

BORNEO OIL BERHAD

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

**QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE SECOND QUARTER ENDED
31 DECEMBER 2022**

(THE FIGURES HAVE NOT BEEN AUDITED)

BORNEO OIL BERHAD
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FOR THE SECOND QUARTER ENDED 31 DECEMBER 2022
(THE FIGURES HAVE NOT BEEN AUDITED)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Individual Quarter		Cumulative Quarter	
	3 Months 1 Oct 2022 to 31 Dec 2022 RM'000	3 Months 1 Oct 2021 to 31 Dec 2021 RM'000	6 Months 1 July 2022 to 31 Dec 2022 RM'000	6 Months 1 July 2021 to 31 Dec 2021 RM'000
Revenue	21,247	18,368	42,658	29,433
Cost of sales	(17,088)	(14,272)	(33,978)	(22,827)
Gross profit	4,159	4,096	8,680	6,606
Other income	32,744	13,149	42,380	20,036
Operating expenses	(9,930)	(6,533)	(17,148)	(11,851)
Profit from operations	26,973	10,712	33,912	14,791
Finance costs	(461)	(315)	(874)	(605)
Share of results of associates	(3,217)	-	(4,037)	-
Profit before taxation	23,295	10,397	29,001	14,186
Taxation	(128)	(125)	(253)	(127)
Profit for the period/year	23,167	10,272	28,748	14,059
Other comprehensive income for the financial period/year				
- Foreign currency translation	24	(13)	28	87
Total comprehensive income for the financial period/year	23,191	10,259	28,776	14,146
Income attributable to:				
- Owners of the parent	23,167	10,272	28,748	14,059
Total comprehensive income attributable to:				
- Owners of the parent	23,191	10,259	28,776	14,146
Earnings per share				
- basic (sen)	0.24	0.14	0.32	0.20

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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(THE FIGURES HAVE NOT BEEN AUDITED)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited as at 31 Dec 2022 RM'000	Audited as at 30 June 2022 RM'000
Non Current Assets		
Property, plant and equipment	20,631	19,095
Right-of-use assets	8,884	9,215
Investment properties	614,654	614,654
Goodwill	9	9
Other investments	238,896	158,620
Exploration expenditure	8,518	8,518
Receivables	7,509	7,509
	<u>899,101</u>	<u>817,620</u>
Current Assets		
Inventories	36,325	34,406
Trade receivables	35,301	21,152
Other receivables	20,849	47,414
Contract asset	21	-
Tax recoverable	1,098	827
Fixed deposits with licensed banks	1,876	1,876
Cash and bank balances	7,692	21,369
	<u>103,162</u>	<u>127,044</u>
Total Assets	<u>1,002,263</u>	<u>944,664</u>
Shareholders' Fund		
Share capital	673,051	640,238
Reserves	93,384	94,502
Retained earnings	169,517	140,769
	<u>935,952</u>	<u>875,509</u>
Non Current Liabilities		
Long term borrowings	22,379	23,271
Hire purchase creditors	2,770	1,956
Lease liabilities	3,969	4,127
Deferred tax liabilities	17,006	17,006
Payables	-	-
	<u>46,124</u>	<u>46,360</u>
Current Liabilities		
Trade payables	7,235	7,416
Other payables	6,875	7,812
Contract liabilities	-	1,343
Hire purchase creditors	1,133	1,030
Short term borrowings	2,392	2,759
Lease liabilities	1,185	1,150
Bank overdraft	1,118	1,285
Tax payable	249	-
	<u>20,187</u>	<u>22,795</u>
Total Equity and Liabilities	<u>1,002,263</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	-	-	-	-	-	28,748	28,748
Other comprehensive deficit for the financial period	-	-	-	-	28	-	28
Total comprehensive income	-	-	-	-	28	28,748	28,776
Transactions with owners:-							
Issue of shares	22,356	-	-	-	-	-	22,356
Share- based payment transactions	-	1,442	-	-	-	-	1,442
Employee Share Option Scheme exercised	10,457	(2,588)	-	-	-	-	7,869
Proceeds/(Acquisition) of treasury shares	-	-	-	-	-	-	-
Total transactions with owners	32,813	(1,146)	-	-	-	-	31,667
At 31 December 2022	673,051	-	93,441	-	(57)	169,517	935,952

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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 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

	6 Months 1 July 2022 to 31 Dec 2022 RM'000	6 Months 1 July 2021 to 31 Dec 2021 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES:-		
Profit before taxation	29,001	14,186
Adjustments for:		
Equity settled share- based payment	1,442	647
Fair value discount on retention payables	-	54
Fair value gain on investment in quoted securities	(40,816)	(15,380)
Gain on disposal of quoted securities	-	(3,303)
Gain on disposal of property, plant and equipment	(991)	-
Gain on realised exchange difference	(8)	-
Reversal of impairment loss on other receivables	-	(442)
Reversal of impairment loss on trade receivables	-	(45)
Depreciation of properties, plant and equipment	1,587	1,579
Depreciation of right-of-use	876	1,010
Loss on unrealised exchange difference	2,429	93
Property, plant and equipment written off	25	124
Interest expense	874	605
Interest income	(69)	(109)
Share of results of associates	4,037	-
Changes in working capital:-	(1,613)	(981)
Inventories	(1,920)	(676)
Trade receivables	(14,167)	(6,396)
Other receivables, deposits and prepayments	26,560	3,098
Trade payables	(182)	436
Other payables and accruals	(929)	(154)
Contract asset	(1,364)	(4,547)
	6,385	(9,220)
Interest paid	(874)	(605)
Tax paid	(344)	(325)
Tax refunded	67	-
Net Operating Cash Flows	5,234	(10,150)

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

	6 Months 1 July 2022 to 31 Dec 2022 RM'000	6 Months 1 July 2021 to 31 Dec 2021 RM'000
CASH FLOWS FROM INVESTING ACTIVITIES:-		
Acquisition of investment properties	-	(64)
Acquisition of quoted securities	-	(4,168)
Acquisition of other investment	(45,900)	(11,500)
Additional of exploration expenditure	-	(1,334)
Placement of fixed deposits	-	(11)
Proceeds from disposal of quoted securities	-	7,410
Proceeds from disposal of properties, plant and equipment	1,005	3
Purchases of properties, plant and equipment	(1,462)	(3,584)
Interest received	69	109
Net Investing Cash Flows	(46,288)	(13,139)
CASH FLOWS FROM FINANCING ACTIVITIES:-		
Acquisition of treasury shares	-	(6,733)
Issuance of ordinary shares	22,356	17,258
Payment of lease liabilities	(668)	(630)
(Repayment)/Drawdown of hire purchase payables, net	(783)	1,256
Payment of term borrowings, net	(425)	(222)
(Repayment)/ Drawdown of banker's acceptance, net	(834)	19
ESOS exercised	7,869	160
Net Financing Cash Flows	27,515	11,108
NET CHANGE IN CASH AND CASH EQUIVALENTS	(13,539)	(12,181)
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	28	87
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	6,574	18,422
ANALYSIS OF CASH AND CASH EQUIVALENTS		
Cash and bank balances	7,692	19,591
Bank overdrafts	(1,118)	(1,169)
	6,574	18,422

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- 31 DECEMBER 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- 31 DECEMBER 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.

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.

NOTES ON THE QUARTERLY REPORT- 31 DECEMBER 2022

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

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 138,000,000 and 302,500,000 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 9,676,617,079 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

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 material events subsequent to the end of the current financial quarter under review that have not been reflected in the Condensed Consolidated Financial Statement.

NOTES ON THE QUARTERLY REPORT- 31 DECEMBER 2022

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

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 31 December 2022 is as follows:

	As at 31 Dec 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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NOTES ON THE QUARTERLY REPORT- 31 DECEMBER 2022

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 Oct 2022 to 31 Dec 2022 RM'000	3 Months 1 Oct 2021 to 31 Dec 2021 RM'000	6 Months 1 July 2022 to 31 Dec 2022 RM'000	6 Months 1 July 2021 to 31 Dec 2021 RM'000
Sale of fast food and restaurant operations among subsidiaries	40	18	75	138
Sale of limestones among subsidiaries	131	157	306	238
Rental income among subsidiaries	39	54	78	78
Management fee among subsidiaries	330	330	660	660
Consultancy fee among subsidiaries	328	139	657	278
Rental expenses among subsidiaries	39	54	78	78

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NOTES ON THE QUARTERLY REPORT- 31 DECEMBER 2022

A15. Group Segmental Information

	Head office & others		Food and franchise operations		Property investment & management		Resources & sustainable energy		Total Consolidated	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021	31.12.2022	31.12.2021	31.12.2022	31.12.2021	31.12.2022	31.12.2021
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue										
External revenue	18	18	26,953	22,102	11,677	4,887	4,010	2,426	42,658	29,433
Inter-segment revenue	1,317	938	75	138	-	-	306	238	1,698	1,314
Total revenue	1,335	956	27,028	22,240	11,677	4,887	4,316	2,664	44,356	30,747
Less: Inter-segment revenue									(1,698)	(1,314)
									42,658	29,433
Results										
Segment results	36,344	17,662	1,019	788	171	(980)	(555)	3,630	36,979	21,100
Consolidation elimination									(673)	(3,829)
									36,306	17,271
<i>Not included in the measure of segment profit/(loss):-</i>										
Depreciation and amortisation									(2,463)	(2,589)
Interest income									69	(605)
Finance costs									(874)	109
Share of results of associates									(4,037)	-
Profit before tax									29,001	14,186
Income tax expenses									(253)	(127)
Profit for the financial year									28,748	14,059

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NOTES ON THE QUARTERLY REPORT- 31 DECEMBER 2022

A15. Group Segmental Information (Continued)

	Head office & others		Food and franchise operations		Property investment & management		Resources & sustainable energy		Total Consolidated	
	31.12.2022	30.06.2022	31.12.2022	30.06.2022	31.12.2022	30.06.2022	31.12.2022	30.06.2022	31.12.2022	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	929,634	864,425	46,284	46,283	562,086	542,835	300,069	293,206	1,838,073	1,746,749
Consolidation elimination									(835,810)	(802,085)
Consolidated total assets									1,002,263	944,664
Liabilities										
Segment liabilities	3,376	4,358	19,286	19,045	378,597	359,459	95,835	87,286	497,094	470,148
Tax payables	(4)	-	-	-	-	-	253	-	249	-
Loans and borrowings	543	597	4,589	5,221	8	62	24,651	24,420	29,791	30,300
Deferred tax liabilities	-	-	-	-	13,674	13,674	3,332	3,332	17,006	17,006
Lease liabilities	98	155	4,142	4,440	5	11	908	911	5,153	5,517
Consolidation elimination									(482,982)	(453,816)
Consolidated total liabilities									66,311	69,155

NOTES ON THE QUARTERLY REPORT- 31 DECEMBER 2022

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

B1. Financial Review for the Current Quarter

	Individual Quarter		Individual Quarter	
	1 Oct 2022 to 31 Dec 2022		1 Oct 2021 to 31 Dec 2021	
	Revenue	Profit/(Loss)	Revenue	Profit/(Loss)
	RM'000	RM'000	RM'000	RM'000
Head office & others	9	26,984	9	10,789
Food and franchise operations	13,898	297	12,519	311
Property investment & management	5,445	558	4,857	(6)
Resources & sustainable energy	1,895	(1,327)	983	(697)
Share of results of associate	-	(3,217)	-	-
Group revenue and profit from (net of finance cost)	21,247	23,295	18,368	10,397

The Head Office and Others (“HOO”) recorded a profit before tax of RM26.98 million against the profit before tax of RM10.79 million for the corresponding quarter, mainly due to the fair value gain of RM37.20 million on the quoted securities offset by the unrealised exchange loss of RM8.10 million for the current quarter under review.

The Food and Franchise Operations (“FFO”) recorded revenue of RM13.90 million and profit before tax of RM0.30 million for the current quarter against revenue of RM12.52 million and profit before tax of RM0.31 million for the corresponding quarter. The revenue and profit before tax for the current quarter were in line with the corresponding quarter and within the expectations of normal business operations.

The Property Investment & Management (“PIM”) registered revenue of RM5.45 million and profit before tax of RM0.56 million for the current quarter compared to revenue of RM4.86 million and loss before tax of RM0.06 million for the corresponding quarter. The higher reported revenue for the current quarter was mainly due to the increase in on-site installation activities for the project management of an Integrated Limestone Processing Plant (“ILPP”) completed during the quarter and the ILPP is now at the cement production testing stage.

The Resources & Sustainable Energy (“RSE”) reported revenue of RM1.90 million and loss before tax of RM1.33 million for the current quarter against revenue of RM0.99 million and loss before tax of RM0.70 million for the corresponding quarter. The increase in revenue for the current quarter was mainly derived from the supply of raw materials to the ILPP for cement production testing. The lower loss before tax for the corresponding quarter was due to the reversal of impairment of RM0.43 million.

The share of loss before tax of RM3.22 million in the associate company was primarily due to the term loan interest as the company is still in the process of cement production testing stage upon completion of the ILPP.

NOTES ON THE QUARTERLY REPORT- 31 DECEMBER 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 Dec 2022 RM'000	Preceding Quarter ended 30 Sept 2022 RM'000	Variances	
			RM'000	%
Revenue	21,247	21,411	(164)	-1%
Profit before taxation	23,295	5,706	17,589	308%

The Group registered revenue of RM21.25 million and profit before tax of RM23.30 million for the current quarter compared to revenue of RM21.41 million and profit before tax of RM5.71 million for the immediate preceding quarter.

Revenue for the current quarter was consistent with the preceding quarter as there was no material event arising for the quarter under review.

The Group reported a higher pre-tax profit of RM23.30 million in the current quarter as compared to RM5.71 million in the immediate preceding quarter was due to the fair value gain of RM37.20 million on the quoted securities offset by the unrealised exchange loss of RM8.10 million.

B3. Prospects

The Group anticipates that business conditions will likely remain challenging, primarily influenced by geopolitical risks and slow and uneven recovery due to headwinds in the global and domestic markets, such as rising inflationary pressures and sharp spikes in commodity prices.

Nevertheless, the Board is cautiously optimistic and will continue to strategise and navigate the ever-changing business environment to ensure the Group remains resilient and bring forth sustainable profits to the shareholders.

NOTES ON THE QUARTERLY REPORT- 31 DECEMBER 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	6 Months
	1 Oct 2022 to 31 Dec 2022	1 July 2022 to 31 Dec 2022
	RM'000	RM'000
Income tax- current year	(128)	(253)
	-	
	(128)	(253)

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.

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.

NOTES ON THE QUARTERLY REPORT- 31 DECEMBER 2022

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

B6. Status of Corporate Proposals (Continued)

- (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")

The Company had on 17 November 2020 entered into a conditional share subscription agreement with Macquarie Bank Limited ("Investor") ("Subscription Agreement") for the subscription of up to 1,205,827,550 new Bornoil Shares by the Investor in accordance with the terms and conditions of the Subscription Agreement ("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 have been completed, and the Company has raised total proceeds of RM36.33 million from the Proposed Subscription.

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

The Company had on 26 May 2022, announced the Proposed Private Placement of up to 10% of the total number of issued shares of Bornoil pursuant to Sections 75 and 76 of the Companies Act 2016. Bursa Securities had, via its letter dated 1 July 2022, approved the listing and quotation of up to 1,052,794,847 placement shares to be issued pursuant to the Proposed Private Placement.

On 13 December 2022, as per announcement to Bursa Securities, the Company completed the Proposed Private Subscription. A total of 1,052,500,000 Bornoil Shares had been issued pursuant to the Proposed Private Subscription at an issue price ranging from RM0.0181 to RM0.0223 per Bornoil Share. As at to-date, a total of seventy (10) tranches have been completed, and the Company has raised total proceeds of RM22.40 million from the Proposed Private Subscription.

NOTES ON THE QUARTERLY REPORT- 31 DECEMBER 2022

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

B7. Status of Utilisation of Proceeds from Corporate Proposal

- (a) The Company had on 17 November 2020 entered into a conditional share subscription agreement with Macquarie Bank Limited ("Investor") ("Subscription Agreement") for the subscription of up to 1,205,827,550 new Bornoil Shares by the Investor in accordance with the terms and conditions of the Subscription Agreement ("Subscription"). 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	8,899	Within 36 months from the receipt of placement funds
2	Gold exploration works at Hutan Simpan Bukit Iban, Mukim Keratong, Pahang ("Plant")	10,000	9,817	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	960	Upon completion of the Proposed Subscription
	Total	36,329	32,086	

NOTES ON THE QUARTERLY REPORT- 31 DECEMBER 2022

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

- (b) The Company had on 26 May 2022, announced the Proposed Private Placement of up to 10% of the total number of issued shares of Bornoil pursuant to Sections 75 and 76 of the Companies Act 2016. Bursa Securities had, via its letter dated 1 July 2022, approved the listing and quotation of up to 1,052,794,847 placement shares to be issued pursuant to the Proposed Private Placement.

On 13 December 2022, as per announcement to Bursa Securities, the Company completed the Proposed Private Placement, raising gross proceeds of RM22.40 million.

The status of the utilisation of the 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	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	4,480	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	377	Within 36 months from the receipt of placement funds
5	Other expenses	4,481	4,481	Within 36 months from the receipt of placement funds
	Total	<u>22,402</u>	<u>21,659</u>	

NOTES ON THE QUARTERLY REPORT- 31 DECEMBER 2022

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

B.8 Borrowings and Debts Securities

	Unaudited as at 31 Dec 2022 RM'000	Audited as at 30 June 2022 RM'000
Short term borrowings:		
- Bank overdrafts	1,118	1,285
- Bankers' acceptances	805	1,639
- Term loans	1,587	1,120
- Hire purchase payables	1,133	1,030
	<u>4,643</u>	<u>5,074</u>
Long term borrowings:		
- Term loans	22,379	23,271
- Hire purchase payables	2,770	1,956
	<u>25,149</u>	<u>25,227</u>
Total borrowings	<u>29,792</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.

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

NOTES ON THE QUARTERLY REPORT- 31 DECEMBER 2022

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

B11. Earnings per Share

	Individual Quarter		Cumulative Quarter	
	3 Months 1 Oct 2022 to 31 Dec 2022	3 Months 1 Oct 2021 to 31 Dec 2021	6 Months 1 July 2022 to 31 Dec 2022	6 Months 1 July 2021 to 31 Dec 2021
(a) Basic EPS				
Net profit/(loss) for the period attributable to equity holders (RM'000)	23,167	10,272	28,748	14,059
Weighted average number of ordinary shares in issue ('000)	9,547,400	7,265,687	9,105,599	7,207,568
Basic earnings per share (sen)	0.24	0.14	0.32	0.20

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 DECEMBER 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 Oct 2022 to 31 Dec 2022 RM'000	3 Months 1 Oct 2021 to 31 Dec 2021 RM'000	6 Months 1 July 2022 to 31 Dec 2022 RM'000	6 Months 1 July 2021 to 31 Dec 2021 RM'000
Profit before tax is arrived after (charging):				
Depreciation of property, plant and equipment	(799)	(802)	(1,587)	(1,579)
Depreciation of right of use	(454)	(531)	(876)	(1,010)
Employee share option scheme ("ESOS")	(884)	(647)	(1,442)	(647)
Impairment on development expenses	(37)	-	(127)	-
Interest expense	(461)	(315)	(874)	(605)
Loss on realised exchange difference	5	(5)	-	(11)
Loss on unrealised exchange difference	(2,461)	15	(2,461)	(93)
Property, plant and equipment written off	(9)	(123)	(25)	(124)
and crediting the following items:				
Fair value discount on payables	-	-	-	(54)
Fair value gain on investment in quoted securities	37,345	12,124	40,816	15,380
Gain on disposal of investment in quoted shares	-	9	-	3,303
Gain on disposal of property, plant and equipment	786	-	991	-
Gain on realised exchange difference	8	5	8	5
Gain on unrealised exchange difference	(5,656)	-	32	-
Government grant / subsidies	-	8	-	51
Interest income	68	60	69	109
Rental income	168	177	336	340
Reversal of impairment loss on other receivables	-	442	-	442
Reversal of impairment loss on trade receivables	-	45	-	45

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
24 February 2023