

BORNEO OIL BERHAD

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

**QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE FOURTH QUARTER ENDED
30 JUNE 2024**

(THE FIGURES HAVE NOT BEEN AUDITED)

BORNEO OIL BERHAD
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Incorporated in Malaysia
QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE FOURTH QUARTER ENDED 30 JUNE 2024
(THE FIGURES HAVE NOT BEEN AUDITED)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Individual Quarter		Cumulative Quarter	
	3 Months 1 Apr 2024 to 30 Jun 2024 RM'000	3 Months 1 Apr 2023 to 30 Jun 2023 RM'000	12 Months 1 Jul 2023 to 30 Jun 2024 RM'000	12 Months 1 Jul 2022 to 30 Jun 2023 RM'000
Revenue	22,171	14,073	78,561	84,987
Cost of sales	(24,089)	(9,131)	(65,196)	(66,022)
Gross (loss)/profit	(1,918)	4,942	13,365	18,965
Other income	162,784	54,142	170,612	79,551
Operating expenses	(16,265)	(7,572)	(37,534)	(26,740)
Other operating expenses	6,878	(12,397)	(68,096)	(23,912)
Profit from operations	151,479	39,115	78,347	47,864
Finance costs	(2,303)	(328)	(4,288)	(1,659)
Share of results of an associate	(20,834)	(51,811)	(40,000)	(59,063)
Profit/ (Loss) before taxation	128,342	(13,024)	34,059	(12,858)
Taxation	(24)	32	(930)	(357)
Profit/(Loss) for the period/year	128,318	(12,992)	33,129	(13,215)
Other comprehensive income/(deficit) for the financial period/year				
- Foreign currency translation	(3)	(116)	2	(71)
- Share of other comprehensive deficit of an associate	-	(36,637)	-	(36,637)
Total comprehensive income/ (deficit) for the financial period/year	128,315	(49,745)	33,131	(49,923)
Income/(Deficit) attributable to:				
- Owners of the parent	128,318	(12,992)	33,129	(13,215)
Total comprehensive income/ (deficit) attributable to:				
- Owners of the parent	128,315	(49,745)	33,131	(49,923)
Profit/(Loss) per share				
- basic (sen)	1.07	(0.13)	0.28	(0.14)

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

	Unaudited as at 30 Jun 2024 RM'000	Audited as at 30 Jun 2023 RM'000
Non Current Assets		
Property, plant and equipment	126,192	18,535
Right-of-use assets	12,274	11,760
Investment properties	493,312	617,054
Goodwill	-	9
Other investments	347,629	186,589
Receivables	-	7,507
	<u>979,407</u>	<u>841,454</u>
Current Assets		
Inventories	18,799	27,997
Biological assets	55	-
Trade receivables	5,066	4,111
Other receivables, deposits and prepayments	11,601	43,784
Amount due from an associate	185	34,511
Tax recoverable	(138)	351
Fixed deposits with licensed banks	1,125	1,598
Cash and bank balances	9,818	11,582
	<u>46,511</u>	<u>123,934</u>
Total Assets	<u>1,025,918</u>	<u>965,388</u>
Shareholders' Fund		
Share capital	709,329	702,834
Reserves	56,011	57,530
Retained earnings	160,854	127,555
	<u>926,194</u>	<u>887,919</u>
Non Current Liabilities		
Long term borrowings	38,713	21,426
Hire purchase creditors	2,080	2,640
Lease liabilities	5,461	6,474
Deferred tax liabilities	13,343	17,246
	<u>59,597</u>	<u>47,786</u>
Current Liabilities		
Trade payables	12,347	7,709
Other payables, deposits and accruals	18,609	14,376
Hire purchase creditors	2,133	1,350
Short term borrowings	3,019	2,992
Lease liabilities	2,329	1,461
Bank overdraft	1,700	1,588
Tax payable	(10)	207
	<u>40,127</u>	<u>29,683</u>
Total Equity and Liabilities	<u>1,025,918</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.

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(THE FIGURES HAVE NOT BEEN AUDITED)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Non-Distributable Reserves					Distributable Reserves	Total Equity RM'000
	Share Capital RM'000	ESOS Reserve RM'000	Warrants Reserve RM'000	Translation Reserve RM'000	Other Reserves RM'000	Retained Earnings RM'000	
At 1 July 2023	702,834	1,521	92,802	(156)	(36,637)	127,555	887,919
Prior year adjustment	-	-	-	-	-	170	170
At 1 July 2023	702,834	1,521	92,802	(156)	(36,637)	127,725	888,089
Total comprehensive income for the financial year:-							
Profit for the financial year	-	-	-	-	-	33,129	33,129
Other comprehensive income for the financial year	-	-	-	2	-	-	2
Total comprehensive income	-	-	-	2	-	33,129	33,131
Transactions with owners:-							
Share - based payment transactions	-	505	-	-	-	-	505
Employee Share Option Scheme exercised	6,495	(2,026)	-	-	-	-	4,469
Total transactions with owners	6,495	(1,521)	-	-	-	-	4,974
At 30 June 2024	709,329	-	92,802	(154)	(36,637)	160,854	926,194

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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
At 1 July 2022	640,237	1,146	93,441	(85)	-	140,769	875,508
Total comprehensive deficit 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 deficit	-	-	-	(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.

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	12 Months 1 Jul 2023 to 30 Jun 2024 RM'000	12 Months 1 Jul 2022 to 30 Jun 2023 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES:-		
Profit/(Loss) before taxation	34,059	(12,858)
Adjustments for:		
Bad debts recovered - other receivables	(50)	-
Equity settled share- based payment	505	3,022
Fair value adjustment on biological assets	(55)	-
Fair value discount on amount owing by an associate	-	293
Fair value gain on retention receivables	-	(291)
Fair value gain on investment in quoted securities	(159,878)	(64,772)
Fair value adjustment on investment properties	-	(2,400)
Gain on disposal of investment in quoted shares	(2)	(10)
Gain on disposal of property, plant and equipment	(72)	(331)
Gain on unrealised exchange difference	-	(1,956)
Reversal of impairment loss on obsolete inventories	-	(202)
Depreciation of property, plant and equipment	8,913	3,738
Depreciation of right-of-use	1,824	1,458
Impairment on exploration expenses	-	8,518
Impairment on other receivables	773	144
Impairment on property, plant and equipment	8,376	720
Impairment on trade receivables	6,107	1,182
Impairment on amount due from an associate	42,198	1,740
Gain on unrealised exchange difference	(648)	-
Prepayment written off	3	-
Written- off of property, plant and equipment	23	100
Waiver of debts	-	(2)
Interest expense	4,288	1,659
Interest income	(223)	(112)
Share of results of associates	40,000	59,063
	<hr/>	<hr/>
	(13,859)	(1,297)
Changes in working capital:-		
Inventories	9,198	6,610
Trade receivables	(41,518)	23,659
Other receivables, deposits and prepayments	30,974	(35,560)
Trade payables	4,451	294
Other payables, deposits and accruals	4,718	6,566
Contract asset	-	(1,343)
Associate company	34,326	(35,383)
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	28,290	(36,454)

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.

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

	12 Months 1 Jul 2023 to 30 Jun 2024 RM'000	12 Months 1 Jul 2022 to 30 Jun 2023 RM'000
Interest paid	(4,288)	(1,659)
Tax paid	(980)	(766)
Tax refunded	134	1,332
Net Operating Cash Flows	<u>23,156</u>	<u>(37,547)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:-		
Advances to an associate	-	(8,668)
Acquisition of quoted shares	-	(12,067)
Acquisition of other investment	(40,608)	(6,575)
Withdrawal of fixed deposits with licensed banks	473	278
Proceeds from disposal of quoted shares	47	42
Proceeds from disposal of property, plant and equipment	173	604
Proceeds from disposal of unquoted shares	-	700
Purchases of property, plant and equipment	(3,627)	(1,848)
Interest received	223	112
Net Investing Cash Flows	<u>(43,319)</u>	<u>(27,422)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:-		
Issuance of ordinary shares	-	49,516
Payment of lease liabilities	(1,614)	(1,345)
Repayment of hire purchase payables, net	(1,884)	(1,417)
Drawdown/ (Repayment) of term borrowings, net	17,816	(1,064)
Repayment of banker's acceptance, net	(502)	(548)
ESOS exercised	4,468	8,039
Warrants exercised	-	1,755
Net Financing Cash Flows	<u>18,284</u>	<u>54,936</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	(1,879)	(10,033)
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	3	(58)
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	<u>8,118</u>	<u>9,994</u>
ANALYSIS OF CASH AND CASH EQUIVALENTS		
Cash and bank balances	9,818	11,582
Bank overdrafts	(1,700)	(1,588)
	<u>8,118</u>	<u>9,994</u>

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the accompanying notes and the Annual Audited Financial Statements for the year ended 30 June 2023.

NOTES ON THE QUARTERLY REPORT- 30 JUNE 2024

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 2023

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

NOTES ON THE QUARTERLY REPORT- 30 JUNE 2024

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 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 beginning on or after 1 January 2026

- Amendments to the Classification and Measurement of Financial Instruments (Amendments to MFRS 9, Financial Instruments and MFRS 7, Financial Instruments: Disclosures)

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2027

- MFRS 18, Presentation and Disclosure in Financial Statements
- MFRS 19, Subsidiaries without Public Accountability: Disclosures

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 JUNE 2024

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

As at the quarter ended, there were a total of 11,992,135,230 issued ordinary shares.

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 JUNE 2024

**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 RM83.94 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 June 2024 is as follows:

	As at 30 Jun 2024 RM'000	As at 30 Jun 2023 RM'000
Acquisition of third parties' ordinary shares		
Contracted and provided for	-	1,620
Provided but not contracted	-	8,760
Acquisition of land		
Approved but not contracted for	-	10,500
	<hr/>	<hr/>
	-	20,880

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NOTES ON THE QUARTERLY REPORT- 30 JUNE 2024

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

A14. Significant Related Party Transactions (Intercompany within the Group)

	Individual Quarter		Cumulative Quarter	
	3 Months 1 Apr 2024 to 30 Jun 2024 RM'000	3 Months 1 Apr 2023 to 30 Jun 2023 RM'000	12 Months 1 Jul 2023 to 30 Jun 2024 RM'000	12 Months 1 Jul 2022 to 30 Jun 2023 RM'000
Sale of fast food and restaurant operations among subsidiaries	8	356	50	458
Sale of limestones among subsidiaries	92	64	465	458
Rental income among subsidiaries	216	71	288	188
Management fee among subsidiaries	36	6	144	24
Consultancy fee among subsidiaries	1,821	306	2,842	1,290
Rental expenses among subsidiaries	216	71	288	188

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NOTES ON THE QUARTERLY REPORT- 30 JUNE 2024

A15. Group Segmental Information

	Head office & others		Food and franchise operations		Property investment & management		Resources & sustainable energy		Total Consolidated	
	30.06.2024	30.06.2023	30.06.2024	30.06.2023	30.06.2024	30.06.2023	30.06.2024	30.06.2023	30.06.2024	30.06.2023
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue										
External revenue	36	36	66,292	56,089	4,427	13,537	7,806	15,325	78,561	84,987
Inter-segment revenue	4,186	1,920	44	458	125	20	465	458	4,820	2,856
Total revenue	4,222	1,956	66,336	56,547	4,552	13,557	8,271	15,783	83,381	87,843
Less: Inter-segment revenue									(4,820)	(2,856)
									78,561	84,987
Results										
Segment results	156,103	49,062	9,339	2,861	(47,228)	(8,128)	(26,315)	(8,663)	91,899	35,132
Consolidation elimination									(3,038)	17,816
									88,861	52,948
<i>Not included in the measure of segment loss:-</i>										
Depreciation and amortisation									(10,737)	(5,196)
Interest income									223	112
Finance costs									(4,288)	(1,659)
Share of results of an associate									(40,000)	(59,063)
Profit/(Loss) before tax									34,059	(12,858)
Income tax expenses									(930)	(357)
Profit/(Loss) for the financial year									33,129	(13,215)

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NOTES ON THE QUARTERLY REPORT- 30 JUNE 2024

A15. Group Segmental Information (Continued)

	Head office & others		Food and franchise operations		Property investment & management		Resources & sustainable energy		Total Consolidated	
	30.06.2024	30.06.2023	30.06.2024	30.06.2023	30.06.2024	30.06.2023	30.06.2024	30.06.2023	30.06.2024	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	1,154,771	881,440	55,081	49,765	535,512	564,741	260,919	379,800	2,006,283	1,875,746
Consolidation elimination									(980,365)	(910,358)
Consolidated total assets									1,025,918	965,388
Liabilities										
Segment liabilities	4,920	6,675	23,438	21,736	408,936	389,339	98,651	90,134	535,945	507,884
Tax payables	(10)	-	-	207	-	-	-	-	(10)	207
Loans and borrowings	19,993	487	4,855	4,880	354	280	22,443	24,349	47,645	29,996
Deferred tax liabilities	-	-	-	-	9,727	13,714	3,616	3,532	13,343	17,246
Lease liabilities	471	40	7,796	8,351	(1,180)	26	702	1,074	7,789	9,491
Consolidation elimination									(504,988)	(487,355)
Consolidated total liabilities									99,724	77,469

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NOTES ON THE QUARTERLY REPORT- 30 JUNE 2024

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

B1. Financial Review for the Current Quarter

	Individual Quarter		Individual Quarter	
	1 Apr 2024 to 30 Jun 2024		1 Apr 2023 to 30 Jun 2023	
	Revenue	Profit	Revenue	Loss
	RM'000	Before Tax	RM'000	Before Tax
		RM'000		RM'000
Head office & others	9	224,184	9	72,978
Food and franchise operations	19,548	(3,939)	15,446	847
Property investment & management	1,074	(45,879)	3,008	(1,758)
Resources & sustainable energy	1,540	(25,190)	293	(33,280)
Share of results of associate	-	(20,834)	-	(51,811)
Group revenue and profit/(loss) from (net of finance cost)	22,171	128,342	18,756	(13,024)

The Head Office and Others (HOO) reported a profit before tax of RM224.18 million, significantly up from RM72.98 million in the same quarter last year. This improvement was primarily due to a fair value gain of RM228.35 million on quoted securities, Verde Resources, Inc. (stock code VRDR) listed on the US OTC Markets, which closed at USD 0.45 at the end of the quarter. The board is holding this investment for long-term appreciation and remains confident in the stock's future performance.

Food and Franchise Operations (FFO) experienced a rise in revenue from RM15.45 million to RM19.55 million, attributed to higher consumer spending and a return to normal consumption patterns. Despite this revenue growth, the segment reported a loss before tax of RM3.94 million, compared to a profit of RM0.85 million in the same quarter last year. This loss was largely due to a RM4.72 million depreciation expense on plantation assets, which were reclassified from investment property to property, plant, and equipment.

Property Investment & Management (PIM) recorded a revenue decline to RM1.07 million, down from RM3.01 million in the previous year's quarter, due to reduced on-site activities after completing project management work. The loss before tax increased to RM45.88 million from RM1.76 million, mainly due to a RM41.37 million impairment on trade receivables.

Resources & Sustainable Energy (RSE) saw revenue rise to RM1.54 million, up from RM0.29 million, mainly due to the supply of raw materials for the Integrated Limestone Processing Plant. However, impairments of RM8.63 million for trade and other receivables, and RM11.07 million for properties, plant, and equipment were also recorded during the quarter.

The associate company reported a share of loss before tax of RM20.83 million, down from RM51.81 million in the same quarter last year. This reduction was mainly due to an impairment up to the full carrying amount of the investment in the associate.

NOTES ON THE QUARTERLY REPORT- 30 JUNE 2024

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

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

	Current Quarter ended 30 Jun 2024 RM'000	Preceding Quarter ended 31 Mar 2024 RM'000	Variances	
			RM'000	%
Revenue	22,171	17,359	4,812	28%
Profit/(Loss) before taxation	128,342	(29,614)	157,956	-533%

In the current quarter under review, the Group reported revenue of RM22.17 million and a profit before tax of RM128.34 million, marking a significant improvement compared to the preceding quarter, which recorded revenue of RM17.36 million and a loss before tax of RM29.61 million.

The increase in revenue to RM22.17 million, compared to RM17.36 million in the preceding quarter, was primarily driven by the season holidays during the quarter, which led to higher reported FFO sales of RM19.55 million, representing an increase of RM3.55 million from the preceding quarter. Notably, the profit before tax of RM128.34 million at the end of the current quarter was largely attributed to a fair value gain of RM228.35 million on quoted securities.

B3. Prospects

The Malaysian economy grew by 5.9% in the second quarter of 2024, up from 4.2% in the first quarter, driven by stronger domestic demand and increased exports. Household spending rose due to sustained positive labour market conditions and enhanced policy support. The services sector also recorded strong growth, fuelled by consumer and business-related subsectors. This positive economic environment has translated into favourable results for the Group for the quarter under review.

NOTES ON THE QUARTERLY REPORT- 30 JUNE 2024

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

B4. Variation Profit Forecast/Profit Guarantee

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

B5. Taxation

The tax charge for the Group are as follows: -

	Individual Quarter	Cumulative Quarter
	3 Months	12 Months
	1 Apr 2024 to 30 Jun 2024	1 Jul 2023 to 30 Jun 2024
	RM'000	RM'000
Income tax- current year	(242)	(1,148)
Income tax- prior year	32	32
Deferred tax- current year	186	186
	(24)	(930)

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

	Unaudited as at 30 Jun 2024 RM'000	Audited as at 30 Jun 2023 RM'000
Short term borrowings:		
- Bank overdrafts	1,700	1,588
- Bankers' acceptances	589	1,091
- Term loans	2,430	1,901
- Hire purchase payables	2,133	1,350
	<u>6,852</u>	<u>5,930</u>
Long term borrowings:		
- Term loans	38,713	21,426
- Hire purchase payables	2,080	2,640
	<u>40,793</u>	<u>24,066</u>
Total borrowings	<u>47,645</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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B. ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENTS

B10. Earnings per Share

	Individual Quarter		Cumulative Quarter	
	3 Months 1 Apr 2024 to 30 Jun 2024	3 Months 1 Apr 2023 to 30 Jun 2023	12 Months 1 Jul 2023 to 30 Jun 2024	12 Months 1 Jul 2022 to 30 Jun 2023
(a) Basic EPS				
Net profit/ (loss) for the period/year attributable to equity holders (RM'000)	128,318	(12,992)	33,129	(13,215)
Weighted average number of ordinary shares in issue ('000)	11,992,135	10,328,778	11,976,174	9,537,693
Basic earnings/(loss) per share (sen)	1.07	(0.13)	0.28	(0.14)

The Group does not have any potential dilutive ordinary shares as the market price of the shares was lower than the exercise price. As a result, the warrants are anti-dilutive in nature and have not been considered in the computation of diluted earnings per share.

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

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 Apr 2024 to 30 Jun 2024 RM'000	3 Months 1 Apr 2023 to 30 Jun 2023 RM'000	12 Months 1 Jul 2023 to 30 Jun 2024 RM'000	12 Months 1 Jul 2022 to 30 Jun 2023 RM'000
Profit before tax is arrived after (charging):				
Depreciation of property, plant and equipment	(5,870)	(1,354)	(8,913)	(3,738)
Depreciation of right of use	(332)	(118)	(1,824)	(1,458)
Employee share option scheme ("ESOS")	-	(1,521)	(505)	(3,022)
Fair value gain on amount owing by an associate	-	(293)	-	(293)
Impairment on development expenses	-	127	-	-
Impairment on exploration expenses	-	(8,518)	-	(8,518)
Impairment on other receivables	(773)	(144)	(773)	(144)
Impairment on properties, plant and equipment	(8,376)	(1,039)	(8,376)	(1,039)
Impairment on trade receivables	(6,107)	(1,181)	(6,107)	(1,181)
Impairment on amount due from an associate	(40,458)	(1,740)	(42,198)	(1,740)
Interest expense	(2,303)	(328)	(4,288)	(1,659)
Loss on realised exchange difference	(7)	1	(19)	-
Loss on unrealised exchange difference	(22)	1,878	(22)	-
Prepayment written off	(3)	-	(3)	-
Property, plant and equipment written off	(3)	(15)	(23)	(100)
and crediting the following items:				
Bad debts written back - other receivables	50	-	50	-
Fair value adjustment on biological assets	55	-	55	-
Fair value gain on investment in quoted securities	228,356	72,696	159,878	64,772
Fair value gain on investment properties	-	2,000	-	2,400
Fair value gain on retention receivables	-	291	-	291
Gain on disposal of investment in quoted shares	-	-	2	10
Gain on disposal of property, plant and equipment	72	(783)	72	331
Gain on realised exchange difference	-	(1)	-	10
Gain on unrealised exchange difference	384	1,916	670	1,956
Interest income	191	35	223	112
Reversal of impairment loss on exploration expenditure	-	(19,008)	-	-
Reversal of impairment loss on property, plant and equipment	281	319	281	319
Reversal of provision for slow moving inventories	-	202	-	202
Waiver of debts	-	2	-	2

NOTES ON THE QUARTERLY REPORT- 30 JUNE 2024

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

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.

B13. Review by External Auditors

The Board had engaged the external auditors to review and report on the interim condensed consolidated financial statements for the three-month period ended 30 June 2024. Accordingly, the interim condensed consolidated financial report for the financial period under review has been reviewed by the Company's external auditors in accordance with International Standard on Review Engagement 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity".

Based on the review by the external auditors, nothing has come to the external auditors' attention that causes them to believe that the accompanying condensed consolidated financial statements of Borneo Oil Berhad for the three months ended 30 June 2024 are not prepared, in all material respects, in accordance with MFRS 134, Interim Financial Reporting. The report was made to the Board in accordance with the terms of the engagement letter with the external auditors and for no other purpose.

By Order of the Board

Chin Siew Kim
Company Secretary
30 August 2024