

**BORNEO OIL BERHAD**

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

**QUARTERLY REPORT ON CONSOLIDATED RESULTS  
FOR THE SECOND QUARTER ENDED  
31 DECEMBER 2023**

**(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		Cumulative Quarter	
	3 Months 1 Oct 2023 to 31 Dec 2023 RM'000	3 Months 1 Oct 2022 to 31 Dec 2022 RM'000	6 Months 1 July 2023 to 31 Dec 2023 RM'000	6 Months 1 July 2022 to 31 Dec 2022 RM'000
Revenue	22,146	21,247	39,031	42,658
Cost of sales	(16,527)	(17,088)	(28,749)	(33,978)
Gross profit	5,619	4,159	10,282	8,680
Other income	3,534	32,744	7,083	42,380
Operating expenses	(7,647)	(5,875)	(14,265)	(13,093)
Other operating expenses	(77,235)	(4,055)	(53,013)	(4,055)
Loss from operations	(75,729)	26,973	(49,913)	33,912
Finance costs	(364)	(461)	(908)	(874)
Share of results of an associate	(7,838)	(3,217)	(13,848)	(4,037)
(Loss)/ Profit before taxation	(83,931)	23,295	(64,669)	29,001
Taxation	(269)	(128)	(522)	(253)
(Loss)/ Profit for the period	(84,200)	23,167	(65,191)	28,748
Other comprehensive income for the financial period				
- Foreign currency translation	(56)	24	(25)	28
Total comprehensive (deficit)/income for the financial period	(84,256)	23,191	(65,216)	28,776
Income attributable to:				
- Owners of the parent	(84,200)	23,167	(65,191)	28,748
Total comprehensive (deficit)/income attributable to:				
- Owners of the parent	(84,256)	23,191	(65,216)	28,776
(Loss)/ Earnings per share				
- basic (sen)	(0.70)	0.24	(0.54)	0.32

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.

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**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	<b>Unaudited as at 31 Dec 2023 RM'000</b>	<b>Audited as at 30 June 2023 RM'000</b>
<b>Non Current Assets</b>		
Property, plant and equipment	30,879	18,535
Right-of-use assets	10,740	11,760
Investment properties	617,054	617,054
Goodwill	9	9
Other investments	139,848	186,589
Investment in an associate	26,152	-
Receivables	7,507	7,507
	<u>832,189</u>	<u>841,454</u>
<b>Current Assets</b>		
Inventories	24,646	27,997
Trade receivables	4,372	4,111
Other receivables, deposits and prepayments	8,469	43,784
Amount due from an associate	42,785	34,511
Contract asset	-	-
Tax recoverable	342	351
Fixed deposits with licensed banks	1,098	1,598
Cash and bank balances	12,364	11,582
	<u>94,076</u>	<u>123,934</u>
<b>Total Assets</b>	<u>926,265</u>	<u>965,388</u>
<b>Shareholders' Fund</b>		
Share capital	709,329	702,834
Reserves	55,984	57,530
Retained earnings	62,364	127,555
	<u>827,677</u>	<u>887,919</u>
<b>Non Current Liabilities</b>		
Long term borrowings	38,558	21,426
Hire purchase creditors	2,641	2,640
Lease liabilities	5,469	6,474
Deferred tax liabilities	17,246	17,246
	<u>63,914</u>	<u>47,786</u>
<b>Current Liabilities</b>		
Trade payables	9,957	7,709
Other payables, deposits and accruals	13,571	14,376
Hire purchase creditors	1,947	1,350
Short term borrowings	5,312	2,992
Lease liabilities	1,672	1,461
Bank overdraft	1,700	1,588
Tax payable	515	207
	<u>34,674</u>	<u>29,683</u>
<b>Total Equity and Liabilities</b>	<u>926,265</u>	<u>965,388</u>
Net assets per share (RM)	<u>0.07</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.

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**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
<b>At 1 July 2023</b>	702,834	1,521	92,802	(156)	(36,637)	127,555	887,919
<b>Total comprehensive deficit for the financial period:-</b>							
Loss for the financial period	-	-	-	-	-	(65,191)	(65,191)
Other comprehensive deficit for the financial period	-	-	-	(25)	-	-	(25)
<b>Total comprehensive deficit</b>	-	-	-	(25)	-	(65,191)	(65,216)
<b>Transactions with owners:-</b>							
Issue of shares	-	-	-	-	-	-	-
Share- based payment transactions	-	505	-	-	-	-	505
Employee Share Option Scheme exercised	6,495	(2,026)	-	-	-	-	4,469
<b>Total transactions with owners</b>	6,495	(1,521)	-	-	-	-	4,974
<b>At 31 Dec 2023</b>	709,329	-	92,802	(181)	(36,637)	62,364	827,677

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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	Translation Reserve	Other reserves	Retained Earnings	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>At 1 July 2022</b>	640,237	1,146	93,441	(85)	-	140,769	875,508
<b>Total comprehensive income for the financial year:-</b>							
Loss for the financial year	-	-	-	-	-	(13,214)	(13,214)
Other comprehensive deficit for the financial year	-	-	-	(71)	(36,637)	-	(36,708)
<b>Total comprehensive income</b>	-	-	-	(71)	(36,637)	(13,214)	(49,922)
<b>Transactions with owners:-</b>							
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
<b>Total transactions with owners</b>	62,597	375	(639)	-	-	-	62,333
<b>At 30 June 2023</b>	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.

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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	<b>6 Months</b> <b>1 July 2023 to</b> <b>31 Dec 2023</b> <b>RM'000</b>	<b>6 Months</b> <b>1 July 2022 to</b> <b>31 Dec 2022</b> <b>RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:-</b>		
Profit before taxation	(64,669)	29,001
Adjustments for:		
Equity settled share- based payment	505	1,442
Fair value loss/ (gain) on investment in quoted securities	46,306	(40,816)
Gain on disposal of investment in quoted shares	(2)	-
Gain on disposal of property, plant and equipment	-	(991)
Gain on realised exchange difference	-	(8)
Depreciation of properties, plant and equipment	1,891	1,587
Depreciation of right-of-use	977	876
Loss on unrealised exchange difference	361	2,429
Written- off of property, plant and equipment	20	25
Interest expense	908	874
Interest income	(21)	(69)
Share of results of associates	13,848	4,037
	<hr/>	<hr/>
	124	(1,613)
Changes in working capital:-		
Inventories	3,352	(1,920)
Trade receivables	(47)	(14,167)
Other receivables, deposits and prepayments	34,831	26,560
Trade payables	2,061	(182)
Other payables, deposits and accruals	(320)	(929)
Contract asset	-	(1,364)
Associate company	(8,274)	-
	<hr/>	<hr/>
	31,727	6,385
Interest paid	(908)	(874)
Tax paid	(333)	(344)
Tax refunded	128	67
	<hr/>	<hr/>
<b>Net Operating Cash Flows</b>	<b>30,614</b>	<b>5,234</b>

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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)**

	<b>6 Months 1 July 2023 to 31 Dec 2023 RM'000</b>	<b>6 Months 1 July 2022 to 31 Dec 2022 RM'000</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:-</b>		
Acquisition of other investment	(40,000)	(45,900)
Withdrawal of fixed deposits with licensed banks	500	-
Proceeds from disposal of quoted securities	47	-
Proceeds from disposal of properties, plant and equipment	39	1,005
Purchases of properties, plant and equipment	(12,963)	(1,462)
Interest received	21	69
<b>Net Investing Cash Flows</b>	<b>(52,356)</b>	<b>(46,288)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:-</b>		
Issuance of ordinary shares	-	22,356
Payment of lease liabilities	(751)	(668)
Repayment of hire purchase payables, net	(733)	(783)
Drawdown/ (Repayment) of term borrowings, net	19,260	(425)
Drawdown/ (Repayment) of banker's acceptance, net	192	(834)
ESOS exercised	4,469	7,869
<b>Net Financing Cash Flows</b>	<b>22,437</b>	<b>27,515</b>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>695</b>	<b>(13,539)</b>
<b>EFFECT OF FOREIGN EXCHANGE RATE CHANGES</b>	<b>(25)</b>	<b>28</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR</b>	<b>9,994</b>	<b>20,085</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR</b>	<b>10,664</b>	<b>6,574</b>
<b>ANALYSIS OF CASH AND CASH EQUIVALENTS</b>		
Cash and bank balances	12,364	7,692
Bank overdrafts	(1,700)	(1,118)
	<b>10,664</b>	<b>6,574</b>

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- 31 DECEMBER 2023**

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

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**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- 31 DECEMBER 2023**

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

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**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- 31 DECEMBER 2023**

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

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**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 21,000,000 new ordinary shares were issued pursuant to the exercise of ESOS. As at the quarter ended, there were a total of 11,992,135,230 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- 31 DECEMBER 2023**

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

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**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 RM83.16 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 31 December 2023 is as follows:

	<b>As at 31 Dec 2023 RM'000</b>	<b>As at 30 June 2023 RM'000</b>
<b>Acquisition of third parties' ordinary shares</b>		
Contracted and provided for	-	1,620
Provided but not contracted	3,300	8,760
<b>Acquisition of land</b>		
Approved but not contracted for	-	10,500
	<u>3,300</u>	<u>20,880</u>

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**NOTES ON THE QUARTERLY REPORT- 31 DECEMBER 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		Cumulative Quarter	
	3 Months 1 Oct 2023 to 31 Dec 2023 RM'000	3 Months 1 Oct 2022 to 31 Dec 2022 RM'000	6 Months 1 July 2023 to 31 Dec 2023 RM'000	6 Months 1 July 2022 to 31 Dec 2022 RM'000
Sale of fast food and restaurant operations among subsidiaries	13	40	21	75
Sale of limestones among subsidiaries	72	131	220	306
Rental income among subsidiaries	24	39	48	78
Management fee among subsidiaries	336	330	672	660
Consultancy fee among subsidiaries	340	328	676	657
Rental expenses among subsidiaries	24	39	48	78

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**NOTES ON THE QUARTERLY REPORT- 31 DECEMBER 2023**

**A15. Group Segmental Information**

	Head office & others		Food and franchise operations		Property investment & management		Resources & sustainable energy		Total Consolidated	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022	31.12.2023	31.12.2022	31.12.2023	31.12.2022	31.12.2023	31.12.2022
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Revenue</b>										
External revenue	18	18	30,750	26,953	2,799	11,677	5,464	4,010	39,031	42,658
Inter-segment revenue	1,348	1,317	21	75	-	-	220	306	1,589	1,698
<b>Total revenue</b>	<b>1,366</b>	<b>1,335</b>	<b>30,771</b>	<b>27,028</b>	<b>2,799</b>	<b>11,677</b>	<b>5,684</b>	<b>4,316</b>	<b>40,620</b>	<b>44,356</b>
Less: Inter-segment revenue									(1,589)	(1,698)
									<b>39,031</b>	<b>42,658</b>
<b>Results</b>										
Segment results	(48,886)	36,344	2,952	1,019	(1,668)	171	141	(555)	(47,461)	36,979
Consolidation elimination									395	(673)
									<b>(47,066)</b>	<b>36,306</b>
<i>Not included in the measure of segment (loss)/profit:-</i>										
Depreciation and amortisation									(2,868)	(2,463)
Interest income									21	69
Finance costs									(908)	(874)
Share of results of an associate									(13,848)	(4,037)
<b>(Loss)/ Profit before tax</b>									<b>(64,669)</b>	<b>29,001</b>
Income tax expenses									(522)	(253)
<b>(Loss)/ Profit for the financial year</b>									<b>(65,191)</b>	<b>28,748</b>

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**NOTES ON THE QUARTERLY REPORT- 31 DECEMBER 2023**

**A15. Group Segmental Information (Continued)**

	Head office & others		Food and franchise operations		Property investment & management		Resources & sustainable energy		Total Consolidated	
	31.12.2023	30.06.2023	31.12.2023	30.06.2023	31.12.2023	30.06.2023	31.12.2023	30.06.2023	31.12.2023	30.06.2023
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Assets</b>										
Segment assets	951,378	881,440	53,141	49,765	580,582	564,741	281,979	379,800	1,867,080	1,875,746
Consolidation elimination									(940,815)	(910,358)
<b>Consolidated total assets</b>									<b>926,265</b>	<b>965,388</b>
<b>Liabilities</b>										
Segment liabilities	3,234	6,675	22,209	21,736	406,877	389,339	92,637	90,134	524,957	507,884
Tax payables	(7)	-	-	207	-	-	522	-	515	207
Loans and borrowings	20,431	487	5,952	4,880	385	280	23,390	24,349	50,158	29,996
Deferred tax liabilities	-	-	-	-	13,714	13,714	3,532	3,532	17,246	17,246
Lease liabilities	-	40	7,757	8,351	(1,312)	26	697	1,074	7,142	9,491
Consolidation elimination									(501,430)	(487,355)
<b>Consolidated total liabilities</b>									<b>98,588</b>	<b>77,469</b>

**NOTES ON THE QUARTERLY REPORT- 31 DECEMBER 2023**

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

**B1. Financial Review for the Current Quarter**

	Individual Quarter		Individual Quarter	
	1 Oct 2023 to 31 Dec 2023		1 Oct 2022 to 31 Dec 2022	
	Profit/(Loss)		Profit/(Loss)	
	Revenue	Before Tax	Revenue	Before Tax
	RM'000	RM'000	RM'000	RM'000
Head office & others	9	(76,657)	9	26,984
Food and franchise operations	16,212	1,631	13,898	297
Property investment & management	1,588	(1,074)	5,445	558
Resources & sustainable energy	4,337	7	1,895	(1,327)
Share of results of associate	-	(7,838)	-	(3,217)
Group revenue and (loss)/profit from (net of finance cost)	22,146	(83,931)	21,247	23,295

The Head Office and Others (HOO) reported a pre-tax loss of RM76.66 million in the latest quarter, predominantly attributable to a fair value decline of RM73.72 million on quoted securities. This contrasts sharply with a fair value gain of RM37.20 million recorded for the same quarter in the prior year.

Food and Franchise Operations (FFO) experienced growth in both revenue and profit before tax for the current quarter. Revenue rose by RM2.31 million, increasing from RM13.90 million in the corresponding quarter to RM16.21 million. Similarly, profit before tax surged to RM1.63 million, marking a significant increase from RM0.30 million in the corresponding quarter. This increase in reported profit is in line with the profit accruing basis from the increase in revenue for the reviewed quarter.

Property Investment & Management (PIM) posted a decrease in revenue of RM3.86 million for the quarter under review, marking a decline from RM5.45 million in the corresponding quarter. This decrease can be attributed to diminished on-site activities subsequent to the completion of project management. Additionally, PIM registered a loss before tax of RM1.07 million, in contrast to a profit before tax of RM0.56 million, primarily due to a substantial reduction in revenue for the current quarter under review.

Resources & Sustainable Energy (RSE) achieved a revenue of RM4.34 million, marking a notable increase of RM2.44 million compared to the corresponding quarter. This growth was attributable to the supply of raw materials to the Integrated Limestone Processing Plant for cement production. Concurrently, RSE reported a profit before tax of RM0.01 million, contrasting with a loss before tax of RM1.33 million in the previous period, primarily due to the augmented revenue recorded in the current quarter under review.

**NOTES ON THE QUARTERLY REPORT- 31 DECEMBER 2023**

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

**B1. Financial Review for the Current Quarter (Continued)**

The associate company reported a share of loss before tax amounting to RM7.84 million, a notable increase from the loss before tax of RM3.22 million recorded in the corresponding quarter. This surge was primarily driven by the expanded shareholding, which rose from 29.27% to 49.27%. Additionally, the heightened loss was attributed to supplementary costs linked to the production trial run for the Integrated Limestone Processing Plant conducted during the quarter, thereby contributing to the increased loss before tax for the associate company.

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

	<b>Current Quarter ended 31 Dec 2023 RM'000</b>	<b>Preceding Quarter ended 30 Sept 2023 RM'000</b>	<b>Variances</b>	
			<b>RM'000</b>	<b>%</b>
Revenue	22,146	16,885	5,261	31%
(Loss)/Profit before taxation	(83,931)	19,262	(103,193)	-536%

In the current quarter, the Group reported revenue of RM22.15 million and a loss before tax of RM83.93 million. This contrasts with the previous quarter, which had revenue of RM16.89 million and a profit before tax of RM19.26 million.

The increased revenue reported in the current quarter is attributed to the rise in revenue from the Food and Franchise Operations (FFO) and Resources & Sustainable Energy (RSE) segments compared to the immediate preceding quarter. However, despite these revenue gains, the Group recorded a loss before tax of RM83.93 million, primarily due to a fair value loss of RM74.03 million on quoted securities for the Group.

**B3. Prospects**

The Board foresees ongoing challenges in the operating environment in the short and medium term, primarily due to escalating material costs driven by inflation and the lacklustre market environment.

However, in light of these challenges, the Group remains resolute in its strategy to explore new business segments. This strategic approach is designed to diversify revenue streams, bolster financial fundamentals, and ultimately secure favourable outcomes for the fiscal year ending in 2024.



**NOTES ON THE QUARTERLY REPORT- 31 DECEMBER 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: -

	<b>Individual Quarter</b>	<b>Cumulative Quarter</b>
	<b>3 Months</b>	<b>6 Months</b>
	<b>1 Oct 2023 to 31 Dec 2023</b>	<b>1 July 2023 to 31 Dec 2023</b>
	<b>RM'000</b>	<b>RM'000</b>
Income tax- current year	(269)	(522)
Income tax- prior year	-	-
Deferred tax- current year	-	-
	(269)	(522)

The disproportionate tax charge of the Group for the current quarter was mainly due to the utilisation of tax losses brought 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.

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

**B7 Borrowings and Debts Securities**

	<b>Unaudited as at 31 Dec 2023 RM'000</b>	<b>Audited as at 30 June 2023 RM'000</b>
Short term borrowings:		
- Bank overdrafts	1,700	1,588
- Bankers' acceptances	1,283	1,091
- Term loans	4,029	1,901
- Hire purchase payables	1,947	1,350
	<u>8,959</u>	<u>5,930</u>
Long term borrowings:		
- Term loans	38,558	21,426
- Hire purchase payables	2,641	2,640
	<u>41,199</u>	<u>24,066</u>
Total borrowings	<u>50,158</u>	<u>29,996</u>

All the above borrowings are denominated in Ringgit Malaysia.

**B8. 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.

**B9. Dividends**

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

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**NOTES ON THE QUARTERLY REPORT- 31 DECEMBER 2023**

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

**B10. Earnings per Share**

	Individual Quarter		Cumulative Quarter	
	3 Months 1 Oct 2023 to 31 Dec 2023	3 Months 1 Oct 2022 to 31 Dec 2022	6 Months 1 July 2023 to 31 Dec 2023	6 Months 1 July 2022 to 31 Dec 2022
(a) Basic EPS				
Net (loss)/ profit for the period attributable to equity holders (RM'000)	(84,200)	23,167	(65,191)	28,748
Weighted average number of ordinary shares in issue ('000)	11,976,613	9,547,400	12,087,001	9,105,599
Basic earnings per share (sen)	(0.70)	0.24	(0.54)	0.32

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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**NOTES ON THE QUARTERLY REPORT- 31 DECEMBER 2023**

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

**B11. 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 Oct 2023 to 31 Dec 2023 RM'000	3 Months 1 Oct 2022 to 31 Dec 2022 RM'000	6 Months 1 July 2023 to 31 Dec 2023 RM'000	6 Months 1 July 2022 to 31 Dec 2022 RM'000
<b>Profit before tax is arrived after (charging):</b>				
Depreciation of property, plant and equipment	(1,043)	(799)	(1,891)	(1,587)
Depreciation of right of use	(479)	(454)	(977)	(876)
Employee share option scheme ("ESOS")	(32)	(884)	(505)	(1,442)
Impairment on development expenses	-	(37)	-	(127)
Impairment on amount due from an associate	(1,256)	-	(1,740)	-
Interest expense	(364)	(461)	(908)	(874)
Loss on realised exchange difference	2	5	(4)	-
Loss on unrealised exchange difference	(360)	(2,461)	(361)	(2,461)
Property, plant and equipment written off	(5)	(9)	(20)	(25)
<b>and crediting the following items:</b>				
Fair value gain on investment in quoted securities	(74,029)	37,345	(46,306)	40,816
Gain on disposal of investment in quoted shares	-	-	2	-
Gain on disposal of property, plant and equipment	-	786	-	991
Gain on realised exchange difference	-	8	-	8
Gain on unrealised exchange difference	(166)	(5,656)	-	32
Interest income	11	68	21	69
Rental income	143	168	288	336

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**NOTES ON THE QUARTERLY REPORT- 31 DECEMBER 2023**

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

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**B12. 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  
28 February 2024