2022 RM'000 | 3 Months 1 Apr 2021 to 30 June 2021 RM'000 | 12 Months 1 July 2021 to 30 June 2022 RM'000 | 12 Months 1 July 2020 to 30 June 2021 RM'000 |
| Profit before tax is arrived after (charging): | | | | |
| Allowance for impairment on obsolete inventories | - | (1,083) | - | (1,083) |
| Bad debts written off | (3,387) | (1,090) | (3,387) | (1,090) |
| Fair value discount on retention receivables | 57 | 473 | 57 | 473 |
| Impairment on other investments | - | (23) | - | (23) |
| Impairment on other receivables | (56) | (1,467) | (56) | (1,467) |
| Impairment on trade receivables | (575) | (3,548) | (575) | (3,548) |
| Loss on disposal of property, plant and equipment | - | 2 | - | - |
| Loss on exchange difference | 9 | 3 | - | - |
| Property, plant and equipment written off | (38) | (524) | (162) | (687) |
| Reversal on waiver of debts | - | 12 | - | (92) |
| Depreciation of property, plant and equipment | (682) | (1,014) | (3,036) | (3,881) |
| Depreciation of right-of-use | 49 | (154) | (1,457) | (2,009) |
| Interest expense | (434) | (201) | (1,351) | (909) |
| Share-based payment by ESOS | (776) | - | (1,562) | (10,499) |
| and crediting the following items: | | | | |
| Bad debts written back | 4 | 9 | 4 | 8,513 |
| Fair value discount on receivables | 1,371 | (83) | 1,316 | (83) |
| Fair value gain on investment in quoted securities | 2,359 | 26,284 | 53,037 | 26,404 |
| Fair value gain on investment properties | 87 | (1,950) | 87 | (1,950) |
| Gain on disposal of investment in quoted shares | (40) | - | 3,300 | 30 |
| Gain on disposal of investment in subsidiary company | - | 12 | - | 12 |
| Gain on disposal of property, plant and equipment | (568) | 787 | 20 | 801 |
| Gain on disposal of business assets | - | 1,911 | - | 1,911 |
| Gain on lease modification | 7 | 60 | 7 | 60 |
| Gain on exchange difference | 1,282 | (4) | 1,317 | 240 |
| Government grant / subsidies | - | 51 | 56 | 604 |
| Interest income | 41 | 124 | 170 | 213 |
| Rental income | 176 | 81 | 691 | 535 |
| Reversal on impairment loss on development expenditure | - | 4,105 | - | 4,105 |
| Reversal on impairment loss on intellectual property right | - | 14,000 | - | 14,000 |
| Reversal of impairment loss on other receivables | 2,707 | - | 3,149 | - |
| Reversal of impairment loss of property, plant and equipment | - | 800 | - | 800 |
| Reversal of impairment loss on trade receivables | 2,465 | (119) | 2,510 | - |
| Waiver of debts | - | 78 | - | 78 |
| Waiver of rental | 56 | 115 | 56 | 115 |

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

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.

B14. Review by External Auditors

The Board had engaged the external auditors to review and report on the interim condensed consolidated financial statements for the three-month period ended 30 June 2022. Accordingly, the interim condensed consolidated financial report for the financial period under review has been reviewed by the Company's external auditors in accordance with International Standard on Review Engagement 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity".

Based on the review by the external auditors, nothing has come to the external auditors' attention that causes them to believe that the accompanying condensed consolidated financial statements of Borneo Oil Berhad for the three months ended 30 June 2022 are not prepared, in all material respects, in accordance with MFRS 134, Interim Financial Reporting. The report was made to the Board in accordance with the terms of the engagement letter with the external auditors and for no other purpose.

By Order of the Board

Chin Siew Kim
Company Secretary
26 August 2022