

BORNEO OIL BERHAD

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

**QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE FIRST QUARTER ENDED
30 SEPTEMBER 2022**

(THE FIGURES HAVE NOT BEEN AUDITED)

BORNEO OIL BERHAD
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(THE FIGURES HAVE NOT BEEN AUDITED)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Individual Quarter	
	3 Months 1 July 2022 to 30 Sept 2022 RM'000	3 Months 1 July 2021 to 30 Sept 2021 RM'000
Revenue	21,411	11,065
Cost of sales	(16,890)	(8,555)
Gross profit	<u>4,521</u>	<u>2,510</u>
Other income	9,636	6,887
Operating expenses	(7,218)	(5,318)
Profit from operations	<u>6,939</u>	<u>4,079</u>
Finance costs	(413)	(290)
Share of results of associates	(820)	-
Profit before taxation	<u>5,706</u>	<u>3,789</u>
Taxation	(125)	(2)
Profit for the period/year	<u>5,581</u>	<u>3,787</u>
Other comprehensive income for the financial period/year		
- Foreign currency translation	4	100
Total comprehensive income for the financial period/year	<u>5,585</u>	<u>3,887</u>
Income attributable to:		
- Owners of the parent	5,581	3,787
Total comprehensive income attributable to:		
- Owners of the parent	5,585	3,887
Earnings per share		
- basic (sen)	<u>0.06</u>	<u>0.05</u>
- diluted (sen)	<u>0.06</u>	<u>0.05</u>

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 2022.

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited as at 30 Sept 2022 RM'000	Audited as at 30 June 2022 RM'000
Non Current Assets		
Property, plant and equipment	20,605	19,095
Right-of-use assets	8,930	9,215
Investment properties	614,654	614,654
Goodwill	9	9
Other investments	211,953	158,620
Exploration expenditure	8,518	8,518
Receivables	7,509	7,509
	<u>872,178</u>	<u>817,620</u>
Current Assets		
Inventories	33,074	34,406
Trade receivables	27,820	21,152
Other receivables	21,155	47,414
Contract asset	-	-
Tax recoverable	929	827
Fixed deposits with licensed banks	1,876	1,876
Cash and bank balances	10,951	21,369
	<u>95,805</u>	<u>127,044</u>
Total Assets	<u>967,983</u>	<u>944,664</u>
Shareholders' Fund		
Share capital	663,480	640,238
Reserves	93,361	94,502
Retained earnings	146,350	140,769
	<u>903,191</u>	<u>875,509</u>
Non Current Liabilities		
Long term borrowings	23,047	23,271
Hire purchase creditors	3,066	1,956
Lease liabilities	3,902	4,127
Deferred tax liabilities	17,006	17,006
Payables	-	-
	<u>47,021</u>	<u>46,360</u>
Current Liabilities		
Trade payables	5,796	7,416
Other payables	6,620	7,812
Contract liabilities	-	1,343
Hire purchase creditors	1,018	1,030
Short term borrowings	1,700	2,759
Lease liabilities	1,185	1,150
Bank overdraft	1,330	1,285
Tax payable	122	-
	<u>17,771</u>	<u>22,795</u>
Total Equity and Liabilities	<u>967,983</u>	<u>944,664</u>
Net assets per share (RM)	<u>0.10</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 2022.

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Non-Distributable Reserves					Distributable Reserves	Total Equity
	Share Capital	ESOS Reserve	Warrants Reserve	Treasury Shares	Translation Reserve	Retained Earnings	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 July 2022	640,238	1,146	93,441	-	(85)	140,769	875,509
Total comprehensive income for the financial period:-							
Profit for the financial period	-	-	-	-	-	5,581	5,581
Other comprehensive deficit for the financial period	-	-	-	-	4	-	4
Total comprehensive income	-	-	-	-	4	5,581	5,585
Transactions with owners:-							
Issue of shares	16,154	-	-	-	-	-	16,154
Share- based payment transactions	-	558	-	-	-	-	558
Employee Share Option Scheme exercised	7,088	(1,703)	-	-	-	-	5,385
Proceeds/(Acquisition) of treasury shares	-	-	-	-	-	-	-
Total transactions with owners	23,242	(1,145)	-	-	-	-	22,097
At 30 September 2022	663,480	1	93,441	-	(81)	146,350	903,191

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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 2021	618,968	-	93,441	(31,493)	(145)	86,671	767,442
Total comprehensive income for the financial period:-							
Profit for the financial period	-	-	-	-	-	54,098	54,098
Other comprehensive deficit for the financial period	-	-	-	-	60	-	60
Total comprehensive income	-	-	-	-	60	54,098	54,158
Transactions with owners:-							
Issue of shares	20,003	-	-	-	-	-	20,003
Transfer of treasury share as purchase consideration	-	-	-	38,320	-	-	38,320
Share- based payment transactions	-	1,562	-	-	-	-	1,562
Employee Share Option Scheme exercised	1,267	(416)	-	-	-	-	851
Acquisition of treasury shares	-	-	-	(6,827)	-	-	(6,827)
Total transactions with owners	21,270	1,146	-	31,493	-	-	53,909
At 30 June 2022	640,238	1,146	93,441	-	(85)	140,769	875,509

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 2022.

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	3 Months 1 July 2022 to 30 Sept 2022 RM'000	3 Months 1 July 2021 to 30 Sep 2021 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES:-		
Profit before taxation	5,706	3,789
Adjustments for:		
Equity settled share- based payment	558	-
Fair value discount on retention payables	-	54
Fair value gain on investment in quoted securities	(3,471)	(3,256)
Gain on disposal of quoted securities	-	(3,294)
Gain on disposal of property, plant and equipment	(205)	-
Gain on unrealised exchange difference	(5,688)	-
Depreciation of properties, plant and equipment	788	777
Depreciation of right-of-use	422	479
Impairment on exploration expenses	-	-
Loss on unrealised exchange difference	5	108
Property, plant and equipment written off	16	1
Interest expense	413	290
Interest income	(1)	(49)
Share of results of associates	820	-
Changes in working capital:-	(637)	(1,101)
Inventories	1,332	(1,059)
Trade receivables	(6,667)	372
Other receivables, deposits and prepayments	26,254	1,336
Trade payables	(1,620)	(227)
Other payables and accruals	(1,187)	(439)
Contract asset	(1,343)	(4,023)
	<u>16,132</u>	<u>(5,141)</u>
Interest paid	(413)	(290)
Tax paid	(175)	(166)
Tax refunded	68	-
Net Operating Cash Flows	<u>15,612</u>	<u>(5,597)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:-		
Acquisition of investment properties	-	(26)
Acquisition of quoted securities	-	(4,168)
Acquisition of other investment	(45,000)	(11,500)
Additional of exploration expenditure	-	(646)
Withdrawal/(Placement) of fixed deposits	-	(5)
Proceeds from disposal of quoted securities	-	7,280
Proceeds from disposal of properties, plant and equipment	206	-
Purchases of properties, plant and equipment	(854)	(3,246)
Interest received	1	49
Net Investing Cash Flows	<u>(45,647)</u>	<u>(12,262)</u>

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

	3 Months 1 July 2022 to 30 Sept 2022 RM'000	3 Months 1 July 2021 to 30 Sep 2021 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES:-		
Acquisition of treasury shares	-	(6,714)
Issuance of ordinary shares	16,154	14,615
Payment of lease liabilities	(326)	(245)
(Repayment)/Drawdown of hire purchase payables, net	(363)	1,586
Drawdown of term borrowings, net	(211)	(152)
Drawdown/(Repayment) of banker's acceptance, net	(1,072)	125
ESOS exercised	5,385	-
Net Financing Cash Flows	<u>19,567</u>	<u>9,215</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	(10,468)	(8,644)
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	4	97
CASH AND CASH EQUIVALENTS AT THE		
BEGINNING OF THE FINANCIAL YEAR	20,085	30,516
CASH AND CASH EQUIVALENTS AT THE		
END OF THE FINANCIAL YEAR	<u>9,621</u>	<u>21,969</u>
ANALYSIS OF CASH AND CASH EQUIVALENTS		
Cash and bank balances	10,951	22,873
Bank overdrafts	(1,330)	(904)
	<u>9,621</u>	<u>21,969</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 2022.

NOTES ON THE QUARTERLY REPORT- 30 SEPTEMBER 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 2022.

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 2022.

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 2022 except for the adoption of the following MFRSs, Amendments to MFRSs and IC Interpretations: -

MFRSs, Interpretations and amendments effective for annual 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)
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MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2023

- MFRS 17, Insurance Contracts
- Amendments to MFRS 17, Insurance Contracts - Initial application of MFRS 17 and MFRS 9 - Comparative Information

NOTES ON THE QUARTERLY REPORT- 30 SEPTEMBER 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)

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2023 (Continued)

- 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 Errors - Definition of Accounting Estimates
- Amendments to MFRS 112, Income Taxes - Deferred Tax related to Assets and Liabilities arising from a Single Transaction
- Amendments to MFRS 4, Extension of the Temporary Exemption from Applying MFRS 9

MFRSs, Interpretations and amendments effective for annual periods on or after a date yet to be confirmed

- Amendments to MFRS 10, Consolidated Financial Statements and MFRS 128, Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

A3. Audit Report

The auditors' report on the audited financial statements for the financial year ended 30 June 2022 was not qualified.

A4. Seasonal or Cyclical Factors

The operations of the Group are not materially affected by seasonal or cyclical factors.

NOTES ON THE QUARTERLY REPORT- 30 SEPTEMBER 2022

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

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 253,000,000 and 750,000,000 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 9,236,117,079 issued ordinary shares.

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.

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

Subsequent to the quarter under review, the Group had on 28 October 2022 announced a Multiple Proposals i. Proposed Acquisition; ii. Proposed Diversification; and iii. Proposed Private Placement (collectively referred to as the "Proposals"):

- i. had on 28 October 2022, entered into a conditional share sale agreement ("SSA") with Global 2332 Ltd ("Global 2332" or the "Vendor") for the acquisition of a 30.73% equity interest in Makin Teguh Sdn Bhd ("MTSB") for a purchase consideration of RM100,000,000 to be satisfied entirely in cash ("Proposed Acquisition");

NOTES ON THE QUARTERLY REPORT- 30 SEPTEMBER 2022

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

A10. Material Subsequent Event (Continued)

- ii. proposes to diversify the existing principal activities of Bornoil and its subsidiaries ("Bornoil Group" or the "Group") to include the manufacturing and trading of clinker, cement and related products ("Proposed Diversification"); and
- iii. proposes to undertake a private placement of up to 30% of the total number of issued shares of Bornoil ("Proposed Private Placement").

The listing application for the Proposals has been submitted to Bursa Securities Berhad as announced on 21 November 2022.

A11. Changes in Composition of the Group

During the current quarter under review, the Group completed the acquisition of 13.76% equity interest in Makin Teguh Sdn Bhd as announced on 21 June 2022. As at 25 July 2022, Makin Teguh Sdn Bhd is an associate company of the Group with an effective interest of 29.27%.

A12 Changes in Contingent Liabilities or Contingent Assets

The Group's contingent liabilities totalling RM36.55 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 2022 is as follows:

	As at 30 Sept 2022 RM'000	As at 30 June 2022 RM'000
Contracted but not provided for		
Acquisition of third parties' ordinary shares	1,620	-
Contracted and provided for		
Acquisition of third parties' ordinary shares	-	8,195
	<u>1,620</u>	<u>8,195</u>

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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	
	3 Months 1 July 2022 to 30 Sept 2022 RM'000	3 Months 1 July 2021 to 30 Sept 2021 RM'000
Sale of fast food and restaurant operations among subsidiaries	35	120
Sale of limestones among subsidiaries	175	81
Rental income among subsidiaries	39	24
Management fee among subsidiaries	330	330
Consultancy fee among subsidiaries	329	139
Rental expenses among subsidiaries	39	24

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NOTES ON THE QUARTERLY REPORT- 30 SEPTEMBER 2022

A15. Group Segmental Information

	Head office & others		Food and franchise operations		Property investment & management		Resources & sustainable energy		Total Consolidated	
	30.09.2022	30.09.2021	30.09.2022	30.09.2021	30.09.2022	30.09.2021	30.09.2022	30.09.2021	30.09.2022	30.09.2021
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue										
External revenue	9	9	13,055	9,583	6,232	30	2,115	1,443	21,411	11,065
Inter-segment revenue	659	469	35	120	-	-	175	81	869	670
Total revenue	668	478	13,090	9,703	6,232	30	2,290	1,524	22,280	11,735
Less: Inter-segment revenue									(869)	(670)
									21,411	11,065
Results										
Segment results	8,399	6,055	339	38	(365)	(804)	(45)	3,599	8,328	8,888
Consolidation elimination									(180)	(3,602)
									8,148	5,286
<i>Not included in the measure of segment profit/(loss):-</i>										
Depreciation and amortisation									(1,210)	(1,256)
Interest income									1	49
Finance costs									(413)	(290)
Share of results of associates									(820)	-
Profit before tax									5,706	3,789
Income tax expenses									(125)	(2)
Profit for the financial year									5,581	3,787

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NOTES ON THE QUARTERLY REPORT- 30 SEPTEMBER 2022

A15. Group Segmental Information (Continued)

	Head office & others		Food and franchise operations		Property investment & management		Resources & sustainable energy		Total Consolidated	
	30.09.2022	30.06.2022	30.09.2022	30.06.2022	30.09.2022	30.06.2022	30.09.2022	30.06.2022	30.09.2022	30.06.2022
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Assets										
Segment assets	893,438	864,425	44,164	46,283	553,631	542,835	296,881	293,206	1,788,114	1,746,749
Consolidation elimination									(820,131)	(802,085)
Consolidated total assets									967,983	944,664
Liabilities										
Segment liabilities	3,645	4,358	17,944	19,045	370,643	359,459	90,723	87,286	482,955	470,148
Tax payables	(3)	-	-	-	-	-	125	-	122	-
Loans and borrowings	570	597	4,186	5,221	31	62	25,374	24,420	30,161	30,300
Deferred tax liabilities	-	-	-	-	13,674	13,674	3,332	3,332	17,006	17,006
Lease liabilities	127	155	4,362	4,440	(217)	11	815	911	5,087	5,517
Consolidation elimination									(470,539)	(453,816)
Consolidated total liabilities									64,792	69,155

NOTES ON THE QUARTERLY REPORT- 30 SEPTEMBER 2022

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

B1. Financial Review for the Current Quarter

	Individual Quarter		Individual Quarter	
	1 July 2022 to 30 Sept 2022		1 July 2021 to 30 Sept 2021	
	Profit/(Loss)		Profit/(Loss)	
	Revenue	Before Tax	Revenue	Before Tax
	RM'000	RM'000	RM'000	RM'000
Head office & others	9	7,469	9	5,465
Food and franchise operations	13,055	144	9,583	(146)
Property investment & management	6,232	(209)	30	(700)
Resources & sustainable energy	2,115	(878)	1,443	(830)
Share of results of associate	-	(820)	-	-
Group revenue and profit from (net of finance cost)	21,411	5,706	11,065	3,789

The Head Office and Others (“HOO”) recorded a profit before tax of RM7.47 million against the profit before tax of RM5.47 million for the corresponding quarter, mainly due to the unrealised exchange gain of RM5.68 million and fair value gain of RM3.43 million on the quoted securities for the current quarter under review.

The Food and Franchise Operations (“FFO”) recorded revenue of RM13.05 million and profit before tax of RM0.14 million for the current quarter against revenue of RM9.58 million and loss before tax of RM0.15 million for the corresponding quarter. The higher reported revenue for the current quarter reflects the market sentiment improvement post covid. The lower reported profit was due to the start-up costs in the new plantation business involving chilli and maize planting.

The Property Investment & Management (“PIM”) registered revenue of RM6.23 million and loss before tax of RM0.21 million for the current quarter compared to revenue of RM0.03 million and loss before tax of RM0.70 million for the corresponding quarter. The revenue for the current quarter was due to the full resumption of the on-site installation activities for the project management of an Integrated Limestone Processing Plant (“ILPP”). In contrast, there were no installation activities on-site due to the Full Movement Control Order for the preceding quarter.

The Resources & Sustainable Energy (“RSE”) reported revenue of RM2.12 million and loss before tax of RM0.88 million for the current quarter against revenue of RM1.44 million and loss before tax of RM0.83 million for the corresponding quarter. The revenue for the current quarter was mainly derived from the sale of limestones/stones. However, the loss before tax was due to normal fixed operating costs against the lower reported revenue for the current quarter.

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

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

	Current Quarter ended 30 Sept 2022 RM'000	Preceding Quarter ended 30 June 2022 RM'000	Variances	
			RM'000	%
Revenue	21,411	35,717	(14,306)	-40%
Profit before taxation	5,706	4,744	962	20%

The Group registered revenue of RM21.41 million and profit before tax of RM5.71 million for the current quarter compared to revenue of RM35.72 million and profit before tax of RM4.74 million for the immediate preceding quarter.

Revenue for the current quarter was significantly lower due to the reduction of sales of limestone in the RSE segment as the higher demand for limestone was fulfilled in the preceding quarter.

The Group reported a higher pre- tax profit of RM0.96 million in the current quarter as compared to RM4.74 million in the immediate preceding quarter was mainly due to the non-trade bad debts written off of RM0.90 million in the preceding quarter.

B3. Prospects

The Malaysian economy continued to strengthen, recording a 14.2% growth in the third quarter of this year. Despite economic indicators showing that our country is on an upwards track to recovery, the Board anticipates that the year will remain challenging with the subdued outlook for major economies that persist.

The Group will remain prudent and focus on improving productivity, further implementing cost control measures and promoting long-term sustainable development of its businesses.

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

B4. Variation Profit Forecast/Profit Guarantee

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

B5. Taxation

The tax charge for the Group are as follows: -

	Individual Quarter
	3 Months
	1 July 2022 to
	30 Sept 2022
	RM'000
Income tax- current year	(125)
Income tax- prior year	-
Deferred tax- current year	-
	(125)

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 SEPTEMBER 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.

- (c) Proposed subscription of up to 1,052,794,847 new ordinary shares in Bornoil ("Proposed Private Subscription")

On 26 May 2022, the Company proposed to undertake a Proposed private Subscription of up to 1,052,794,847 new ordinary shares, representing approximately 10% of its existing total number of issued shares. As at the date of this report, comprising 1,052,500,000 Bornoil Shares had been issued pursuant to the Proposed Subscription. The total proceeds raised to date is approximately RM22.40 million.

NOTES ON THE QUARTERLY REPORT- 30 SEPTEMBER 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	5,000	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>23,975</u>	

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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	12,919	7,360	Within 36 months from the receipt of placement funds
2	Gold exploration works at Hutan Simpan Bukit Ibam, Mukim Keratong, Pahang ("Plant")	10,000	9,306	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	907	Upon completion of the Proposed Subscription
	Total	36,329	29,983	

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

- (c) On 26 May 2022, the Company proposed to undertake a Proposed Subscription of up to 1,052,794,847 new ordinary shares, representing approximately 10% of its existing total number of issued shares. As at the date of this report, comprising 1,052,500,000 Bornoil Shares had been issued pursuant to the Proposed Subscription. The total proceeds raised to date is approximately RM22.40 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	Payment of trade and other payables	8,961	8,961	Within 36 months from the receipt of placement funds
2	Payment related to FFO segment relating to raw ingredient suppliers such as poultry and wheat flour	4,480	3,586	Within 36 months from the receipt of placement funds
3	Payment related to PIM segment for the construction works at the ILPP	3,360	3,360	Within 36 months from the receipt of placement funds
4	Purchase of diesel and spare parts for equipments used in the RSE segment	1,120	64	Within 36 months from the receipt of placement funds
5	Other expenses	4,481	890	Within 36 months from the receipt of placement funds
	Total	22,402	16,861	

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

B.8 Borrowings and Debts Securities

	Unaudited as at 30 Sept 2022 RM'000	Audited as at 30 June 2022 RM'000
Short term borrowings:		
- Bank overdrafts	1,330	1,285
- Bankers' acceptances	567	1,639
- Term loans	1,133	1,120
- Hire purchase payables	1,018	1,030
	<u>4,048</u>	<u>5,074</u>
Long term borrowings:		
- Term loans	23,047	23,271
- Hire purchase payables	3,066	1,956
	<u>26,113</u>	<u>25,227</u>
Total borrowings	<u>30,161</u>	<u>30,301</u>

All the above borrowings are denominated in Ringgit Malaysia.

B9. Material Litigation

The Management is not aware of any litigation which will have a material effect on the financial position or the business of the Group and the Board is not aware of any proceedings pending or threatened against the Group or of any fact likely to give rise to any proceedings which may materially and adversely affect the financial position or business of the Group at the date of this report.

B10. Dividends

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

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NOTES ON THE QUARTERLY REPORT- 30 SEPTEMBER 2022

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

B11. Earnings per Share

	Individual Quarter		Cumulative Quarter	
	3 Months 1 July 2022 to 30 Sept 2022	3 Months 1 July 2021 to 30 Sept 2021	3 Months 1 July 2022 to 30 Sept 2022	3 Months 1 July 2021 to 30 Sept 2021
(a) Basic EPS				
Net profit/(loss) for the period attributable to equity holders (RM'000)	5,581	3,787	5,581	3,787
Weighted average number of ordinary shares in issue ('000)	8,657,124	7,148,285	8,657,124	7,148,285
Basic earnings per share (sen)	0.06	0.05	0.06	0.05

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 July 2022 to 30 Sept 2022 RM'000	3 Months 1 July 2021 to 30 Sept 2021 RM'000	3 Months 1 July 2022 to 30 Sept 2022 RM'000	3 Months 1 July 2021 to 30 Sept 2021 RM'000
Profit before tax is arrived after (charging):				
Depreciation of property, plant and equipment	(788)	(777)	(788)	(777)
Depreciation of right of use	(422)	(479)	(422)	(479)
Employee share option scheme ("ESOS")	(558)	-	(558)	-
Impairment on development expenses	(90)	-	(90)	-
Interest expense	(413)	(290)	(413)	(290)
Loss on realised exchange difference	(5)	(108)	(5)	(108)
Property, plant and equipment written off	(16)	(1)	(16)	(1)
and crediting the following items:				
Fair value discount on payables	-	(54)	-	(54)
Fair value gain on investment in quoted securities	3,471	3,256	3,471	3,256
Gain on disposal of investment in quoted shares	-	3,294	-	3,294
Gain on disposal of property, plant and equipment	205	-	205	-
Gain on unrealised exchange difference	5,688	-	5,688	-
Government grant / subsidies	-	43	-	43
Interest income	1	49	1	49
Rental income	168	163	168	163

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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.

By Order of the Board
Chin Siew Kim
Company Secretary
29 November 2022