

BORNEO OIL BERHAD

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

**QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE FIRST QUARTER ENDED
30 SEPTEMBER 2023**

(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 FIRST QUARTER ENDED 30 SEPTEMBER 2023
(THE FIGURES HAVE NOT BEEN AUDITED)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Individual Quarter	
	3 Months	3 Months
	1 July 2023 to	1 July 2022 to
	30 Sept 2023	30 Sept 2022
	RM'000	RM'000
Revenue	16,885	21,411
Cost of sales	(12,222)	(16,890)
Gross profit	4,663	4,521
Other income	31,272	9,636
Operating expenses	(6,618)	(6,544)
Other operating expenses	(3,501)	(674)
Profit from operations	25,816	6,939
Finance costs	(544)	(413)
Share of results of an associate	(6,010)	(820)
Profit before taxation	19,262	5,706
Taxation	(253)	(125)
Profit for the period	19,009	5,581
Other comprehensive income for the financial period		
- Foreign currency translation	31	4
Total comprehensive income for the financial period	19,040	5,585
Income attributable to:		
- Owners of the parent	19,009	5,581
Total comprehensive income attributable to:		
- Owners of the parent	19,040	5,585
Earnings per share		
- basic (sen)	0.16	0.06

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 2023.

BORNEO OIL BERHAD
Company Reg. No. 198901005309 (121919-H)
Incorporated in Malaysia
QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2023
(THE FIGURES HAVE NOT BEEN AUDITED)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited as at 30 Sept 2023 RM'000	Audited as at 30 June 2023 RM'000
Non Current Assets		
Property, plant and equipment	17,862	18,535
Right-of-use assets	11,216	11,760
Investment properties	617,054	617,054
Goodwill	9	9
Other investments	214,493	186,589
Investment in an associate	33,990	-
Receivables	7,507	7,507
	<u>902,131</u>	<u>841,454</u>
Current Assets		
Inventories	27,626	27,997
Trade receivables	4,238	4,111
Other receivables, deposits and prepayments	12,149	43,784
Amount due from an associate	32,602	34,511
Contract asset	88	-
Tax recoverable	172	351
Fixed deposits with licensed banks	1,098	1,598
Cash and bank balances	7,371	11,582
	<u>85,344</u>	<u>123,934</u>
Total Assets	<u>987,475</u>	<u>965,388</u>
Shareholders' Fund		
Share capital	708,974	702,834
Reserves	56,090	57,530
Retained earnings	146,564	127,555
	<u>911,628</u>	<u>887,919</u>
Non Current Liabilities		
Long term borrowings	21,023	21,426
Hire purchase creditors	2,499	2,640
Lease liabilities	5,875	6,474
Deferred tax liabilities	17,246	17,246
	<u>46,643</u>	<u>47,786</u>
Current Liabilities		
Trade payables	8,520	7,709
Other payables, deposits and accruals	12,339	14,376
Hire purchase creditors	1,361	1,350
Short term borrowings	3,363	2,992
Lease liabilities	1,672	1,461
Bank overdraft	1,700	1,588
Tax payable	249	207
	<u>29,204</u>	<u>29,683</u>
Total Equity and Liabilities	<u>987,475</u>	<u>965,388</u>
Net assets per share (RM)	<u>0.08</u>	<u>0.08</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 2023.

BORNEO OIL BERHAD
Company Reg. No. 198901005309 (121919-H)
Incorporated in Malaysia
QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2023
(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	Translation Reserve	Other reserves	Retained Earnings	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 July 2023	702,834	1,521	92,802	(156)	(36,637)	127,555	887,919
Total comprehensive deficit for the financial period:-							
Profit for the financial period	-	-	-	-	-	19,009	19,009
Other comprehensive income for the financial period	-	-	-	31	-	-	31
Total comprehensive deficit	-	-	-	31	-	19,009	19,040
Transactions with owners:-							
Issue of shares	-	-	-	-	-	-	-
Share- based payment transactions	-	473	-	-	-	-	473
Employee Share Option Scheme exercised	6,140	(1,944)	-	-	-	-	4,196
Total transactions with owners	6,140	(1,471)	-	-	-	-	4,669
At 30 Sept 2023	708,974	50	92,802	(125)	(36,637)	146,564	911,628

BORNEO OIL BERHAD
Company Reg. No. 198901005309 (121919-H)
Incorporated in Malaysia
QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2023
(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	Translation Reserve	Other reserves	Retained Earnings	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 July 2022	640,237	1,146	93,441	(85)	-	140,769	875,508
Total comprehensive income for the financial year:-							
Loss for the financial year	-	-	-	-	-	(13,214)	(13,214)
Other comprehensive deficit for the financial year	-	-	-	(71)	(36,637)	-	(36,708)
Total comprehensive income	-	-	-	(71)	(36,637)	(13,214)	(49,922)
Transactions with owners:-							
Issuance of new shares via private placement	49,517	-	-	-	-	-	49,517
Share- based payment	-	3,022	-	-	-	-	3,022
Employee Share Option Scheme exercised	10,686	(2,647)	-	-	-	-	8,039
Warrant exercised	2,394	-	(639)	-	-	-	1,755
Total transactions with owners	62,597	375	(639)	-	-	-	62,333
At 30 June 2023	702,834	1,521	92,802	(156)	(36,637)	127,555	887,919

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 2023.

BORNEO OIL BERHAD
Company Reg. No. 198901005309 (121919-H)
Incorporated in Malaysia
QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2023
(THE FIGURES HAVE NOT BEEN AUDITED)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	3 Months 1 July 2023 to 30 Sept 2023 RM'000	3 Months 1 July 2022 to 30 Sept 2022 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES:-		
Profit before taxation	19,262	5,706
Adjustments for:		
Equity settled share- based payment	473	558
Fair value gain on investment in quoted securities	(27,723)	(3,471)
Gain on disposal of investment in quoted shares	(2)	-
Gain on disposal of property, plant and equipment	-	(205)
Gain on unrealised exchange difference	(165)	(5,688)
Depreciation of properties, plant and equipment	848	788
Depreciation of right-of-use	498	422
Loss on unrealised exchange difference	-	5
Written- off of property, plant and equipment	15	16
Interest expense	544	413
Interest income	(10)	(1)
Share of results of associates	6,010	820
	<hr/>	<hr/>
	(250)	(637)
Changes in working capital:-		
Inventories	372	1,332
Trade receivables	22	(6,667)
Other receivables, deposits and prepayments	31,151	26,254
Trade payables	624	(1,620)
Other payables, deposits and accruals	(1,553)	(1,187)
Contract asset	(88)	(1,343)
Associate company	1,910	-
	<hr/>	<hr/>
	32,188	16,132
Interest paid	(544)	(413)
Tax paid	(160)	(175)
Tax refunded	127	68
	<hr/>	<hr/>
Net Operating Cash Flows	31,611	15,612
CASH FLOWS FROM INVESTING ACTIVITIES:-		
Acquisition of other investment	(40,000)	(45,000)
Withdrawal of fixed deposits with licensed banks	500	-
Proceeds from disposal of quoted securities	22	-
Proceeds from disposal of properties, plant and equipment	-	206
Purchases of properties, plant and equipment	(59)	(854)
Interest received	10	1
	<hr/>	<hr/>
Net Investing Cash Flows	(39,527)	(45,647)

BORNEO OIL BERHAD
Company Reg. No. 198901005309 (121919-H)
Incorporated in Malaysia
QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2023
(THE FIGURES HAVE NOT BEEN AUDITED)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

	3 Months 1 July 2023 to 30 Sept 2023 RM'000	3 Months 1 July 2022 to 30 Sept 2022 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES:-		
Issuance of ordinary shares	-	16,154
Payment of lease liabilities	(341)	(326)
Repayment of hire purchase payables, net	(261)	(363)
Repayment of term borrowings, net	(373)	(211)
Drawdown/ (Repayment) of banker's acceptance, net	341	(1,072)
ESOS exercised	4,196	5,385
Net Financing Cash Flows	3,562	19,567
NET CHANGE IN CASH AND CASH EQUIVALENTS	(4,354)	(10,468)
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	31	4
CASH AND CASH EQUIVALENTS AT THE		
BEGINNING OF THE FINANCIAL YEAR	9,994	20,085
CASH AND CASH EQUIVALENTS AT THE		
END OF THE FINANCIAL YEAR	5,671	9,621
ANALYSIS OF CASH AND CASH EQUIVALENTS		
Cash and bank balances	7,371	10,951
Bank overdrafts	(1,700)	(1,330)
	5,671	9,621

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 2023.

NOTES ON THE QUARTERLY REPORT- 30 SEPTEMBER 2023

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 2023.

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 2023.

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 2023 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)

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 2023

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 and 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 and International Tax Reform – Pillar Two Model Rules.

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2024

- Amendments to MFRS 16, Leases - Lease Liability in a Sale and Leaseback
- Amendments to MFRS 101, Presentation of Financial Statements – Non-current Liabilities with Covenants and Classification of Liabilities as Current or Non-current
- Amendments to MFRS 107, Statement of Cash Flows and MFRS 7, Financial Instruments: Disclosures – Supplier Finance Arrangements

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2025

- MFRS 121, The Effects of changes in Foreign Exchange Rates- Lack of Exchangeability

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 2023 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 2023

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 had 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 320,000,000 new ordinary shares were issued pursuant to the exercise of ESOS. As at the quarter ended, there were a total of 11,971,135,230 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. Revaluation of Assets

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.

NOTES ON THE QUARTERLY REPORT- 30 SEPTEMBER 2023

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

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.

A12. Changes in Contingent Liabilities or Contingent Assets

The Group's contingent liabilities totalling RM32.16 million, comprise 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 2023 is as follows:

	As at 30 Sept 2023 RM'000	As at 30 June 2023 RM'000
Acquisition of third parties' ordinary shares		
Contracted and provided for	1,620	1,620
Provided but not contracted	6,760	8,760
Acquisition of land		
Approved but not contracted for	10,500	10,500
	<u>18,880</u>	<u>20,880</u>

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

NOTES ON THE QUARTERLY REPORT- 30 SEPTEMBER 2023

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 2023 to 30 Sept 2023 RM'000	3 Months 1 July 2022 to 30 Sept 2022 RM'000
Sale of fast food and restaurant operations among subsidiaries	8	35
Sale of limestones among subsidiaries	148	175
Rental income among subsidiaries	24	39
Management fee among subsidiaries	336	330
Consultancy fee among subsidiaries	336	329
Rental expenses among subsidiaries	24	39

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

NOTES ON THE QUARTERLY REPORT- 30 SEPTEMBER 2023

A15. Group Segmental Information

	Head office & others		Food and franchise operations		Property investment & management		Resources & sustainable energy		Total Consolidated	
	30.09.2023	30.09.2022	30.09.2023	30.09.2022	30.09.2023	30.09.2022	30.09.2023	30.09.2022	30.09.2023	30.09.2022
	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	14,538	13,055	1,211	6,232	1,127	2,115	16,885	21,411
Inter-segment revenue	672	659	8	35	-	-	148	175	828	869
Total revenue	681	668	14,546	13,090	1,211	6,232	1,275	2,290	17,713	22,280
Less: Inter-segment revenue									(828)	(869)
									16,885	21,411
Results										
Segment results	26,879	8,399	1,216	339	(547)	(365)	(385)	(45)	27,163	8,328
Consolidation elimination									(11)	(180)
									27,152	8,148
<i>Not included in the measure of segment (loss)/profit:-</i>										
Depreciation and amortisation									(1,346)	(1,210)
Interest income									10	1
Finance costs									(544)	(413)
Share of results of an associate									(6,010)	(820)
Profit before tax									19,262	5,706
Income tax expenses									(253)	(125)
Profit for the financial period									19,009	5,581

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

NOTES ON THE QUARTERLY REPORT- 30 SEPTEMBER 2023

A15. Group Segmental Information (Continued)

	Head office & others		Food and franchise operations		Property investment & management		Resources & sustainable energy		Total Consolidated	
	30.09.2023	30.06.2023	30.09.2023	30.06.2023	30.09.2023	30.06.2023	30.09.2023	30.06.2023	30.09.2023	30.06.2023
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Assets										
Segment assets	1,010,617	881,440	49,934	49,765	569,644	564,741	278,175	379,800	1,908,370	1,875,746
Consolidation elimination									(920,895)	(910,358)
Consolidated total assets									987,475	965,388
Liabilities										
Segment liabilities	3,274	6,675	20,955	21,736	394,695	389,339	91,739	90,134	510,663	507,884
Tax payables	(4)	-	-	207	-	-	253	-	249	207
Loans and borrowings	459	487	5,142	4,880	400	280	23,944	24,349	29,945	29,996
Deferred tax liabilities	-	-	-	-	13,714	13,714	3,532	3,532	17,246	17,246
Lease liabilities	10	40	8,035	8,351	(1,309)	26	811	1,074	7,547	9,491
Consolidation elimination									(489,803)	(487,355)
Consolidated total liabilities									75,847	77,469

NOTES ON THE QUARTERLY REPORT- 30 SEPTEMBER 2023

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

B1. Financial Review for the Current Quarter

	Individual Quarter		Individual Quarter	
	1 July 2023 to 30 Sept 2023		1 July 2022 to 30 Sept 2022	
	Profit/(Loss)		Profit/(Loss)	
	Revenue	Before Tax	Revenue	Before Tax
	RM'000	RM'000	RM'000	RM'000
Head office & others	9	25,945	9	7,469
Food and franchise operations	14,538	936	13,055	144
Property investment & management	1,211	(357)	6,232	(209)
Resources & sustainable energy	1,127	(1,252)	2,115	(878)
Share of results of associate	-	(6,010)	-	(820)
Group revenue and profit from operations (net of finance cost)	16,885	19,262	21,411	5,706

The Head Office and Others (HOO) reported a significant increase in profit before tax for the current quarter. The profit before tax surged to RM25.95 million, marking a substantial rise from RM7.47 million in the corresponding quarter. This remarkable increase in profit is primarily attributed to a fair value gain of RM27.62 million on quoted securities during the reviewed quarter.

The Food and Franchise Operations (FFO) showed growth in both revenue and profit before tax in the current quarter. Revenue increased to RM14.54 million from RM13.06 million in the corresponding quarter. Concurrently, the profit before tax surged to RM0.94 million, a significant rise from RM0.14 million previously. This higher reported revenue was consistent with the profit accruing basis from the revenue for the reviewed quarter, indicating a positive alignment between revenue generation and resulting profits for the FFO.

Property Investment & Management (PIM) reported a decline in revenue, totalling RM1.21 million for the quarter under review, down from RM6.23 million in the corresponding quarter. Additionally, the loss before tax widened to RM0.36 million compared to RM0.21 million previously. This decline in revenue and losses was primarily attributed to reduced on-site activities following the completion of project management for an Integrated Limestone Processing Plant, resulting in fewer operational engagements and lower reported figures for the quarter.

Resources & Sustainable Energy (RSE) recorded revenue of RM1.13 million for the current quarter, down from RM2.12 million in the corresponding quarter. Simultaneously, the loss before tax widened to RM1.25 million compared to RM0.88 million previously. This decline in revenue was primarily attributed to reduced sales of limestones and other mineral resources, leading to lower reported revenue and increased losses for the period under review.

NOTES ON THE QUARTERLY REPORT- 30 SEPTEMBER 2023

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

B1. Financial Review for the Current Quarter (Continued)

In the current quarter, the share of loss before tax for the associate company surged to RM6.01 million, significantly rising from RM0.82 million in the corresponding quarter. This substantial increase was primarily driven by the enlarged shareholding, from 29.27% to 49.27%. Furthermore, the amplified loss was due to the additional costs linked to the production trial run for the Integrated Limestone Processing Plant conducted during the quarter, contributing to the escalated loss before tax for the associate company.

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

	Current Quarter ended 30 Sept 2023 RM'000	Preceding Quarter ended 30 June 2023 RM'000	Variances	
			RM'000	%
Revenue	16,885	18,756	(1,871)	-10%
Profit/(Loss) before taxation	19,262	(13,024)	32,286	-248%

In the current quarter, the Group reported revenue of RM16.89 million and a profit before tax of RM18.76 million. This contrasts with the previous quarter, which had revenue of RM19.26 million and a loss before tax of RM13.02 million.

The lower revenue in the current quarter is attributed to reduced sales of limestones and other mineral resources, coupled with decreased on-site activities after completing project management for an Integrated Limestone Processing Plant, which led to fewer operational engagements.

The profit before tax in the current quarter, amounting to RM18.76 million, is primarily due to a fair value gain on quoted securities. In contrast, the loss before tax in the preceding quarter was driven by the impairment of exploration expenditure and related assets for gold mining works of RM32.63 million, along with share of associate losses of RM51.92 million. However, this loss was offset by a fair value gain of RM72.31 million on quoted securities.

B3. Prospects

The Board foresees ongoing challenges in the operating environment in the short and medium term, primarily due to increasing material costs driven by inflation and the rising trend in interest rates.

Despite these challenges, the Group plans to navigate by exploring new business segments. This strategy aims to diversify revenue streams, fortify financial foundations, and ultimately secure positive results for the upcoming financial year ending in 2024.

NOTES ON THE QUARTERLY REPORT- 30 SEPTEMBER 2023

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 2023 to 30 Sept 2023 RM'000
Income tax- current year	(253)
Income tax- prior year	-
Deferred tax- current year	-
	<hr/> (253) <hr/>

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- 30 SEPTEMBER 2023

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.

No.	Purpose	Proposed Utilisation RM'000	Actual Utilisation RM'000	Intended Timeframe for Utilisation
1	Business expansion and/or new investments	12,919	12,919	Within 36 months from the receipt of placement funds
2	Gold exploration works at Hutan Simpan Bukit Ibam, Mukim Keratong, Pahang ("Plant")	10,000	10,000	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	1,000	Upon completion of the Proposed Subscription
	Total	36,329	36,329	

NOTES ON THE QUARTERLY REPORT- 30 SEPTEMBER 2023

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

B7. Status of Utilisation of Proceeds from Corporate Proposal (Continued)

- (b) The Company had on 24 February 2023, announced the Proposed Private Placement of up to 20% 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 14 April 2023, approved the listing and quotation of up to 1,940,337,390 placement shares to be issued pursuant to the Proposed Private Placement.

On 5 May 2023, the ordinary resolution on the Proposed Private Placement as prescribed in the Notice of the Extraordinary General Meeting ("EGM") of the Company dated 20 April 2023 was duly passed and approved by the shareholders of the Company by way of poll voting at the EGM of the Company.

On 27th June 2023, as per announcement to Bursa Securities, the Company completed the Proposed Private Subscription. A total of 1,939,448,276 Bornoil Shares had been issued pursuant to the Proposed Subscription at an issue price ranging from RM0.0127 to RM0.0159 per Bornoil Share. As at to-date, a total of eight (8) tranches have been completed, and the Company has raised total proceeds of RM27.31 million from the Proposed Private Placement.

The status of the utilisation of the Private Placement 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	Working capital expenses	27,310	27,310	Within 12 months from the receipt of placement funds
2	Estimated expenses in relation to the Proposed subscription	150	150	Within 12 months from the receipt of placement funds
	Total	<u>27,460</u>	<u>27,460</u>	

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

NOTES ON THE QUARTERLY REPORT- 30 SEPTEMBER 2023

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

B8 Borrowings and Debts Securities

	Unaudited as at 30 Sept 2023 RM'000	Audited as at 30 June 2023 RM'000
Short term borrowings:		
- Bank overdrafts	1,700	1,588
- Bankers' acceptances	1,432	1,091
- Term loans	1,931	1,901
- Hire purchase payables	1,361	1,350
	<u>6,424</u>	<u>5,930</u>
Long term borrowings:		
- Term loans	21,023	21,426
- Hire purchase payables	2,499	2,640
	<u>23,522</u>	<u>24,066</u>
Total borrowings	<u>29,946</u>	<u>29,996</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- 30 SEPTEMBER 2023

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

B11. Earnings per Share

	Individual Quarter		Cumulative Quarter	
	3 Months 1 July 2023 to 30 Sept 2023	3 Months 1 July 2022 to 30 Sept 2022	3 Months 1 July 2023 to 30 Sept 2023	3 Months 1 July 2022 to 30 Sept 2022
(a) Basic EPS				
Net profit/(loss) for the period attributable to equity holders (RM'000)	19,009	5,581	19,009	5,581
Weighted average number of ordinary shares in issue ('000)	11,944,331	8,657,124	11,944,331	8,657,124
Basic earnings per share (sen)	0.16	0.06	0.16	0.06

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.

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

NOTES ON THE QUARTERLY REPORT- 30 SEPTEMBER 2023

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 (charging)/ crediting: -

	Individual Quarter		Cumulative Quarter	
	3 Months 1 July 2023 to 30 Sept 2023 RM'000	3 Months 1 July 2022 to 30 Sept 2022 RM'000	3 Months 1 July 2023 to 30 Sept 2023 RM'000	3 Months 1 July 2022 to 30 Sept 2022 RM'000
Profit before tax is arrived after (charging):				
Depreciation of property, plant and equipment	(848)	(788)	(848)	(788)
Depreciation of right of use	(498)	(422)	(498)	(422)
Employee share option scheme ("ESOS")	(473)	(558)	(473)	(558)
Impairment on development expenses	-	(90)	-	(90)
Impairment on amount due from an associate	-	-	(484)	-
Interest expense	(544)	(413)	(544)	(413)
Loss on realised exchange difference	(6)	(5)	(6)	(5)
Loss on unrealised exchange difference	(1)	-	(1)	-
Property, plant and equipment written off	(15)	(16)	(15)	(16)
and crediting the following items:				
Fair value gain on investment in quoted securities	27,723	3,471	27,723	3,471
Gain on disposal of investment in quoted shares	2	-	2	-
Gain on disposal of property, plant and equipment	-	205	-	205
Gain on unrealised exchange difference	166	5,688	166	5,688
Interest income	10	1	10	1
Rental income	145	168	145	168

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

NOTES ON THE QUARTERLY REPORT- 30 SEPTEMBER 2023

**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
30 November 2023