



ANNUAL REPORT

2024

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-

Proxy Form

CORPORATE INFORMATION

BOARD OF DIRECTORS

TAN KOK CHOR

CHAIRMAN
(NON-INDEPENDENT NON-EXECUTIVE DIRECTOR)

DATUK JOSEPH LEE YOK MIN @ AMBROSE
(MANAGING DIRECTOR)

GEORGIA SUZANNE LINGAM @ GEORGIANNE
(EXECUTIVE DIRECTOR)

SRI GANESH A/L K BALASUBRAMANIAM
(EXECUTIVE DIRECTOR)

SEROOP SINGH RAMDAY

(SENIOR INDEPENDENT NON-EXECUTIVE DIRECTOR)

SUSIE CHUNG KIM LAN

(INDEPENDENT NON-EXECUTIVE DIRECTOR)

SITI AINEE HANUM BINTI SUHAIDI

(INDEPENDENT NON-EXECUTIVE DIRECTOR)

AUDIT COMMITTEE

Susie Chung Kim Lan (Chairwoman)
(Independent Non-Executive Director)

Seroop Singh Ramday (Member)
(Senior Independent Non-Executive Director)

Siti Ainee Hanum Binti Suhaidi (Member)
(Independent Non-Executive Director)

REMUNERATION COMMITTEE

Seroop Singh Ramday (Chairman)
(Senior Independent Non-Executive Director)

Susie Chung Kim Lan (Member)
(Independent Non-Executive Director)

Siti Ainee Hanum Binti Suhaidi (Member)
(Independent Non-Executive Director)

RISK MANAGEMENT COMMITTEE

Susie Chung Kim Lan (Chairwoman)
(Independent Non-Executive Director)

Seroop Singh Ramday (Member)
(Senior Independent Non-Executive Director)

Siti Ainee Hanum Binti Suhaidi (Member)
(Independent Non-Executive Director)

NOMINATION COMMITTEE

Seroop Singh Ramday (Chairman)
(Senior Independent Non-Executive Director)

Susie Chung Kim Lan (Member)
(Independent Non-Executive Director)

Siti Ainee Hanum Binti Suhaidi (Member)
(Independent Non-Executive Director)

SUSTAINABLE STEERING COMMITTEE

Siti Ainee Hanum Binti Suhaidi (Chairwoman)
(Independent Non-Executive Director)

Datuk Joseph Lee Yok Min @ Ambrose (Member)
(Managing Director)

Georgia Suzanne Lingam @ Georgianne (Member)
(Executive Director)

COMPANY SECRETARIES

Chin Siew Kim

License No.: (L.S. 0000982)
Practising Cert No. 202008004110

Andrea Huong Jia Mei

License No.: (MIA 36347)
Practising Cert No. 202008003125

Corporate Information (cont'd)

REGISTERED OFFICE

1st & 2nd Floor, Victoria Point,
Jalan OKK Awang Besar,
87007 W.P. Labuan.
Tel : 087-410509
Fax : 087-410515

AUDITORS

THELYX MALAYSIA PLT
(f.k.a. *STYL ASSOCIATES PLT*)
(LLP0019500-LCA) (AF001929)
Chartered Accountants
10-05, Mercu Aspire, No. 3,
Jalan Bangsar KL Eco City,
59200 Kuala Lumpur.
Tel : 03-22022125

SHARE REGISTRAR

Labuan Corporate Services Sdn. Bhd.
1st & 2nd Floor, Victoria Point,
Jalan OKK Awang Besar,
87007 W.P. Labuan.
Tel : 087-410748
Fax : 087-410515

STOCK EXCHANGE LISTING

Listed on Main Market of Bursa Malaysia Securities Berhad on 28 November 1997.

Stock Name : BORNOIL
Stock Code : 7036

SOLICITORS

Satem, Chai & Dominic Lai Advocates
Chung & Associates
Rozlan Khuen

PRINCIPAL BANKERS

Alliance Bank Malaysia Berhad (88103-W)
United Overseas Bank (Malaysia) Berhad (271809-K)
CIMB Bank Berhad (13491-P)
Hong Leong Bank Berhad (97141-X)
Standard Chartered Bank Malaysia Berhad (115793-P)
Malayan Banking Berhad (3813-K)
RHB Bank Berhad (6171-M)
HSBC Bank Malaysia Berhad (127776-V)
Public Bank Berhad (6463-H)
Ambank (M) Berhad (8515-D)

BORNEO OIL WEBSITE

www.borneo-oil.com.my

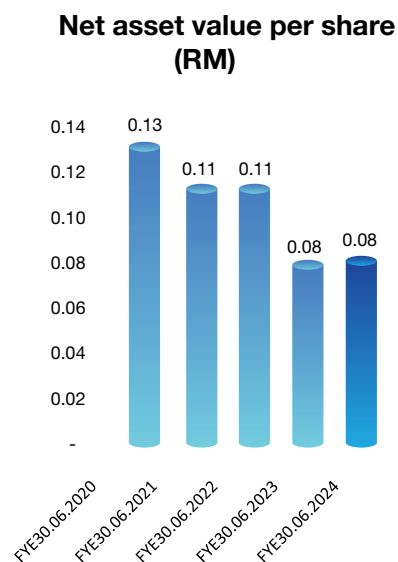
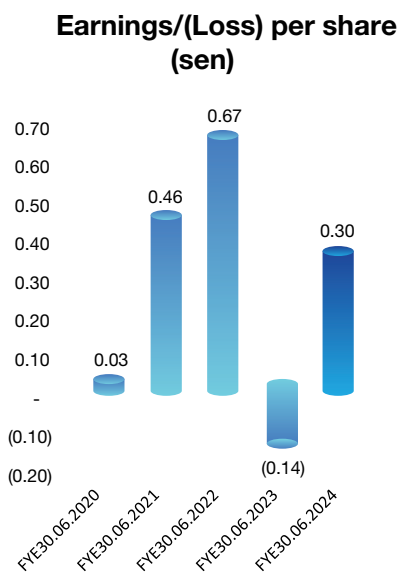
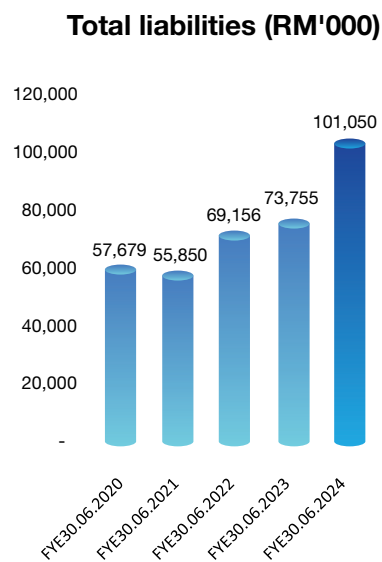
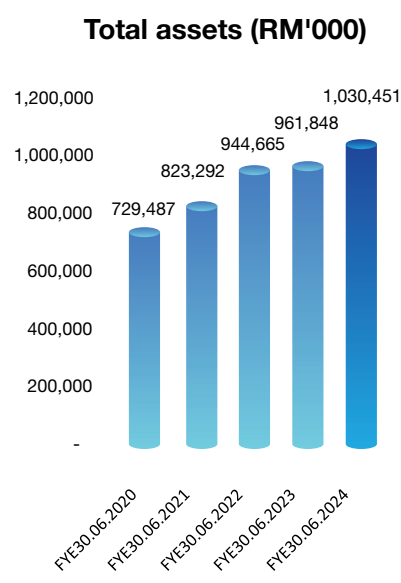
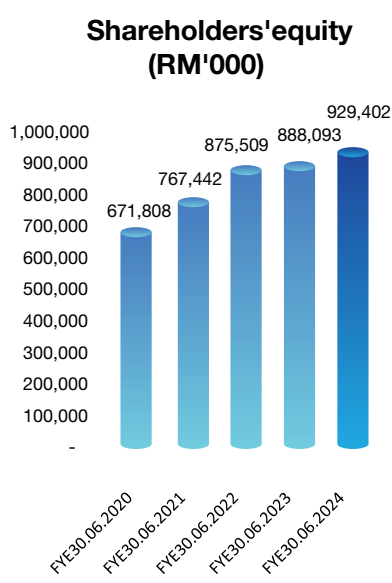
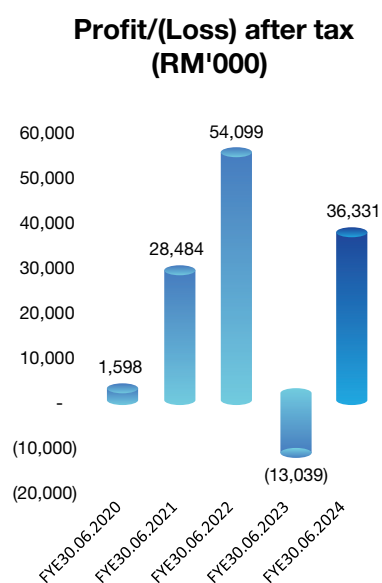
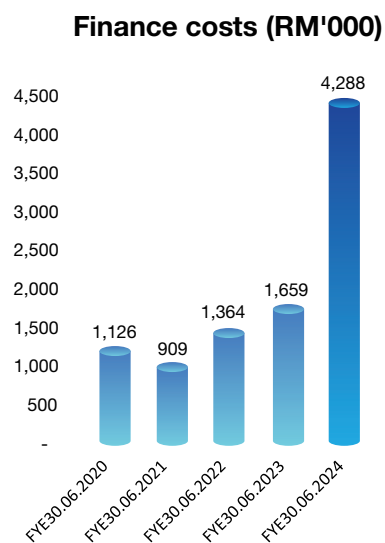
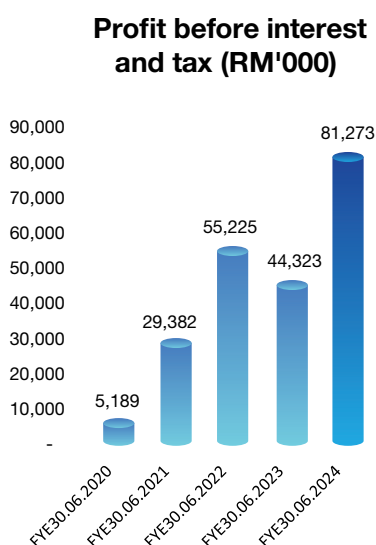
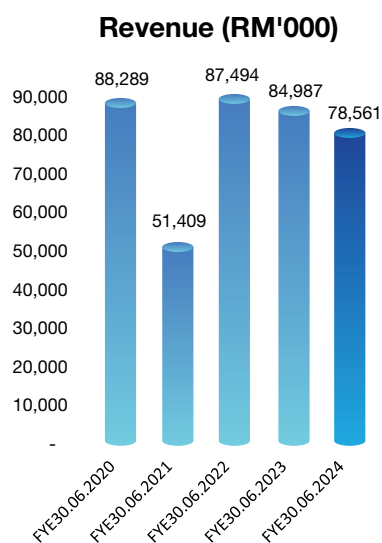


GROUP FINANCIAL HIGHLIGHTS

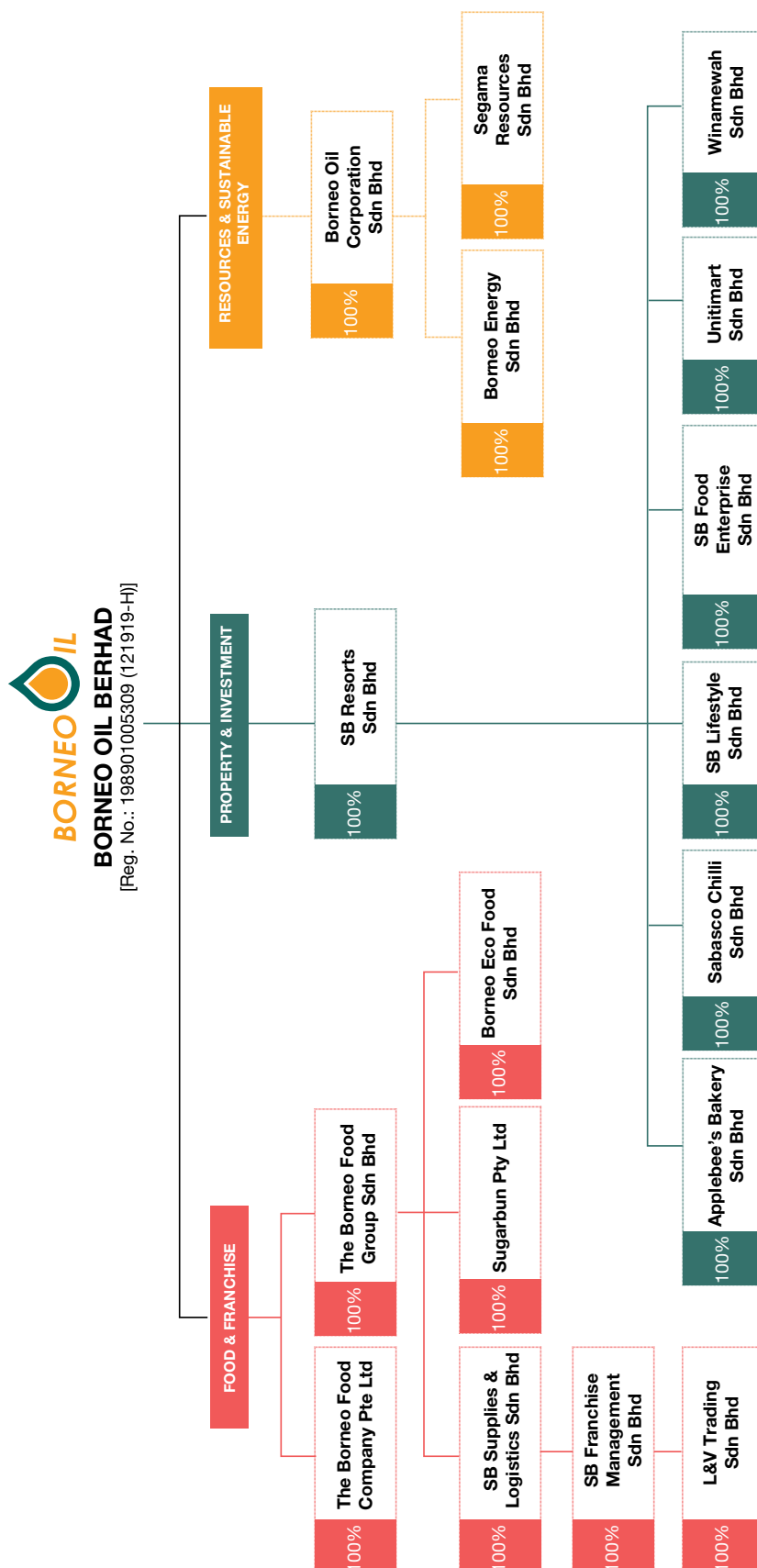
GROUP FINANCIAL SUMMARY

	FYE 30.06.2020 RM'000	FYE 30.06.2021 RM'000	FYE 30.06.2022 RM'000	FYE 30.06.2023 RM'000	FYE 30.06.2024 RM'000
For the Financial Year					
Revenue	88,289	51,409	87,494	84,987	78,561
Profit before interest and tax	5,189	29,382	55,225	44,323	81,273
Finance costs	1,126	909	1,364	1,659	4,288
Profit/(Loss) after tax	1,598	28,484	54,099	(13,040)	36,331
At Year End					
Shareholders' equity	671,808	767,442	875,509	888,093	929,402
Total assets	729,487	823,292	944,665	961,848	1,030,451
Total liabilities	57,679	55,850	69,156	73,755	101,049
	RM	RM	RM	RM	RM
Net asset per share	0.13	0.11	0.11	0.08	0.08
	sen	sen	sen	sen	sen
Earnings/(Loss) per share	0.03	0.46	0.67	(0.14)	0.30

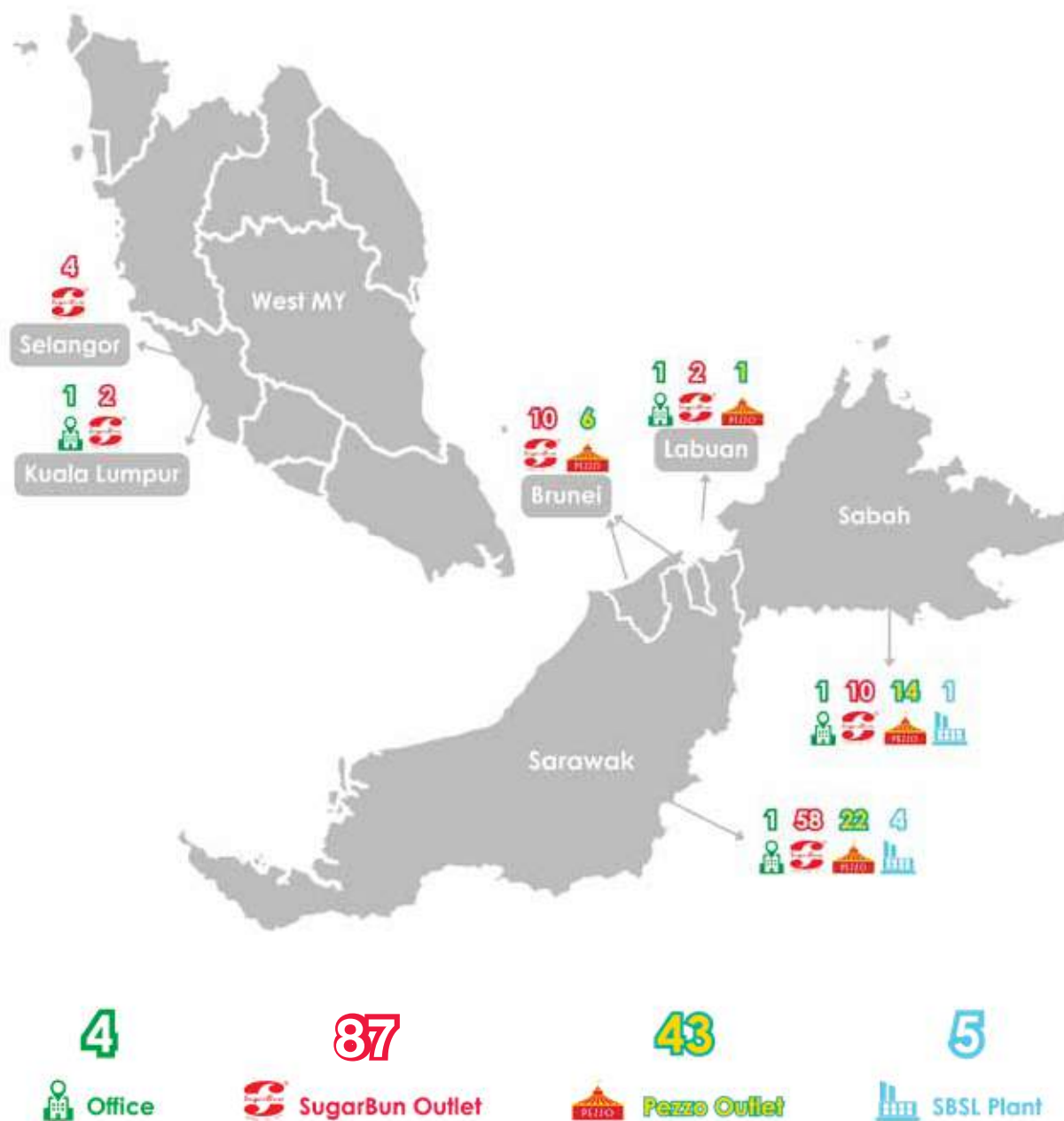
Group Financial Highlights (cont'd)



GROUP CORPORATE STRUCTURE



EXISTING NUMBER OF OUTLETS



Sabah		Sarawak		Labuan		West MY		Brunei		Bangladesh	
1	Office	1	Office	1	Office	1	Office	10	Sugarbun	1	Sugarbun
10	Sugarbun	58	Sugarbun	2	Sugarbun	6	Sugarbun	6	Pezzo		
14	Pezzo	22	Pezzo	1	Pezzo						
1	SBSL Plant	4	SBSL Plant								

CHAIRMAN'S STATEMENT



Dear Valued Shareholders,

On behalf of the Board of Directors, it is my privilege to present the Annual Report and audited financial statements of Borneo Oil Berhad and subsidiaries ("BOB" or "the Group") for the financial year ended 30 June 2024 ("FYE2024").

Economic Landscape

The global economy continues to expand amid resilient labour markets and continued recovery in global trade. Looking ahead, global growth is expected to be sustained by positive labour market conditions, moderating inflation and less restrictive monetary policy. The growth outlook remains subject to downside risks, mainly from further escalation of geopolitical tensions, volatility in global financial markets, and slower growth momentum in major economies.

Both headline and core inflation averaged 1.8% in the first half of 2024. The spillovers from the diesel price adjustment to broader prices have been contained, given effective mitigation and enforcement measures to minimise the cost impact on businesses. For the year as a whole, average headline and core inflation are expected to remain within the earlier projected ranges and are unlikely to exceed 3%. Nevertheless, the inflation outlook remains highly subject to the implementation of further domestic policy measures. Upside risk to inflation would be dependent on the extent of spillover effects of domestic policy measures on subsidies and price controls to broader price trends, as well as global commodity prices and financial market developments.

The recent recovery in the ringgit is driven by the shift in expectations of lower interest rates in major economies, particularly the US, as well as Malaysia's strong economic performance. Looking ahead, Malaysia's positive economic prospects and domestic structural reforms, complemented by ongoing initiatives to encourage flows, will continue to provide enduring support to the ringgit.

(Source: Extract from press release by Bank Negara Malaysia dated 5 September 2024)

Group Financial Performance Review

The Group's revenue declined from RM84.99 million in FYE 2023 to RM78.56 million in FYE 2024, representing a decrease of about 7.5%. Despite this reduction, the Group posted a profit before tax of RM36.98 million, a significant improvement from the loss of RM16.40 million recorded in the previous year.

Chairman's Statement (cont'd)

The shift from a loss to a profit was primarily driven by the strong performance of the Head Office segment. A key contributor to this was a substantial fair value gain of RM159.88 million on quoted securities, particularly from Verde Resources, Inc. (stock code: VRDR), which is traded on the US OTC Markets. At the close of the financial year, VRDR's share price was USD 0.45, which played a crucial role in boosting the Group's profitability for FYE 2024.

Moving Forward

The Malaysian economy is expected to stay on a steady growth path in 2024, supported by strong domestic demand, particularly through continued expansion in private sector spending. The Ministry of Finance forecasts an acceleration in economic growth to 4-5% in 2024, up from 3.7% in 2023. However, growth risks remain skewed to the downside due to ongoing external challenges.

Our commitment to progress remains resolute as we implement prudent measures to ensure sustainable growth. A key focus will be integrating ESG principles into our business practices, seeking to expand our presence while harnessing innovation to drive long-term sustainable growth for the Group. We will continue to adjust our business strategies as needed in response to evolving conditions, ensuring sustainable performance and delivering long-term value to all our stakeholders.

Appreciation

On behalf of the Board of Directors, I would like to express our heartfelt gratitude to the directors, management, and staff for their remarkable resilience and professionalism in navigating the challenges posed by a demanding business environment and economic conditions.

I also extend my sincere thanks to our regulators, shareholders, clients, business partners, and all other stakeholders for their continued cooperation and trust in the Group over the years. Lastly, a special thanks to our valued shareholders for your unwavering support.

We remain fully committed to fostering sustainable growth for the Group in the long term, and I look forward to updating you on our ongoing progress.

Tan Kok Chor

Chairman

23 October 2024

PROFILE OF DIRECTORS



TAN KOK CHOR

*Chairman
Non-Independent
Non-Executive Director*

AGE
74

GENDER
Male

NATIONALITY
Malaysian

RACE
Chinese

DATE OF APPOINTMENT
21 August 2001

He recently shifted from his role as an Independent Non-Executive Director to a Non-Independent Non-Executive Director at the organization, reflecting his deep commitment and evolving role within the organization. Over 12 years, he provided essential oversight and strategic guidance, significantly shaping the firm's direction and operational success.

With extensive experience in business, legal, and administrative fields, he brings a comprehensive perspective to his current role. His background includes expertise in navigating complex regulations, ensuring legal compliance, and streamlining processes, which helps him balance business acumen with rigorous standards.

Beyond his role with the organization, he serves on the boards of several private companies in Malaysia, highlighting his broad influence and recognition in the business community. His ongoing involvement underscores his dedication to effective governance and business excellence.

Profile Of Directors (cont'd)



DATUK JOSEPH LEE YOK MIN @ AMBROSE

Managing Director

AGE
66

GENDER
Male

NATIONALITY
Malaysian

RACE
Chinese

DATE OF APPOINTMENT
27 March 2019

MEMBERSHIP OF BOARD COMMITTEE
Sustainability Steering Committee- Member

Datuk Joseph Lee Yok Min @ Ambrose was appointed as an Executive Director of Borneo Oil Berhad on 27 March 2019. He has been promoted to Managing Director of the Company with effect from 1 April 2022.

He graduated with a Bachelor of Law (Honours) Degree from Central Lancashire University, United Kingdom (1980) and qualified as Barrister of Law (Lincoln's Inn) London in 1981.

He was called to the Sabah Bar in 1982 and is an Advocate and Solicitor of the High Court of Sabah and Sarawak. He currently spearheads the strategic and sustainable growth of Borneo Oil Berhad.

Profile Of Directors (cont'd)



GEORGIA SUZANNE LINGAM @ GEORGIANNE

Executive Director

AGE
53

GENDER
Female

NATIONALITY
Malaysian

RACE
Bumiputra Sabah

DATE OF APPOINTMENT
1 April 2022

MEMBERSHIP OF BOARD COMMITTEE
Sustainability Steering Committee- Member

Prior to joining the Group in 2001, she started her career in the timber Industry and later became an Insurance agent before embarking into the Food and Beverage business in 1995. She ventured into various restaurants and bars before joining the Borneo Oil Berhad Group as part of the team involved in the evolution of the SugarBun 3-in-one concept, planning and opening of the SugarBun Destination Centres. Georgia was then seconded as business development manager and later became project manager for the group.

In 2007, she became the Group General Manager overseeing business development and various operational, corporate and legal aspects within the Group including the project management division.

Profile Of Directors (cont'd)



SRI GANESH A/L K BALASUBRAMANIAM

Executive Director

AGE
57

GENDER
Male

NATIONALITY
Malaysian

RACE
Indian

DATE OF APPOINTMENT
1 April 2022

Sri Ganesh is a confident, creative and strong-willed operational background professional with 32 years of distinguished performance in the Operations of Catering, Retail and QSR industry. Broad-based background encompasses exceptional work ethics and commitment to organizational objectives within a highly competitive and rapidly changing marketplace domestically and abroad in F&B franchising. He has vast experience in managing regional and multiple F&B outlets organisation during his stint with KFC Holdings and numerous consultancy projects overseas. Actively contributes to the country franchise industry and has been elected as the Main Council by Malaysia Franchise Association and Vice Chairman for Franchise International Malaysia 2018.

Profile Of Directors (cont'd)



SEROOP SINGH RAMDAY

*Senior Independent
Non-Executive Director*

AGE
67

GENDER
Male

NATIONALITY
Malaysian

RACE
Indian

DATE OF APPOINTMENT
1 August 2014

MEMBERSHIP OF BOARD COMMITTEE(S):

Remuneration Committee – Chairman
Nomination Committee – Chairman
Audit Committee – Member
Risk Management Committee – Member

He is a business graduate with post graduate qualifications in Management from the University of Warwick UK and an MBA from the University of Aston UK. He has 40 years of extensive experience in international business based in both the UK and Malaysia.

He has experience in international business at CEO levels, he has also set up his own technology business in the UK successfully licensing proprietary technology to a Fortune 500 multinational.

He is a United Nations/ITU accredited independent consultant/expert on business growth, international trade, joint ventures and soc/economic development projects and have delivered assignments across Asia and Africa.

He is an accredited UK Trade and Investment consultant (Department for International trade development) and has delivered business growth support initiatives to SMEs across UK for both national and international markets.

Profile Of Directors (cont'd)



SUSIE CHUNG KIM LAN

Independent Non-Executive Director

AGE
49

GENDER
Female

NATIONALITY
Malaysian

RACE
Chinese

DATE OF APPOINTMENT
1 April 2022

MEMBERSHIP OF BOARD COMMITTEE(S):
Audit Committee – Chairwoman
Risk Management Committee – Chairwoman
Nomination Committee – Member
Remuneration Committee – Member

She earned her Bachelor of Business in Accounting/Finance from Charles Sturt University in Australia in April 2003. Her academic background laid a strong foundation for her professional career in finance and accounting. Building on this, she has been a member of CPA Australia since July 2006 and also holds membership with the Malaysian Institute of Accountants (MIA) since November 2006, demonstrating her commitment to maintain high standards in the accounting profession.

With over 23 years of extensive experience in Malaysia, she has developed a robust expertise in accounting, audit, tax, and finance. Her career has been marked by her significant involvement in various financial matters, where she has provided strategic oversight and management. Her depth of experience has been instrumental in navigating complex financial landscapes and ensuring regulatory compliance.

She has played a key role in the growth of several companies, particularly in overseeing and managing their public listings on Bursa Malaysia Securities Berhad. Her expertise in guiding companies through the listing process has contributed to their successful market entry and growth, highlighting her valuable role in the financial sector.

Profile Of Directors (cont'd)



SITI AINEE HANUM BINTI SUHAIDI

Independent Non-Executive Director

AGE
35

GENDER
Female

NATIONALITY
Malaysian

RACE
Malay

DATE OF APPOINTMENT
27 July 2023

MEMBERSHIP OF BOARD COMMITTEE(S):

Sustainability Steering Committee – Chairwoman
Risk Management Committee – Member
Audit Committee – Member
Nomination Committee – Member
Remuneration Committee – Member

Her role in Borneo Oil Berhad, involves providing strategic oversight and governance, drawing on her extensive industry experience. Her appointment reflects the board's commitment to enhance its leadership with experienced professionals. Her involvement is expected to bring valuable insights and fresh perspectives to the company.

She holds a Bachelor's Degree in Accounting and Finance from the University of West London. This academic background has equipped her with a solid foundation in financial management and strategic planning. Her education supports her ability to provide sound financial oversight and make informed decisions. This expertise is essential for her role on the board.

With over 11 years of experience across fashion, public relations, marketing, and online businesses, she brings a diverse skill set to her role. Her broad experience integrates financial and strategic skills, enhancing her ability to contribute effectively to the board's initiatives. This varied background provides her with a unique perspective that benefits the company's governance. Her expertise will be instrumental in driving the company's growth and success.

Profile Of Directors (cont'd)

Notes to Director's Profile

1. There are no family relationship amongst the Directors and / or major shareholders of the Company.
2. None of the Directors have any business arrangement with the Company in which he has personal interest or have any conflict of interest with the Company.
3. None of the Director's have any conviction for any offence within the past five (5) years, other than traffic offences, if any and no public sanction or penalty was imposed by the relevant regulatory bodies during the financial year.
4. The details of attendance of each Director at Board Meetings are set out in Page 44 of this Annual Report.
5. The details of the Directors' interest in the shares of the Company are set out in Page 94 of this Annual Report.

MANAGEMENT DISCUSSION AND ANALYSIS

Borneo Oil Berhad and its Group of Companies ("BOB" or the "Group") operate across various business segments, primarily within Malaysia:

1. Food and Franchise Operations ("FFO"):

- This segment includes ownership of restaurant chains, food manufacturing, and franchise operations.
- It encompasses diverse food-related businesses, including quick-service restaurants and the distribution of food products, such as Sabacco Hot Sauce.

2. Property Investment and Management ("PIM"):

- PIM focuses on the acquisition, ownership, and long-term management of real estate.
- Activities involve property maintenance and optimising property portfolios to enhance investment returns.

3. Resources and Sustainable Energy ("RSE"):

- RSE is dedicated to the natural resources and sustainable energy sectors.
- This includes activities such as mining and the supply of mineral resources.

All of the Group's operations are based entirely in Malaysia, contributing 100% of the Group's total revenue for the financial year ending 30 June 2024, consistent with the previous financial year.

GROUP'S FINANCIAL PERFORMANCE

The Group's financial results for the financial year under review, as well as the immediate preceding year, are summarised below:

	FYE 30.06.2024		FYE 30.06.2023	
	1 Jul 2023 to 30 Jun 2024		1 Jul 2022 to 30 Jun 2023	
	Revenue RM'000	Profit/ (Loss) Before Tax RM'000	Revenue RM'000	Profit/ (Loss) Before Tax RM'000
Head office & others	36	152,828	36	58,781
Food and franchise operations	67,515	7,119	56,089	1,468
Property investment & management	3,204	(55,989)	13,536	(5,463)
Resources & sustainable energy	7,806	(26,977)	15,325	(12,122)
Share of results of associate	-	(40,000)	-	(59,063)
Group revenue and profit/(loss) before tax	78,561	36,984	84,986	(16,399)

The Group's overall revenue decreased from RM84.99 million in FYE 2023 to RM78.56 million in FYE 2024, marking a decrease of around 7.5%. Despite this drop in revenue, the Group managed to achieve a profit before tax of RM36.98 million, compared to a loss of RM16.40 million the previous year.

The turnaround from a loss to a profit was primarily driven by the exceptional performance of the Head Office segment. The key factor behind this was a substantial fair value gain of RM159.88 million on quoted securities, specifically from Verde Resources, Inc. (stock code: VRDR), which is listed on the US OTC Markets. At the close of the financial year, VRDR's stock price stood at USD 0.45, contributing significantly to the Group's overall profitability for FYE 2024.

Management Discussion And Analysis (cont'd)

FOOD AND FRANCHISE OPERATIONS ("FFO")

In the current financial year, the Food and Franchise Operations (FFO) segment achieved a notable revenue of RM67.52 million, reflecting an 20.3% increase compared to the previous year's revenue of RM56.09 million. This impressive growth was primarily due to improved market sentiment during the year. Additionally, a key factor that contributed to this revenue boost was the collaboration with GrabFood Delivery, which included a "Buy One Free One" promotion, which significantly boosted sales and contributed to the revenue increase.



*New SugarBun Borneo Asian Food Opening
@ Tropicana Aman, Selangor*

For the current financial year, the FFO segment recorded a profit before tax of RM7.12 million, despite the increase in revenue, contrasting with a profit before tax of RM1.47 million in the previous year. The profit this year is primarily due to the depreciation of land related to the palm oil plantation division established in 2024.



*New SugarBun Express and Pezzo Outlet Opening
@ Kubota Sentral, Tawau, Sabah*

Management Discussion And Analysis (conat'd)

As of 30 June 2024, the total number of SugarBun and Pezzo outlets increased to 130, up from 127 outlets in the previous financial year. This growth reflects the rising acceptance of our brands and demonstrates that our offerings are well-aligned with evolving consumer preferences, especially in the competitive and rapidly changing food and beverage industry.



*New SugarBun Express Outlet Opening
@ Keningau, Sabah*

The expansion highlights not only the strength and scalability of our franchise model but also our ongoing commitment to expand into new markets and enhancing our presence in existing ones. By opening additional outlets, we position our brands as adaptable and innovative, able to meet the growing demand for quick-service, value-driven dining experiences that are increasingly preferred by today's consumers.

This strategic growth supports our broader business objectives of strengthening market presence, maintaining brand relevance, and ensuring that both SugarBun and Pezzo are positioned for sustained long-term success. The increase in outlets is also a testament to the strength of our partnerships with franchisees, who have demonstrated the ability to operate effectively across diverse markets. This, in turn, fosters deeper community ties and improves customer loyalty, further solidifying our competitive advantage in the marketplace.



SugarBun and Pezzo Promotions



Mix and Match Your Pizza



Pizza by the Slice



Borneo Asian Food and Broasted Chicken

Management Discussion And Analysis (cont'd)



SABACCO®
PRODUCT OF BORNEO **CILI MOMPOROK**

ORIGINAL
THE CLASSIC SPICY TASTE!

SWEET & SPICY
CLASSIC SAUCE WITH A SWEET DIMENSION!

GREEN
TANGY, BRIGHT & MODERATELY SPICY!

SOS CILI A1 TOKSAI
MADE WITH THE HIGHEST CONCENTRATION OF CHILLIS

NEW

SOS TUHAU CILI BORNEO
SABACCO HOTSAUCE WITH BORNEO TUHAU WILD GINGER CHILLI

Scan here for Retail Stockist

VISIT OUR WEBSITE & SOCIAL MEDIA

- Sabasco Sabah
- sabasco.com
- sabascosabah

SuperStar
PILAK 2017

MeSTI
BUATAN MALAYSIA

MS 1585 : 2018
1 989-052007

SABACCO KUNAK
THE SABAH CHILLI CO.

Sabacco Range of Hot Sauce Products

Management Discussion And Analysis (cont'd)

PROPERTY INVESTMENT AND MANAGEMENT ("PIM")

The Property Investment and Management (PIM) segment reported a reduced revenue of RM3.20 million for FYE 2024, down from RM13.54 million in FYE 2023. The significant decrease in revenue for FYE 2024 is primarily due to the completion of on-site installation activities related to the project management of an Integrated Limestone Processing Plant (ILPP) during the previous financial year. This completion resulted in a decline in project-based income for the current financial year, as the major revenue-generating activities were concluded in FYE 2023.

The PIM segment reported a loss before tax of RM55.99 million for the current financial year, compared to a loss of RM5.46 million in the previous year. The sharp increase in losses was mainly due to a RM40.03 million impairment on related company.



*Fresh fruit bunches
harvesting@ Keningau,
Sabah*

The decline in revenue, combined with the impairment of trade receivables and provision for slow-moving inventories, negatively impacted on the segment's financial performance. These factors affected the segment's profitability and contributed to the enlarged loss for the year.



Delivery of fresh fruit bunches to palm oil mill

Management Discussion And Analysis (cont'd)

RESOURCES AND SUSTAINABLE ENERGY ("RSE")



Limestone crushing

The Resources and Sustainable Energy (RSE) segment reported revenue of RM7.81 million for the financial year ending 2024, a decrease from RM15.33 million in the previous year. This decline was primarily driven by reduced sales of semi-precious stones, which significantly affected the segment's overall financial performance.



Limestone block extraction

Management Discussion And Analysis (cont'd)

In addition to the drop in revenue, the RSE segment reported a loss before tax of RM26.98 million, a significant increase from the RM12.12 million loss before tax in the previous year, due to several factors, including an impairment of properties, plant, and equipment amounting to RM11.07 million and an impairment of trade receivables and related company receivables totalling RM6.58 million.



Limestone aggregates loading

These combined factors contributed to the segment's loss before tax for the year, underscoring the challenging financial environment and the considerable impact of impairment expenses on its overall performance.

ASSOCIATE COMPANY



Aerial view of Integrated Limestone Processing Plant

Management Discussion And Analysis (cont'd)

The associate company is currently fine-tuning and adjusting its processes to enhance operational efficiency in managing the fuel and raw materials mix for the Integrated Limestone Processing Plant (ILPP). In addition, the company was undergoing the required product certification process in accordance with Malaysian Construction Industries Standards. The company has now obtained the requisite product conformity certificates for cement. Due to the above, the company continued to report losses for the financial year. A share of loss before tax of RM40.00 million was recorded, dropped from RM59.06 million the previous year, reflecting an impairment that fully wrote down the carrying amount of the investment in the associate.

DIVIDEND POLICY

The Group does not have a defined dividend payout policy. For the financial period ending 30 June 2024, the Board has decided not to recommend a dividend payment. This decision is in line with the Group's focus on conserving funds for working capital and capital expenditures.

OUTLOOK AND PROSPECT

In the first quarter of 2024, headline and core inflation averaged 1.7% and 1.8% respectively. Looking ahead, inflation is expected to remain moderate throughout the year, reflecting stable demand conditions and contained cost pressures. The inflation outlook for the remainder of the year will depend on domestic policies related to subsidies and price controls, as well as global commodity prices and financial market trends. Considering the potential effects of subsidy rationalisation taken into account, headline and core inflation are projected to average between 2.0% - 3.5% and 2.0% - 3.0% respectively for the year.

Given these circumstances, it is essential for both the government and businesses in Malaysia to stay adaptable and respond proactively. To tackle the challenges faced by our loss operating segments and associate company, the management will continuously explore ways to enhance efficiency and reduce costs. Building on this momentum, the management will closely monitor market trends and consumer demands to identify strategic expansion opportunities that can create synergies with our existing business to ensure prudent and sustainable growth.

SUSTAINABILITY STATEMENT



At Borneo Oil Berhad (“BOB”), we believe that a sustainable business must adopt a proactive approach towards the planet, people, society, and profit. Our group embraces the Economic, Environmental, Social and Governance (“EESG”) principles, which emphasise the importance of equity alongside environmental, social, and governance aspects. This framework serves as the foundation for future-proofing our Group and ensuring long-term success. Our corporate governance has established “action-oriented principles” into our core business formula:



 REPORTING SCOPE & PERIOD	 REFERENCES, DATA & RESTATEMENT
This Sustainability Statement covers all principal business activities in Malaysia. This Statement covers the financial year 2024 (“FYE 2024”) from 1 July 2023 to 30 June 2024, unless otherwise stated.	All references to “BOB” or “Group” or collectively refer to Borneo Oil Berhad and all operating companies. “The Company” refers to the corporation being mentioned. Where available, data is collected and reported utilising existing management control and information systems to ensure information flow reliability and accurate monitoring of sustainability performance.
 ACCURACY & RELIABILITY	 REPORTING GUIDELINES & REFERENCES
BOB’s Board of Directors (“BOD”) approved of the Sustainability Statement 2024 after thorough review by the management.	- Bursa Malaysia Sustainability Reporting Guide [Sustainability Reporting Guide (3rd Edition) & the Toolkit Governance (3rd Edition)] - United Nations Sustainable Development Goals (“UNSDG”)

Sustainability Statement (cont'd)

ABOUT THIS STATEMENT

Statement of Use

The Board, as the Group's highest decision-making body, acknowledges its responsibility for the following statement of use. The information reported for FYE 2024 has been prepared in accordance with the Bursa reporting guidelines.

Assurance

The Board has undertaken independent auditing and assurance for financial data presented in this report, where the figures can be cross-referenced with the Financial Statements. However, the Group has not acquired third-party assurance for non-financial and sustainability-related data. Nevertheless, the Group shall, when necessary, explore third party external advice for the whole or part of this Statement. Our key operations and internal control documentation adhere to standards and has been audited internally, highlighting areas where improvements are required. We remain committed to enhance our data and documentation to strengthen our disclosures moving forward, including where necessary, procuring the involvement of third parties for assurance.

Forward-Looking Statements

This Statement contains forward-looking statements that discuss the Group's targets, future plans, operations and performance based on reasonable and current assumptions and factors. The Group advises readers to refrain from solely relying on such statements as our business is subject to risks and uncertainties beyond our control. Actual results may differ. Our website will be updated from time to time on our ongoing ESG activities and relevant policies.

Feedback and Enquiries

As the Group seeks to continuously improve its sustainability reporting to deliver a meaningful disclosure of its ESG performance, we appreciate questions, comments, and suggestions from our stakeholders.

CORE SUSTAINABILITY PILLARS

Our Group embraces four (4) pillars of sustainability as detailed below:

ENVIRONMENTAL STEWARDSHIP	• Prioritise the energy-efficient practices across all operations. Invest in renewable energy & sustainable practices to reduce environmental footprint. • Promoting waste management and recycling initiatives. • Conducting environmental assessments and audits.
SOCIAL RESPONSIBILITY	• Providing a conducive working environment, with continuous training and development programs to enhance skills and career progression across all sectors. • Fostering a culture of diversity and inclusion in the workplace, ensuring equal opportunities and fair treatment for all employees. • Maintaining high standards of product quality and safety in the food and franchising sector, ensuring customer satisfaction and trust. • Supporting local communities through sponsorships and charitable initiatives.
GOVERNANCE PRACTICES	• Adhere to the highest governance principles, ensuring transparency, integrity, and accountability in all business dealings. • To ensure compliance with environmental regulations, food safety standards, and property laws, and other relevant legal requirements across all operations. • Develop and implement comprehensive risk management strategies to address sector-specific risks and mitigate potential impacts on operations. • Promote ethical conduct in all aspects of business, including fair trade practices, anti-corruption measures, and responsible sourcing.

Sustainability Statement (cont'd)

ECONOMIC DEVELOPMENT	• Drive economic growth by investing in sustainable projects and diversifying operations to provide long-term value for shareholders and stakeholders. • Prioritise local sourcing and increase supply chain resilience in all sectors to benefit local economies. • Invest in innovation and technology to enhance operational efficiency, reduce environmental impact, and remain competitive in the market. • Maintain financial stability and deliver consistent returns to shareholders, ensuring the long-term sustainability of the company.
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By focusing on these pillars, we ensure that our operations not only contribute positively to the environment but also enhance the well-being of our employees and the communities we serve while maintaining profitability. This holistic approach allows us to align our business practices with our commitment to sustainability and responsible corporate citizenship. As we continue our journey, we remain dedicated to integrating these principles into every aspect of our operations, driving positive change and creating sustainable value for all stakeholders. Only through such collective efforts we can create a more resilient and inclusive economy that benefits both present and future generations.

SUSTAINABILITY FRAMEWORK

Our Group's Sustainability Framework can be summarised as follows:

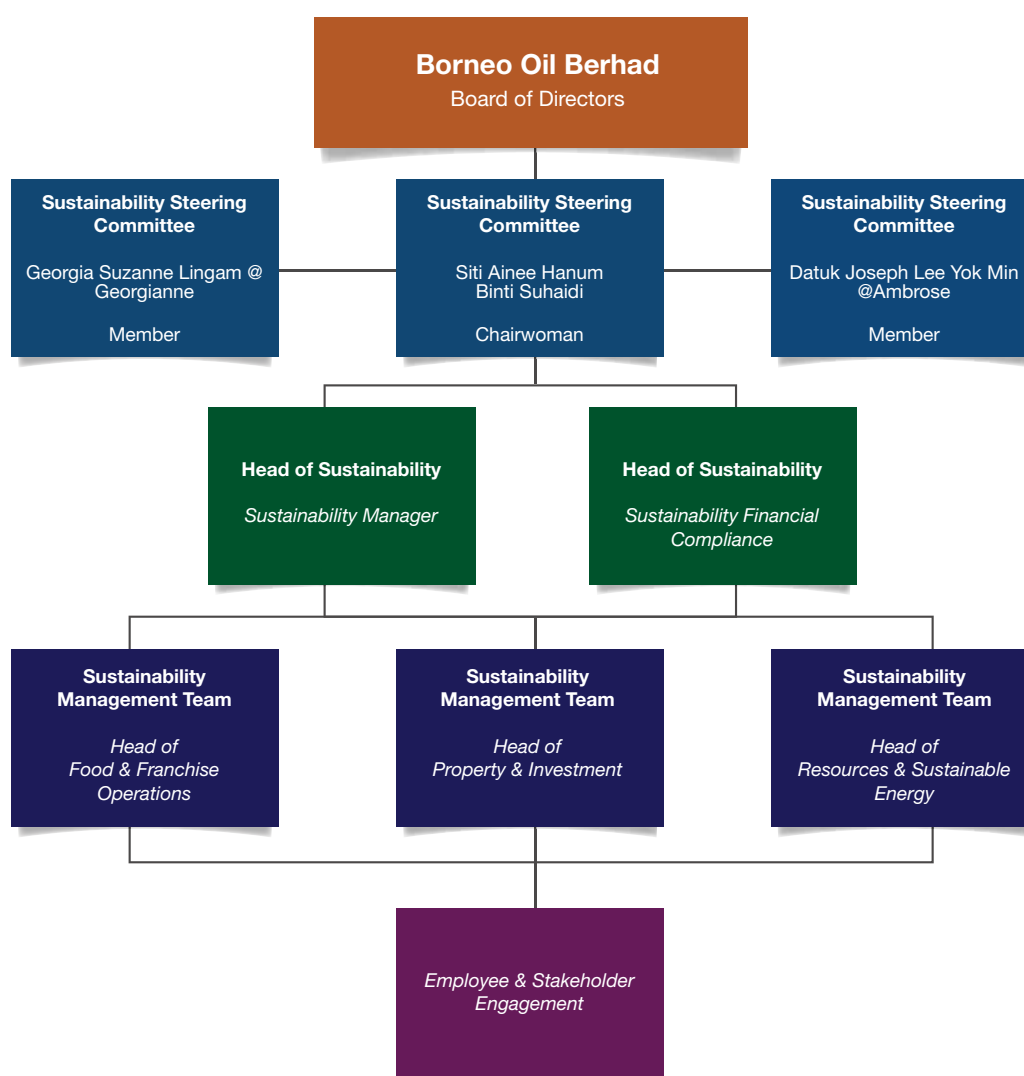


Sustainability Statement (cont'd)

SUSTAINABILITY GOVERNANCE

In accordance with our commitment to EESG principles, Borneo Oil Berhad is pleased to announce the formation of a Sustainability Steering Committee ("SSC") on 8 January 2024 chaired by our Independent Non-Executive Director. This newly formed committee will report directly to the Board of Directors, demonstrates our Group's high emphasis for sustainability. The SSC is responsible for the formulation of policies, recommendations and implementation of sustainable initiatives within the Group.

Borneo Oil Berhad's sustainability governance structure ensures effective oversight and implementation of sustainability initiatives across the organisation. This structure facilitates accountability and transparency in our sustainability efforts. The Terms of Reference ("TOR") of the SSC are available on our website at <https://www.borneo-oil.com.my>.



NOTE:

This disclosure may include both historical and forward-looking statements. The Company cautions that there is no guarantee that the indicative results will be realised, and that there are various important factors beyond the Company's reasonable control, such as climate change and other external events affecting global, political, and environmental conditions. In making this disclosure, all reasonable efforts have been made to gather information, and where required, expert assistance will be sought, together with continuous monitoring.

Sustainability Statement (cont'd)

SUSTAINABILITY STEERING COMMITTEE (SSC)	Role: The SSC is responsible for the oversight and execution of sustainability initiatives across business operations. The committee ensures that sustainability is integrated into the corporate strategy and that key sustainability issues are addressed in the boardroom and throughout the company's operations. Responsibilities: - Formulating and monitoring sustainability strategies and integrating them with business objectives. - Reviewing sustainability reports and initiatives, ensuring compliance with ESG standards. - Addressing sustainability risks and opportunities across various departments and subsidiaries.
HEAD OF SUSTAINABILITY ("HS")	Role: There are two (2) key heads responsible for overseeing sustainability across different dimensions and reports directly to the SSC: Sustainability Manager: Focuses on operational sustainability initiatives and collection of data covering all sectors of the company. Sustainability Financial Compliance: Ensures that financial and compliance aspects of sustainability are adequately addressed, including adherence to governance frameworks and financial disclosure. Responsibilities: - Leading the execution of sustainability programs and initiatives across the company's operations. - Monitoring performance metrics related to ESG criteria. - Overseeing compliance with financial and regulatory reporting obligations related to sustainability. - Managing stakeholder engagement to foster transparency and responsiveness in sustainability practices. - Reporting on sustainability progress to the SSC.
SUSTAINABILITY MANAGEMENT TEAM ("SMT")	Role: The SMT oversees the effective operational implementation of the company's sustainability efforts. This team comprises heads from key business divisions, demonstrating the importance of a cross-functional approach. Responsibilities: Head of Food & Franchise Operations: Oversees sustainability practices within the food and franchise sectors, focusing on responsible sourcing, waste reduction, and promoting sustainable products. Head of Property & Investment: Ensures sustainability in property management and investment decisions, focusing on energy efficiency, sustainable development, and environmental impact reduction. Head of Resources & Sustainable Energy: Responsible for managing resource optimization and promoting renewable energy initiatives, focusing on reducing the company's carbon footprint and improving resource efficiency.
EMPLOYEE & STAKEHOLDER ENGAGEMENT	Role: All employees, including our stakeholders are encouraged to participate in sustainability initiatives and contribute to the company's sustainability goals. Responsibilities: Employees: Participating in sustainability training programs to build awareness and understanding of best practices, engaging in community service and volunteering efforts as part of the company's CSR initiatives, providing feedback and suggestions to improve sustainability practices and outcomes. Stakeholders: Engaging in dialogues and consultations to contribute to the development and improvement of sustainability strategies, providing feedback on the company's sustainability performance, ensuring alignment with the interests of various stakeholders, collaborating on initiatives that drive shared value, supporting community well-being, and sustainable business growth.

Sustainability Statement (cont'd)

STAKEHOLDERS' ENGAGEMENT

We recognise the importance of our stakeholders to the sustainability of our business, making it essential to build and maintain strong connections through effective communication. Our commitment is to provide high-quality products at fair and reasonable price point, ensuring that agreed-upon conditions and promised quality are consistently met. We engaged with key stakeholders through various approaches as follows:

STAKEHOLDERS	KEY ISSUES		ENGAGEMENT PLATFORM	ACTIONS
CUSTOMERS 	- Customer Satisfaction - Product and Services - Customer Safety	O	Customer Surveys	Continue to enhance customer satisfaction level with continuous improvement of our products and services
		O	Feedback Platforms	
SUPPLIERS 	- Ethically Sourced - Quality Assurance - Supply Chain Management - Fair Price - Open Tender	M	Supplier's Code of Conduct	- Quality control checks - Regular suppliers review
		N	Suppliers Visit	
FRANCHISEE 	- Quality Of Service - Continuous Support and Training - Growth and Expansion - Relationship Management	N	Meetings	- Training Programmes - Audit Checks - Sales and Marketing - Technical Support - Customer Service
		Q	Visits To Outlets on Rotation	
		O	Customer Service	
EMPLOYEES 	- Talent Retention and Attraction - Training and Well-Being - Safety and Health - Career Development - Diversity and Inclusivity	A	Annual Performance Appraisal	- Remuneration and benefits - Career progression - Continuous learning and skills upgrade - Safe working environment - Education assistance and financial aids - Welfare
		M	Regular Department Meetings	
		A	Whistle-Blowing Policy	
		A	Events & Gathering	
COMMUNITIES 	- Responsible Corporate Citizenship - Transparency	A	Festive Season Events	- Fostering strong community ties - Assisting the needy
		A	Charity Events	
		A	Donation	
		A	Sponsorships	
		A	CSR Projects	
		N	Newspapers	
		N	Social Media	

Sustainability Statement (cont'd)

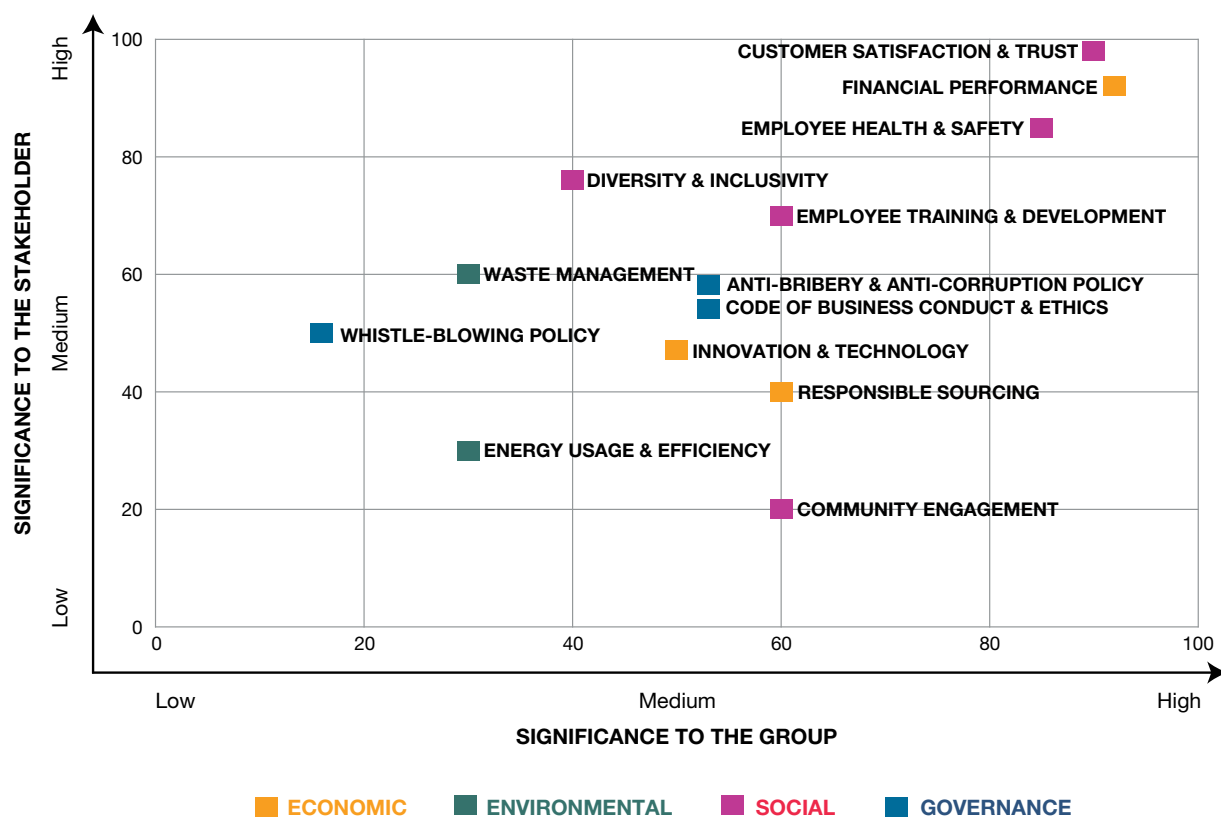
STAKEHOLDERS	KEY ISSUES	ENGAGEMENT PLATFORM	ACTIONS
INVESTORS 	- Financial Stability - Long-Term Growth - Risk Management - Corporate Governance	Q Quarterly & Annual Reports A Annual General Meeting (AGM) N Media N Public / Bursa Announcements	- Performance & financial results - Strategy - Research - Exploring new business and new markets

Frequency of Engagement

O Ongoing	M Monthly	Q Quarterly	A Annually	N When Needed
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MATERIALITY MATRIX ASSESSMENT

The Group conducts a comprehensive materiality assessment to identify key sustainability issues that significantly impact both the company's long-term value creation and its stakeholders. The assessment helps prioritise four (4) areas of focus across EESG dimensions, guiding our business operations and decision-making process. The following materiality matrix reflects the prioritisation of these sustainability indicators based on their relevance to the Group and its stakeholders.



In alignment with best practices for sustainability reporting, BOB conducts a full-scale materiality assessment on an annual basis. This ensures that we continuously identify and prioritise the most relevant EESG issues impacting our business and stakeholders. The results of these assessments guide our strategic decisions and reporting processes. Our annual review also allows us to remain responsive to changes in the business environment and stakeholder expectations, ensuring that our sustainability initiatives remain aligned with our corporate goals.

Sustainability Statement (cont'd)

ENVIRONMENT » WATER MANAGEMENT

As part of BOB's ongoing commitment to environmental sustainability, the Group has prioritised water conservation across all its key facilities and operations. Recognising the importance of efficient water management, we have established clear targets aimed at reducing water consumption and enhancing water-saving practices throughout our office and facilities.

In alignment with **UNSDG - [6]**, which focuses on clean water and sanitation, our water-saving initiatives reflect our commitment to promoting sustainable water management practices. We have implemented rainwater harvesting systems across key operational sites as well as our corporate office. At our facilities, three (3) water catchments are designed to capture and store rainwater, with total catchment areas capable of holding approximately 100,000 litres, where it is subsequently used for non-potable applications, including landscape irrigation, toilet flushing, cleaning, and cooling processes. In our office, a dedicated rainwater harvesting system consisting of four (4) tanks, each measuring 600L in capacity, has been installed to meet the office's needs. Rainwater is utilised not only for toilet flushing and facility cleaning but also for the watering of indoor and outdoor plants, supporting a greener office environment while reducing dependence on municipal water supplies.



In conjunction with these infrastructure developments, BOB has formulated a comprehensive 3-year strategy to gradually reduce water consumption while optimising rainwater harvesting practices. This strategy involves improving the efficiency of rainwater collection systems, expanding the use of harvested rainwater to additional non-potable applications, and monitoring water bills to identify further opportunities for improvement. By leveraging natural water sources, we aim to reduce our overall reliance on municipal water resources and improve water efficiency, contributing to both environmental conservation and operational cost efficiency.

Through these initiatives, BOB is committed to achieving measurable reductions in water usage, with the overarching goal of minimising our environmental impact while fostering sustainable resource management. We continuously monitor our water consumption and refine practices to meet our water-saving targets. By integrating rainwater harvesting into our daily operations for use in both operational and office environments, we are making meaningful progress toward our objective of long-term water conservation.

Table 1: Overview of the rainwater harvesting system's specifications and usage for both corporate and operational sites.

LOCATION	TYPE OF RAINWATER HARVESTING SYSTEM	SIZE / CAPACITY	PURPOSE
Corporate Office	Rainwater Harvesting Tanks	4 tanks, each 600 Litres capacity	Toilet flushing, facility cleaning, watering indoor and outdoor plants to reduce dependence on municipal water.
Facility	Rainwater Catchment Areas	3 catchments, total capacity of 100,000 Litres	Non-potable applications such as landscape irrigation, toilet flushing, cleaning, and cooling processes.

Sustainability Statement (cont'd)



Rainwater harvesting system implemented at one of BOB's facilities, utilising rainwater sources for various operational needs.



Rainwater collection system at one of the Staff Quarters supporting the Group's sustainability goals.

Sustainability Statement (cont'd)

ENVIRONMENT » WASTE MANAGEMENT

BOB has also implemented proactive waste management initiatives aimed at reducing our environmental footprint and promoting resource conservation. At our corporate office, we have adopted composting practices that focus on converting organic waste, such as dry leaves, paper waste and food waste, into valuable compost. This compost is then used to enrich the soil for planting and nurturing plants within our office premise, contributing to a greener environment. We also practice regenerative planting, ensuring that the plants nurtured through our composting efforts contribute to soil health and ecosystem restoration.

Although this is a small part of the larger sustainability challenge, we believe that every action counts, and we are taking consistent steps to play our part in the sustainability efforts for a more sustainable future. Our waste management initiatives are just the beginning of a broader effort to foster responsible consumption and production within our operations.

These waste management efforts align with **UNSDG - [12]: Responsible Consumption and Production**, which encourages efficient use of natural resources, waste reduction, and promoting recycling and reuse. Through these initiatives, we support the global goal of waste reduction and resource efficiency and aim to contribute to the ongoing pursuit of sustainability.



A 3-Bin Compost System in staff quarters area.



Upper view of the 3-Bin Compost System.



One of the workers sweeping the dry leaves at the staff quarters.



Sustainability Statement (cont'd)

SOCIAL » WORKPLACE & EMPLOYEE WELFARE

We recognise that our employees' well-being and contentment are crucial to the success of our Company. We are committed to fostering a supportive and nurturing work environment for our employees by prioritising on their physical, mental, and social well-being. As part of our comprehensive employee welfare initiatives, we have implemented programs aimed at enhancing the overall quality of life for our employees, both at our corporate offices and site facilities.

Meal Provision Program

For over 30 years, we have provided a lunch meal program across our corporate office and site facilities, a long-standing tradition that reflects our deep commitment to employee welfare. By providing healthy, balanced meals on-site, we aim to ensure that our employees have access to nutritious food without the need to leave the premises. This initiative is not only a commitment to employee health but also a strategic effort to reduce our carbon footprint. By minimising the need for employees to travel off-site for meals, we reduce vehicle emissions, contributing to a cleaner and more sustainable environment.

Furthermore, each employee is urged to bring their own food and water containers for their lunch, as part of their personal contribution to our sustainability efforts. By doing so, they reduce reliance on single-use take-away packaging, which helps to minimise waste and supports the Group's broader commitment to environmental conservation. This simple yet impactful practice allows us to collectively reduce the environmental impact associated with food packaging and disposal.



Staff having lunch on-site.

Supporting a Greener Workplace

In line with our overall sustainability goals, the provision of on-site meals helps streamline operations and reduces waste associated with take-away meals and packaging. This effort complements our ongoing commitment to reducing carbon emissions and adopting eco-friendly practices throughout our Company operations.

By investing in our employees' well-being and promoting sustainable practices, BOB continues to cultivate a healthier, more motivated workplace while also positively impacting the environment. Our dedication to employee well-being reflects our belief that a happy and healthy team is essential to our long-term success.

Sustainability Statement (cont'd)

Celebrating Each Other

As a Malaysian company, the Group celebrates unity in diversity by promoting acceptance and celebrating each other's culture by frequently organising functions during Chinese New Year, Hari Raya and Christmas annual party. These functions foster inter departmental integration and nurture the close bonds in the workplace with the aim of creating a harmonious working environment which helps increase long term productivity and employee loyalty.



Chinese New Year 2024 Celebration.

Sustainability Statement (cont'd)



2024 Hari Raya Celebration.



2023 Christmas Celebration.

SOCIAL » EMPLOYEE DEVELOPMENT

We understand that the continuous growth and development of our employees are key to building a sustainable and prosperous organisation. In alignment with **UNSDG - [4]: Quality Education** and **UNSDG - [8]: Decent Work and Economic Growth**, BOB Group committed to providing continuous essential training programs, including customer service training, food handling and hygiene training, and Halal awareness training. These initiatives aim to enhance employee and franchisee competencies, ensure high-quality service, and maintain food safety standards, while promoting professional development and contributing to a skilled and knowledgeable workforce. As part of our ongoing training efforts, several key programs have been implemented within the financial year:



- **SugarBun Assyakirin RE-Training Program:** Conducted on 16 June 2024 at SugarBun Assyakirin Bintulu, this session focused on re-orienting employees in SugarBun's product preparation, customer service, and practical hands-on training to ensure continued adherence to quality and service standards.
- **SBE MDS Mall Sibuti New Outlet-Training Program:** Conducted on 16 July 2024 at SugarBun Imperial Mall Miri, new outlet employees participated in comprehensive training covering product orientation, customer service, and practical skills in preparing products.

In addition, our essential training programs also target both operational and service excellence, as well as compliance with food safety and Halal standards. These include:

1. **Customer Service Training:** Focused on empowering employees with the skills needed to enhance customer interactions and ensure service quality at all customer touchpoints.
2. **Food Handling & Hygiene Training:** Ensuring that employees are fully equipped with the knowledge to maintain the highest standards of food safety and hygiene, helping to reduce the risk of contamination and ensuring public health. Every employee working in the frontline will undergo this essential training. For this financial year, there was an additional of 3 employees trained.
3. **Halal Awareness Training:** Dedicated to upholding our commitment to Halal standards in food preparation and services, reinforcing compliance with religious and regulatory requirements. This training has been conducted for 33 outlet employees between the period of July 2023 to January 2024, demonstrating our commitment to maintaining the integrity of our products.

Sustainability Statement (cont'd)

Furthermore, a key outlet employee involved in food processing and plant operations was sent to undergo specialised training on HACCP Principles, HACCP Plan, and Its Application, ensuring that we maintain compliance with internationally recognised food safety standards, while fostering a culture of continuous improvement in operational practices. This training will continue.

The Food and Franchise Operations considers health, occupational safety and customer satisfaction of material importance. These training programs are vital to both individual employee growth and the Group's broader sustainability goals. By investing in continuous employee education and fostering a knowledgeable and well-trained workforce, we ensure that the company goals are achieved.

Our commitment to professional development not only ensures that we provide high-quality products and services, but also that we create meaningful, decent and safe work opportunities that align with the long-term sustainability of our operations.



After training session at the SugarBun outlet.



Training held at the SugarBun outlet.



Outlet training



Outlet training

Sustainability Statement (cont'd)



Halal Awareness Program conducted via Zoom Meeting.

The Board approved this Sustainability Statement on 23 October 2024.

Sustainability Statement (cont'd)

BURSA MALAYSIA ESG REPORTING PLATFORM			
PERFORMANCE DATA TABLE			
Indicator	Measurement Unit	2024	
Bursa (Anti-corruption)			
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category			
Management	Percentage	27.80	
Executive	Percentage	0.00	
Non-executive/Technical Staff	Percentage	0.00	
General Workers	Percentage	0.00	
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	100.00	
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0	
Bursa (Community/Society)			
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	35,294.00*	
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	13	
Bursa (Diversity)			
Bursa C3(a) Percentage of employees by gender and age group, for each employee category			
Age Group by Employee Category			
Management Under 30	Percentage	0.00	
Management Between 30-50	Percentage	50.00	
Management Above 50	Percentage	50.00	
Executive Under 30	Percentage	10.00	
Executive Between 30-50	Percentage	53.33	
Executive Above 50	Percentage	36.67	
Non-executive/Technical Staff Under 30	Percentage	36.59	
Non-executive/Technical Staff Between 30-50	Percentage	51.71	
Non-executive/Technical Staff Above 50	Percentage	11.71	
General Workers Under 30	Percentage	13.79	
General Workers Between 30-50	Percentage	62.07	
General Workers Above 50	Percentage	24.14	
Gender Group by Employee Category			
Management Male	Percentage	52.78	
Management Female	Percentage	47.22	
Executive Male	Percentage	50.00	
Executive Female	Percentage	50.00	
Non-executive/Technical Staff Male	Percentage	44.88	
Non-executive/Technical Staff Female	Percentage	55.12	
General Workers Male	Percentage	86.21	
General Workers Female	Percentage	13.79	
Bursa C3(b) Percentage of directors by gender and age group			
Male	Percentage	63.64	
Female	Percentage	36.36	
Under 30	Percentage	0.00	
Between 30-50	Percentage	36.36	
Above 50	Percentage	63.64	
Bursa (Energy management)			
Bursa C4(a) Total energy consumption	Megawatt	2,265.38*	
Bursa (Health and safety)			
Bursa C5(a) Number of work-related fatalities	Number	0	
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0.00	
Bursa C5(c) Number of employees trained on health and safety standards	Number	37*	
Bursa (Labour practices and standards)			
Bursa C6(a) Total hours of training by employee category			
Management	Hours	142	
Executive	Hours	16	
Non-executive/Technical Staff	Hours	324	
General Workers	Hours	0	
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	12.00	
Bursa C6(c) Total number of employee turnover by employee category			
Management	Number	4	
Executive	Number	9	
Non-executive/Technical Staff	Number	89	
General Workers	Number	0	
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0	
Bursa (Supply chain management)			
Bursa C7(a) Proportion of spending on local suppliers	Percentage	99.84	
Bursa (Data privacy and security)			
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0.0	
Bursa (Water)			
Bursa C9(a) Total volume of water used	Megalitres	36.203425*	
Internal assurance External assurance No assurance (*) Restated			

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors (“Board”) of Borneo Oil Berhad (“BOB” or “the Company”) recognises that the exercise of good Corporate Governance (“CG”) in conducting the affairs of the Company and its subsidiaries (“the Group”) is the key component for the Group’s continuing progress and success as these would not only safeguard and enhance shareholders’ value but also provide some assurance that the interests of the other stakeholders are preserved.

The Group will continue to endeavor to comply with all the key Principles and Practices of the Malaysian Code on Corporate Governance 2021 (“the Code” or “MCCG 2021”) in its effort to observe high standards of transparency, accountability and integrity.

During the financial year ended 30 June 2024 (“FYE 2024”), the Board considers that it has fundamentally applied the three (3) main principles and practices of the Code and is pleased to report this CG Overview Statement (“Statement”) and the actions taken by the Company do conform to the Code.

- a. Principle A - Board leadership and effectiveness;
- b. Principle B - Effective audit and risk management; and
- c. Principle C - Integrity in corporate reporting and meaningful relationship with stakeholders.

The Code does provide that if the Board finds that it is unable to implement any of the Code’s practices, the Board should apply a suitable alternative practice to meet the intended outcome. The explanations on the departures are supplemented with a description on the alternative measures that seek to achieve the intended outcome of the departed Practices or measures that the Company has taken or intends to take to adopt the departed Practice as well as the timeframe for adoption of the departed Practices.

Further details on the application of each individual Practice as set out in the CG Report 2024 which is available on the Company’s website at www.borneo-oil.com.my.

A. BOARD LEADERSHIP AND EFFECTIVENESS

BOARD RESPONSIBILITIES

The Board members exercise due diligence and care in discharging their duties and responsibilities to ensure that high ethical standards are applied, through compliance with the relevant rules and regulations, directives and guidelines in addition to adopting the Practices in the Code and act in the best interest of the Group and shareholders. The Board has adopted a Board Charter that clearly identifies the respective roles and responsibilities of the Board, board committees, individual directors and management; and issues and decisions reserved for the Board.

STRATEGIC DIRECTION AND OBJECTIVES

The Board plays a critical role in setting out its strategic direction, development and control of the Group including setting and reviewing of goals and strategic directions, overseeing the process and effectiveness of risk management and control environment. The responsibilities of the Board are inclusive of but not limited to:

- Reviewing and adopting a strategic business plan for the Group;
- Overseeing the conduct of the Group’s business to evaluate whether the business is being properly managed;
- Identifying principal risks and ensuring the implementation of appropriate systems to manage these risks;
- Reviewing the adequacy and the integrity of the Group’s internal control systems and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines;
- Reviewing the responsibilities of each Board Committee as and when required;
- Ensuring the integrity of the Company’s financial and non-financial reporting, and
- Develops and implements an investor relation program or shareholders’ communication policy for the Group.

The Board has a formal schedule of matters specifically reserved to itself for decisions to ensure that the direction and control of the Group is firmly in its hands. The schedule involves the approval of significant capital expenditure projects and consideration of assets acquisition and divestment policies, significant financial matters including the financial and operating performance of the Group.

The delegation of authority for Board Committee is stipulated in their respective Terms of Reference (“TOR”) which are reviewed periodically to ensure effective and efficient decision making in the Group.

Corporate Governance Overview Statement (cont'd)

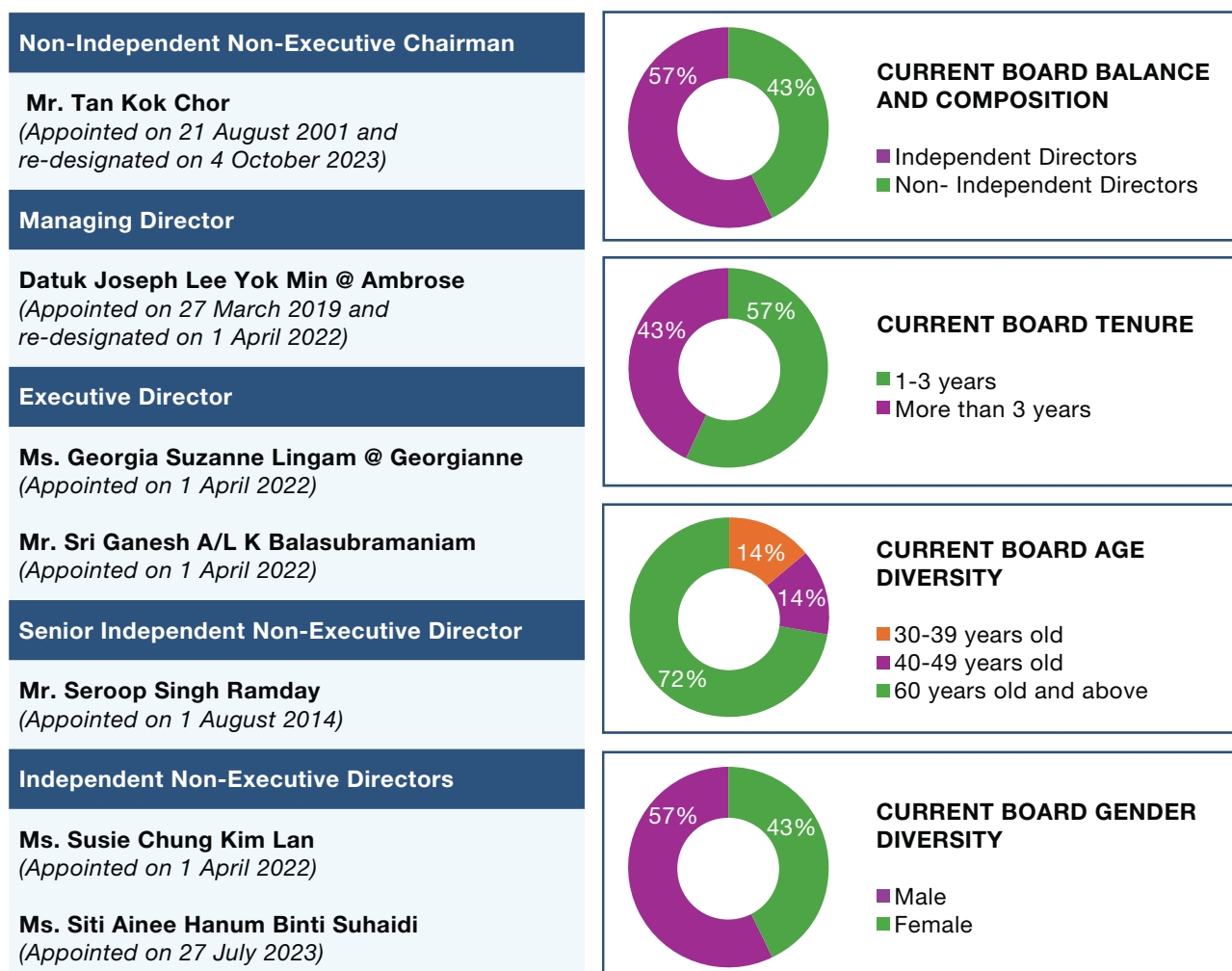
A. BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

SEPARATION OF POSITIONS OF CHAIRMAN AND THE EXECUTIVE DIRECTOR

The Board has established clear roles and responsibilities in discharging its fiduciary and leadership functions. The roles of the Chairman and Executive Directors ("EDs") are separately held and each has a clear division and responsibilities between them to ensure the balance of control, power and authority.

The Chairman has been acting as facilitator at meetings of Directors and to ensure smooth functioning of the Board in the interest of good CG practice. The Chairman is also responsible to provide leadership for the Board so that the Board can perform its responsibilities effectively.

The Non-Executive Directors are independent of Management and free from any business relationship and decision-making that could interfere with the exercise of their independent judgement to the Company and Group.



Corporate Governance

Overview Statement (cont'd)

A. BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

BOARD MEETINGS

The Board meets at least four (4) times in a year and as and when it is necessary. Due notice of matters to be discussed are provided to the Board within a reasonable period. The proceedings, deliberations and conclusions made by the Board are properly recorded in the minutes of meetings kept by the Company Secretary and circulated to the Board and Board Committees for confirmation before the meeting of the Board and Board Committees and signed by the Chairman of the meeting.

The Chairman ensures that each Director is provided with timely notices of every Board Meeting and board papers for each agenda item. This is to ensure that Directors have sufficient time to prepare for discussions, and to obtain further explanation or clarification to facilitate the decision process and discharge of their duties. Board Committee meetings are conducted separately from the Board meeting to enable objective and independent discussion during the meeting.

Meetings are usually held on a hybrid mode. At times, Board Resolutions were circulated via email and other electronically means. Additional or special Board meetings are convened as and when necessary to consider and deliberate on any urgent proposals or matters arising under their purview that requires the Board's review or consideration.

There were twelve (12) Board of Directors' Meetings held during the FYE 2024. Details of the attendance of the Directors at the Board of Directors' Meetings are as follows:-

Members of the Board	Designation	Attendance
Mr. Tan Kok Chor	Non-Independent Non-Executive Chairman	12/12
Datuk Joseph Lee Yok Min @ Ambrose	Managing Director	12/12
Mr. Sri Ganesh A/L K Balasubramaniam	Executive Director	12/12
Ms. Georgia Suzanne Lingam @ Georgianne	Executive Director	12/12
Mr. Seroop Singh Ramday	Senior Independent Non-Executive Director	12/12
Ms. Susie Chung Kim Lan	Independent Non-Executive Director	12/12
Ms. Siti Ainee Hanum Binti Suhaidi (Appointed on 27.07.2023)	Independent Non-Executive Director	12/12

Corporate Governance Overview Statement (cont'd)

A. BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

COMPANY SECRETARIES

Qualified and Competent Company Secretaries

The Company complies with Practice 1.5 of the MCCG 2021 where the Board is supported by Company Secretaries who are qualified, competent and capable of carrying out the duties required. The Board has direct access to the advice and services of the Company Secretaries especially relating to procedural and regulatory requirements. Such advisory roles by the Company Secretaries include:

- Managing all Board and Committees' meeting logistics. Attending all Board meetings and ensuring that the minutes of all Board and Committees' meetings are properly documented, and subsequently communicated to the relevant party for further appropriate actions.
- Advising the Board on fulfilling the fiduciary roles and responsibilities in shaping the corporate direction of the Company.
- Assisting the Company to ensure that the processes and proceedings of the Annual General Meeting ("AGM") are properly managed.
- Monitoring the development in CG and assisting the Board to apply governance practices to meet the Board's needs and stakeholders' expectations.
- Advising the Board on issues relating to compliance with the provisions of the Main Market Listing Requirement ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities"), the Companies Act 2016 and other relevant laws, rules, procedures and regulations affecting the Board and the Group.

ACCESS TO INFORMATION AND ADVICE

The Board members have full and unrestricted access to information on the Group's business and affairs to enable them to discharge their duties and responsibilities.

BOARD CHARTER

The Board Charter, which clearly sets out the roles and responsibilities of the Board, the Board Committees, Chairman, EDs, is available on the corporate website of Borneo Oil Berhad at <https://www.borneo-oil.com.my/> for easy access by the stakeholders and the public alike. The objectives of this Board Charter are to ensure that all Board members acting on behalf of the Company are aware of their roles and responsibilities.

Corporate Governance

Overview Statement (cont'd)

A. BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

DIRECTORS' INDUCTION, TRAINING AND DEVELOPMENT

Continuing Education Program

All the Directors who were appointed have attended the Mandatory Accreditation Programme as required under the MMLR of Bursa Securities and they have also attended external training courses and programmes during the FYE 2024.

The Directors are encouraged to devote sufficient time to update their knowledge and enhance their skills through appropriate continuing education programmes to enable them to sustain their active participation in board deliberations.

The Board is also updated by the Company Secretaries on the latest update/amendments on MMLR, MCCG 2021 and other regulatory requirements relating to the discharge of the Directors' duties and responsibilities periodically.

During the financial year under review, the Directors have attended the following training, webinars, and online conferences:

Members of the Board	Seminars/ Conference/ Trainings Attended	Date Attended
Mr. Tan Kok Chor	1. Corporate Liability under Section 17A MACC Act & Managing Conflict Interest	07.06.2024
	2. Mandatory Accreditation Programme Part II: Leading for Impact (LIP)	26.08.2024 and 27.08.2024
Datuk Joseph Lee Yok Min @ Ambrose	1. Corporate Liability under Section 17A MACC Act & Managing Conflict Interest	07.06.2024
	2. Mandatory Accreditation Programme Part II: Leading for Impact (LIP)	26.08.2024 and 27.08.2024
Sri Ganesh A/L K Balasubramaniam	1. Corporate Liability under Section 17A MACC Act & Managing Conflict Interest	07.06.2024
	2. Mandatory Accreditation Programme Part II: Leading for Impact (LIP)	26.08.2024 and 27.08.2024
Ms. Georgia Suzanne Lingam @ Georgianne	1. MIA Webinar Series: Investment Management in an Evolving and Volatile World	21.09.2023
	2. Corporate Liability under Section 17A MACC Act & Managing Conflict Interest	07.06.2024
	3. Sabah Sustainability Accelerator Program	12.06.2024 and 13.06.2024
	4. Mandatory Accreditation Programme Part II: Leading for Impact (LIP)	26.08.2024 and 27.08.2024
Mr. Seroop Singh Ramday	1. Corporate Liability under Section 17A MACC Act & Managing Conflict Interest	07.06.2024
	2. Mandatory Accreditation Programme Part II: Leading for Impact (LIP)	26.08.2024 and 27.08.2024

Corporate Governance Overview Statement (cont'd)

A. BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

DIRECTORS' INDUCTION, TRAINING AND DEVELOPMENT (CONT'D)

Continuing Education Program (cont'd)

During the financial year under review, the Directors have attended the following training, webinars, and online conferences (cont'd):

Members of the Board	Seminars/ Conference/ Trainings Attended	Date Attended
Ms. Susie Chung Kim Lan	1. Corporate Liability under Section 17A MACC Act & Managing Conflict Interest	07.06.2024
	2. Mandatory Accreditation Programme Part II: Leading for Impact (LIP)	26.08.2024 and 27.08.2024
Ms. Siti Ainee Hanum Binti Suhaidi	1. Corporate Liability under Section 17A MACC Act & Managing Conflict Interest	07.06.2024
	2. Mandatory Accreditation Programme Part II: Leading for Impact (LIP)	26.08.2024 and 27.08.2024

CODE OF CONDUCT AND WHISTLEBLOWING POLICY

The Board recognises the importance to promote and reinforce ethical standards throughout the Group. Therefore, the Code of Conduct and Ethics, serves as a road map to guide the Board in carrying out its duties and responsibilities to the highest standards of personal and corporate integrity and comprises all aspects of its day-to-day business operations.

The Code of Conduct and Ethics will not only apply to every employee of the Group, but also to every Director (Executive and Non-Executive). Furthermore, the Group will strive to ensure that our consultants, agents, partners, representatives and others performing works or services for or on behalf of the Company comply with the Code of Conduct and Ethics.

GROUP ANTI-BRIBERY AND ANTI-CORRUPTION POLICY

The Group is committed to operating its business in an ethical and responsible manner, accompanied by the highest standards of integrity. The Board shall be incorporating such policies and procedures on anti-corruption to promote better governance culture and ethical behavior within the Group and to prevent the occurrence of corrupt practices in accordance with the new Section 17A of the Malaysian Anti-Corruption Commission Act 2018 on corporate liability for corruption.

CONFLICT OF INTEREST

Members of the Board are required to make a declaration to that effect at the Board meeting in the event that they have interests in proposals being considered by the Board, including where such interest arises through family members, in line with various statutory requirements on disclosure. Any Director with an interest in a proposed subject shall abstain themselves from deliberations and decision of the Board.

INSIDER TRADING

In line with the MMLR of Bursa Securities and the relevant provisions of the Capital Markets and Services Act 2007, all Directors, Key Management Personnel and principal officers of the Company are prohibited from trading in securities on any kind of price-sensitive information and knowledge, which have not been publicly announced.

Corporate Governance

Overview Statement (cont'd)

A. BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

DIRECTOR FIT AND PROPER POLICY

In line with Paragraph 15.01A of the MMLR of Bursa Securities, the Board had adopted the Directors' Fit and Proper Policy which serves as a guide to the Nomination Committee ("NC") and the Board in their review and assessment of the potential candidates for appointment to the Board as well as the retiring Directors who are seeking re-election at the AGM.

The Directors' Fit and Proper Policy shall be reviewed periodically by the Board and be revised at any time as it may deem necessary to ensure that they remain consistent with the Board's objectives, current law and practices. The Directors' Fit and Proper Policy is available on the Company's website at www.borneo-oil.com.my.

SUSTAINABILITY

The Board is principally responsible for the governance of sustainability in the Company and has approved and endorsed policies pertaining to the Company's Sustainable policies, strategies, priorities and targets amongst the responsibility of the Board on sustainability are:-

- a. Review and approve Management's proposal on the strategic plan for the Group to bring objectivity and good judgement to the strategic planning process.
- b. Ensure that the strategic plan for the Group supports long-term value creation and includes strategies on Environmental, Social and Governance ("ESG") and Economic, Environmental and Social ("EES") considerations underpinning sustainability.

BOARD COMPOSITION

Board Composition and Balance

The Board currently comprises of Seven (7) members and out of which consist of one (1) Non-Independent Non-Executive Chairman, three (3) are Independent Non-Executive Directors, two (2) Executive Directors and one (1) Managing Director. This composition fulfils the requirements as set out under MMLR of Bursa Securities, which stipulates that at least two (2) Directors or one-third (1/3) of the Board, whichever is higher, must be Independent.

The Group practices non-discrimination in any form, whether based on age, gender, ethnicity or religion in the selection of Board members. In addition, the Group believes it is of utmost importance that the Board is composed of the best-qualified individuals who possess the requisite knowledge, experience, competency, professionalism, independence, foresight and good judgement to ensure that the Board and management team function effectively and is able to discharge its duties in the best interests of the Group and shareholders. The Board consists of qualified individuals with diverse experiences, backgrounds and perspectives. Their combined expertise and business experience provides insights and diversity of perspective to lead and guide the Group in an increasing complex and competitive environment. The profile of each Director is set out on pages 10 to 17 in this Annual Report.

The presence of the Independent Non-Executive Directors promote objectivity and they have the competence necessary to advise the Board on its decisions. They provide an effective check and balance to the Board's decision making process. The Board's composition brings together an extensive group of experienced Directors from various backgrounds and they bring with them a wide range of skills and experience in areas relevant to managing and directing the Group's operations.

The Board deems that its composition is appropriate in terms of its membership and size as there is a good mix of skills and experience in the Board membership and no imbalance in power and authority. The Directors, with their differing backgrounds and specialisations, collectively bring with them a wide range of business, commercial and financial knowledge, expertise and skills essential in the management and direction of a corporation with regional presence.

Corporate Governance Overview Statement (cont'd)

A. BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

BOARD COMPOSITION (CONT'D)

Tenure of Independent Directors

The Board recognises the importance of independence and objectivity in the decision-making process. The Board is committed in ensuring that the Independent Directors are able to exercise independent judgement and act in the best interest of the Group. The Board takes cognisance to the recommendation of Practice 5.3 of the MCCG 2021 that the tenure of an independent director should not exceed a cumulative term of nine (9) years. Upon completion of the nine (9) years, an independent director may continue to serve on the Board as a Non-Independent director. In the event the Board intends to retain such Director as Independent Director after the latter has served a cumulative term of nine (9) years, the Board must justify the decision and seek shareholders' approval through a two-tier voting process at the AGM of the Company.

The Board believes that valuable contributions can be obtained from directors who have, over a period of time, developed valuable insight of the Company and its business. Their experience enables them to discharge their duties and responsibilities independently and effectively in the decision making processes of the Board, notwithstanding their tenure on the Board.

New candidates for Board Appointment

The principal function of making recommendations for new appointments or re-election of retiring Directors has been delegated to the NC.

The evaluation of suitable candidate is not only based on academic but also through experience in this industry to ensure that valuable contribution which will be beneficial to the Company can be given to encourage growth of the Company. In making a recommendation to the Board on the candidates for directorship, the NC will consider and nominate the candidates based on the objective criteria, including:- (a) skills, knowledge, expertise and experience; (b) professionalism; (c) integrity; (d) time commitment to the Company based on the number of directorships held; and (e) in the case of candidates for the position of Independent Non-Executive Directors, the NC will also evaluate the candidates' ability to discharge such responsibilities/functions as expected from Independent Non-Executive Directors. All Directors shall not hold more than five (5) directorships in other listed issuers as required under Paragraph 15.06 of the MMLR of Bursa Securities.

Boardroom Diversity and Senior Management Team

The Company has adopted a policy on diversity of gender, ethnicity and age in Financial Year 2024. In seeking potential candidate for new appointments, the Board shall take into account the various diversity factors including ethnicity, gender and age distribution of the Directors to maintain a balanced Board composition. The Board shall also review the participation of women in Senior Management to ensure there is a healthy talent pipeline.

During the FYE 2024, women directors form approximately 43% of the Board members. The age of the Directors ranges from 30 to 50 years old and above as the Board believes that this creates an environment where each generation brings different skills, experience and talents to the Board.

The Board through its NC conducted an annual review of the Board's size, composition and balance and concluded that the Board's dynamics are healthy and effective. The present members of the Board possess the appropriate skills, experience and qualities to steer the Group forward. The NC is also satisfied that the existing structure, size, composition, current mix of skills, competence, knowledge, experience and qualities of the existing Board members are appropriate to enable the Board to carry out its responsibilities effectively.

Corporate Governance

Overview Statement (cont'd)

A. BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

NOMINATION COMMITTEE REPORT

The NC is entitled to the services of the Company Secretary who would ensure that all appointments are properly made upon obtaining all necessary information from the Directors. All the assessments and evaluations carried out during the year was properly documented and minuted by the Company Secretaries.

The present NC comprises of entirely all three (3) Independent Non-Executive Directors, of which the Chairman is the Senior Independent Non-Executive Director of the Company.

Name of Member	Designation	Role in NC
Mr. Seroop Singh Ramday	Senior Independent Non-Executive Director	Chairman
Ms. Susie Chung Kim Lan	Independent Non-Executive Director	Member
Ms. Siti Ainee Hanum Binti Suhaidi	Independent Non-Executive Director	Member

During the financial year under review, the NC has undertaken the following activities in discharging its duties:

- Conducted an annual assessment of the performance of the Board as a whole and made its recommendation to the Board; and
- Conducted an annual assessment of the Independent Directors and made its recommendation to the Board.

Board Appointment and Re-Appointment Process

The NC is tasked by the Board to make independent recommendations for appointments to the Board. In evaluating the suitability of candidates, the NC considers, inter-alia, the character, experience, integrity, commitment, competency, qualification and track record of the proposed new nomination for appointment to the Board. In the case of a nomination for the position of Independent Non-Executive Directors, NC evaluates the nominee's ability to discharge such responsibilities/functions as expected from Independent Non-Executive Directors.

In accordance with the MMLR of Bursa Securities and the Company's Constitution, one-third (1/3) of the Directors of the Company for the time being shall retire at the AGM of the Company provided always that all Directors, shall retire from office at least once in every three years but shall be eligible for re-election at the AGM. Additionally, the Directors appointed to fill a casual vacancy or as an addition to the Board shall hold office only until the conclusion of the next AGM and shall be eligible for re-election. In assessing the candidates' eligibility for re-election, the NC considers their competencies, commitment, contribution, performance based on their respective performance evaluation to the Board and their ability to act in the best interest of the Company. The Board makes recommendations concerning the re-election, re-appointment and the continuation in office of any Director for shareholders' approval at the AGM.

Corporate Governance Overview Statement (cont'd)

A. BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

NOMINATION COMMITTEE REPORT (CONT'D)

Activities of the NC

During the FYE 2024, the NC had two (2) meeting and the following activities were carried out by the Committee:-

-  Reviewed the composition of the Board of Directors;
-  Assessed the effectiveness of the Board and Board Committee;
-  Assessed and evaluated the performance and contribution of each Director;
-  Reviewed the profile of each Director;
-  Reviewed the training needs of the Directors to ensure that they are acquainted with the latest development and changing environment in which the Group operates

BOARD & DIRECTORS EFFECTIVENESS EVALUATION

Evaluation for Board, Board Committees and Individual Directors

The NC is responsible for evaluating performance and effectiveness of the entire Board, the Board Committees and individual Director on a yearly basis. The evaluation process is led by the NC Chairman and supported by the Company Secretaries via questionnaires.

The Group's nomination process of Directors are as follows:-



Corporate Governance

Overview Statement (cont'd)

A. BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

BOARD & DIRECTORS EFFECTIVENESS EVALUATION (CONT'D)

Evaluation for Board, Board Committees and Individual Directors (cont'd)

The effectiveness of the Board is assessed in the areas of the Board's roles and responsibilities and composition, attendance record, the intensity of participation at meetings, quality of interventions and special contributions. Besides, the effectiveness of the Board Committees is assessed in terms of structure and processes, accountability and responsibility, as well as the effectiveness of the Chairman of the respective Board Committees.

During the financial year 2024, the NC was satisfied with the existing Board composition and concluded that each Director has the requisite competence to serve on the Board and has sufficiently demonstrated their commitment to the Company in terms of time and participation during the financial year under review, and recommended to the Board the re-election of retiring Directors at the Company's forthcoming AGM. All assessments and evaluations carried out by the NC while in the stage of discharging their functions have been properly documented.

REMUNERATION COMMITTEE REPORT

The Remuneration Committee ("RC") shall ensure that the levels of remuneration are sufficient to attract and retain Directors of the quality required to manage the business of the Group. The RC is entrusted under its Terms of Reference ("TOR") to assist the Board, amongst others, to recommend to the Board the remuneration of the Executive Directors, by linking their rewards to corporate and individual performance with the Director concerned abstaining from deliberations and voting on decisions in respect of his remuneration package. In the case of Non-Executive Directors, the level of remuneration shall reflect the experience and level of responsibilities undertaken by the Non-Executive Directors concerned and is determined by the Board as a whole.

Therefore, the Board has established RC and developed the remuneration policy to assist the Board in discharging its duties and responsibilities in the matters relating to the remuneration of the Board and Senior Management.

The present RC consists of all three (3) Independent Non-Executive Directors. The RC comprises of the following Directors:

Name of Member(s)	Designation	Role in NC
Mr. Seroop Singh Ramday	Senior Independent Non-Executive Director	Chairman
Ms. Siti Ainee Hanum Binti Suhaidi	Independent Non-Executive Director	Member
Ms. Susie Chung Kim Lan	Independent Non-Executive Director	Member

Remuneration Procedures

The Board recognises that the level and composition of remuneration of Directors and Senior Management should take into account the Company's desire to attract and retain the right talent in the Board and Senior Management to drive the Company's long-term objectives. Therefore, the Board has adopted a Remuneration Policy to assist the RC in carrying out its duties within its TOR.

The remuneration of each Director reflects the responsibility and commitment, which goes with the Board membership. In the case of Executive Directors, the component parts of remuneration are structured to link rewards to individual and corporate performances while ensuring that the level of remuneration commensurate with the market, the experience and the level of responsibilities undertaken. For Non-Executive Directors, the level of fees is linked to the contribution and level of responsibilities undertaken by the individual director, including the time spent on the group's matters, as well as the size of the Group's business.

Corporate Governance Overview Statement (cont'd)

A. BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

REMUNERATION COMMITTEE REPORT (CONT'D)

Remuneration Procedures (cont'd)

The RC recommends to the Board the remuneration packages for the Executive Directors. None of the Executive Directors participated in any way in determining their own individual remuneration. The Board as a whole determines the remuneration of Non-Executive Directors, with individual Directors abstaining from making decisions in respect of their individual remuneration. The Directors' fees are approved by the shareholders during the AGM held on 19 December 2024 by the company.

During the financial year under review, the RC has undertaken the following activities in discharging its duties:

- Reviewed the performance of the Executive Directors and submitted recommendations to the Board on specific adjustments in remuneration and/or reward payments; and
- Reviewed and recommended Directors' fees and benefits payable to the Directors of the Group for Board's approval.

REMUNERATION COMMITTEE REPORT

The detailed breakdown of the Directors' fees and benefits paid (both Company and Group level) for the FYE 2024 are as follows:

COMPANY

Category	ED's RM	Non-ED's RM	Total RM
Fees	984,000.00	405,000.00	1,389,000.00
Salaries	298,160.00	-	298,160.00
EPF and SOCSO	28,535.00	-	28,535.00
Total	1,310,695.00	405,000.00	1,715,695.00

The detailed breakdown of the Directors' fees and benefits paid (both Company and Group level) for the FYE 2024 are as follows:

Name	By Group					By Company		
	Fees (RM)	Salaries and Bonuses (RM)	Other Emolument (RM)	Benefit- in-kind (RM)	Total (RM)	Fees (RM)	Salaries and Bonuses (RM)	Total (RM)
Mr. Tan Kok Chor	192,000.00	-	-	-	192,000.00	-	-	192,000.00
Datuk Joseph Lee Yok Min @ Ambrose	900,000.00	-	-	-	900,000.00	-	-	900,000.00
Ms. Georgia Suzanne Lingam @ Georgianne	60,000.00	151,111.00	-	-	211,111.00	-	-	211,111.00
Mr. Sri Ganesh A/L K Balasubramaniam	24,000.00	175,585.00	-	-	199,585.00	-	-	199,585.00

Corporate Governance

Overview Statement (cont'd)

A. BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

COMPANY (CONT'D)

The detailed breakdown of the Directors' fees and benefits paid (both Company and Group level) for the FYE 2024 are as follows: (cont'd)

Name	By Group					By Company		
	Fees (RM)	Salaries and Bonuses (RM)	Other Emolument (RM)	Benefit-in-kind (RM)	Total (RM)	Fees (RM)	Salaries and Bonuses (RM)	Total (RM)
Mr. Seroop Singh Ramday	120,000.00	-	-	-	120,000.00	-	-	120,000.00
Ms. Susie Chung Kim Lan	60,000.00	-	-	-	60,000.00	-	-	60,000.00
Ms. Siti Ainee Hanum Binti Suhaidi	33,000.00	-	-	-	33,000.00	-	-	33,000.00
Total	1,389,000.00	326,696.00	-	-	1,715,696.00	-	-	1,715,696.00

Remuneration of Senior Management

The remuneration paid to the top five (5) Senior Management including salaries, other allowances and defined contribution plans in bands of RM50,000 during the financial year under review are as follows:-

Range of Remuneration	Number of Senior Management
RM50,000 to RM100,000	-
RM100,001 to RM150,000	2
RM150,001 to RM200,000	2
RM200,001 and above	1

B. EFFECTIVE AUDIT AND RISK MANAGEMENT

AUDIT COMMITTEE REPORT

The Audit Committee ("AC") of the Company comprises three (3) Independent Non-Executive Directors. The Chairman of the AC is not the Chairman of the Board. The AC is fully informed about significant matters related to the Company's audit and its financial statements. The AC also reviewed the internal audit programme and invited the internal auditors to the meeting for discussion on the internal audit findings. Besides, such discussion also served as an avenue for the AC to appropriately communicate its insights, views and concerns about relevant transactions and events to the Internal and External Auditors.

The AC comprises of the following Directors:-

Name of Member(s)	Designation	Role in AC
Ms. Susie Chung Kim Lan	Independent Non-Executive Director	Chairwoman
Mr. Seroop Singh Ramday	Senior Independent Non-Executive Director	Member
Ms. Siti Ainee Hanum Binti Suhaidi	Independent Non-Executive Director	Member

The AC met five (5) times during the FYE 2024. The activities of the AC during the year are described in the AC Report in this 2024 Annual Report on pages 61 to 63.

Corporate Governance Overview Statement (cont'd)

B. EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)

AUDIT COMMITTEE REPORT (CONT'D)

The Board took note on Practice 9.2 of the MCCG 2021 on the policy that requires a former key audit partner to observe a cooling-off period of at least three (3) years before being appointed as a member of the AC. Thus, the AC shall observe the said application in the event that a former key audit partner is appointed to the Board of the Company.

The Company does not have any precedent or intention to appoint a former auditor as a member of the AC. Therefore, no such policy was implemented for the time being.

Further details on the work performed by AC in furtherance of its oversight role are set out in the AC Report on pages 61 to 63 of this 2024 Annual Report.

RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

The Board has established an ongoing process for identifying, evaluating and managing the significant risks faced by the Group and this process includes enhancing the risk management and internal control system as and when there are changes to the business environment or regulatory guidelines. Management assists the Board in the implementation of the Board's policies and procedures on risk management and internal control by identifying and assessing the risks faced, and in the design, operation and monitoring of suitable internal controls to mitigate and control these risks.

The Board performs review on an annual basis covering not only financial, but operational and compliance controls and risk management systems, in all material aspects. Management is responsible for implementing the processes for identifying, evaluating, monitoring and reporting of risks and internal control, taking appropriate and timely corrective actions as needed, and for providing assurance to the Board that the processes have been carried out. The AC has been entrusted by the Board to ensure the effectiveness of the Group's internal control.

The internal audit function currently conducts independent audits within the Group to identify, evaluate and monitor significant risks affecting the business of the Group and ensure that adequate and effective controls are in place.

The Statement on Risk Management and Internal Control as set out on pages 69 to 72 of this 2024 Annual Report, provides an overview of the Group's approach to ensure the effectiveness of the risk management and internal processes within the Group.

COMMUNICATION WITH STAKEHOLDERS

The Board is committed to ensure that the shareholders and other stakeholders are well informed of the Group's strategy performance and major developments of the Company and the information is communicated to them through the following:

- a. the Annual Report;
- b. the various disclosures and announcements made to Bursa Malaysia Securities Berhad including the quarterly results and annual results; and
- c. the website at www.borneo-oil.com.my which shareholders as well as members of the public are invited to access for the latest information on the Group.

The Minutes of the Annual General Meeting of the Company are made available to the shareholders within 30 business days from the conclusion of the AGM at the Company's corporate website at www.borneo-oil.com.my.

Corporate Governance Overview Statement (cont'd)

C. INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

CONDUCT OF GENERAL MEETINGS

The Company's AGM serves as a principal forum for dialogue with shareholders. Shareholders are encouraged to meet and communicate with the Board at the AGM and to vote on all resolutions. Extraordinary General Meeting ("EGM") is held as and when required. The Board recognises the importance of communications with its shareholders and will take additional measures to encourage shareholders' participation at general meetings as recommended by the Code.

The notice of the AGM together with a copy of the Company's Annual Report to be downloaded/requested are sent out to the shareholders at least 28 days before the meeting. Shareholders are given ample time and opportunity to raise questions pertaining to the business activities of the Group, without limiting of the type of queries asked. During the meeting, the Managing Director, Executive Directors and Group Financial Consultant are prepared to provide responses to queries and to receive feedback from the shareholders during the meeting.

The Chairman highlights to shareholders and proxy holders, their right to speak up at general meetings, the conduct of poll voting for all resolutions tabled at general meetings and a review of the performance of the Group is also presented during the AGM.

To ensure effective participation of and engagement with shareholders at the AGM in 2024, all Directors, including members of the AC, NC and RC, attended and participated in the AGM. Shareholders who are unable to attend the AGM are advised that they can appoint proxies in accordance with their Company's Constitution to attend and vote on their behalf.

Pursuant to Paragraph 8.29A(1) of the MMLR, any resolutions set out in the notice of any general meeting, or in any notice of resolution which may properly be moved and is intended to be moved at any general meeting of the Company will be subjected to poll voting by the shareholders. The votes cast at the general meeting will be validated by a scrutineer, who is independent of the person undertaking the polling process, is not an officer of the Company and is not interested in the resolution to be passed at the general meeting.

KEY FOCUS AREAS AND FUTURE PRIORITIES

The Company's key focus during the year was to comprehend the Principles and Practices introduced in the MCCG 2021, for the subsequent application and disclosure in the Annual Report for the FYE 2024. Consequently, the Group's existing Board Charter, TOR of the Board Committees and Code of Conduct and Ethics have been reviewed and revised to be in line with the MCCG 2021.

COMPLIANCE STATEMENT

The Board has deliberated, reviewed and approved this Statement, and considers that this overview statement provides the information necessary to enable shareholders to evaluate how the MCCG 2021 has been applied. The Board considers and is satisfied that the Group has fulfilled its obligation under the MCCG 2021, MMLR of Bursa Securities and all applicable laws and regulations throughout the financial year under review.

This Statement was approved by the Board of Directors of the Company on 23 October 2024

ADDITIONAL COMPLIANCE INFORMATION DISCLOSURES

The information set out below is disclosed in compliance with the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad.

OTHER DIRECTORSHIP OF PUBLIC COMPANIES

None of the directors and key senior management of the Company have any directorship in other public companies.

SHARE BUY-BACK

The Company had obtained its shareholders’ approval at the Annual General Meeting to buy back shares of the Company.

Treasury shares relate to ordinary shares of the Company that are held by the Company. The amount consists of the acquisition costs of treasury shares net of proceeds received on their subsequent sale or issuance.

As at 30 June 2024, the Company has no ordinary shares held as treasury shares.

OPTIONS, WARRANTS OR CONVERTIBLE SECURITIES

There were certain options, warrants or convertible securities still existing at the FYE 30 June 2024.

The exercise period for the warrants C 2015/2025 is ten years commencing from 9 November 2015 and expiring 8 November 2025.

The exercise period for the warrants D 2017/2027 is ten years commencing from 30 May 2017 and expiring 29 May 2027.

AMERICAN DEPOSITORY RECEIPT (ADR) OR GLOBAL DEPOSITORY RECEIPT (GDR) PROGRAMME

During the financial year, the Group did not sponsor any ADR or GDR programme.

AUDIT FEES AND NON-AUDIT FEES

The fees incurred for the services rendered to the Company and its subsidiaries by the Company’s External Auditors, THELYX MALAYSIA PLT (formerly known as STYL ASSOCIATES PLT) for the financial year ended 30 June 2024 were as follows:

Type of fees	Company RM	Group RM
Audit Fees	90,000	333,800
Non-Audit Fees	25,000	25,000

Non-audit fee payable to the External Auditor for the financial year ended 30 June 2024 by the Group comprises of fees for the review of 4th Quarterly interim financial information, Statement on Risk Management & Internal Control and Annual Report.

Additional Compliance Information Disclosures (cont'd)

PROFIT GUARANTEES

There were no profit guarantees given by the Group during the financial year ended 30 June 2024.

VARIANCE IN RESULTS

There were no material variances of 10% or more in the profit after tax and minority interest between the audited and unaudited results announced for the financial year ended 30 June 2024.

SANCTIONS AND/OR PENALTIES

There were no public sanctions and/or penalties imposed on the Company and its subsidiaries, directors or management by the relevant regulatory bodies during the financial year ended 30 June 2024.

MATERIAL CONTRACTS

There were no material contracts outside the ordinary course of business entered into by the Company and its subsidiaries involving Director's and major shareholders' interest which were subsisting at the end of the financial year ended 30 June 2024 or entered into since the end of the previous financial year.

STATUS OF UTILISATION OF PROCEEDS RAISED FROM ANY CORPORATE PROPOSALS

A General mandate of not more than 10% of the total number of issued shares as approved by the shareholders in the previous AGM dated 19 December 2023 has been carried out in the financial year ended 30 June 2024.

- a. The Company proposed to undertake private placement of up to 10% of the total number of issued shares of the Company to independent third-party investors ("Private Placement up to 10%"). The Private Placement up to 10% was completed on 13 January 2021 following the listing and quotation of 633,405,775 placement shares on the Main Market of Bursa Securities, raising RM23.98 million for the Company. As at 30 June 2024, the summary of the utilisation of proceeds were as follows:-

Utilisation of proceeds	Intended time frame for utilization	Actual proceeds raised (RM'000)	Actual Utilisation (RM'000)	Balance Available (RM'000)
Upgrading of general infrastructure at limestone quarry operations side	Within 24 months	5,000	5,000	-
Working capital expenses	Within 24 months	18,865	18,865	-
Estimated expenses in relation to the placement	Upon completion	110	110	-
Total		23,975	23,975	-

Additional Compliance Information Disclosures (cont'd)

STATUS OF UTILISATION OF PROCEEDS RAISED FROM ANY CORPORATE PROPOSALS (CONT'D)

- b. on 25 January 2021, the company proposed to undertake a Proposed Subscription of up to 1,205,827,550 new ordinary shares, representing approximately 20% of its existing total number of issued shares. As at 30 June 2024, a total of tranches comprising 915,000,000 Borneoil shares had been issued pursuant to the Proposed Subscription. The total proceeds raised as at 30 June 2024 is approximately RM29.03 million.

The status of the utilisation of the Proposed Subscription proceeds were as follows:-

Utilisation of proceeds	Intended time frame for utilization	Actual proceeds raised (RM'000)	Actual Utilisation (RM'000)	Balance Available (RM'000)
Business expansion and/or new investments	Within 36 months	12,919	12,919	-
Gold exploration works at Hutan Simpan Bukit Ibam, Pahang	Within 36 months	10,000	10,000	-
Working capital expenses	Within 36 months	12,410	12,410	-
Estimated expenses in relation to the Proposed subscription	Upon completion	1,000	1,000	-
Total		36,329	36,329	-

- c. The Company had on 26 May 2022, announced the Proposed Private Placement of up to 10% of the total number of issued shares of Borneoil pursuant to Sections 75 and 76 of the Companies Act 2016. Bursa Securities had, via its letter dated 1 July 2022, approved the listing and quotation of up to 1,052,794,847 placement shares to be issued pursuant to the Proposed Private Placement. On 13 December 2022, as per announcement to Bursa Securities, the Company completed the Proposed Private Placement, raising gross proceeds of RM22.40 million.

The status of the utilisation of the Proposed Subscription proceeds were as follows:-

Utilisation of proceeds	Intended time frame for utilization	Actual proceeds raised (RM'000)	Actual Utilisation (RM'000)	Balance Available (RM'000)
Payment of trade and other payables	Within 36 months	8,961	8,961	-
Payment related to FFO segment relating to raw ingredient suppliers such as poultry and wheat flour	Within 36 months	4,480	4,480	-
Payment related to PIM segment for the construction works at the ILPP	Within 36 months	3,360	3,360	-
Purchase of diesel and spare parts for equipment used in the RSE segment	Within 36 months	1,120	1,120	-
Other expenses	Within 36 months	4,481	4,481	-
Total		22,402	22,402	-

Additional Compliance Information Disclosures (cont'd)

STATUS OF UTILISATION OF PROCEEDS RAISED FROM ANY CORPORATE PROPOSALS (CONT'D)

- d. 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 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 27 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 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 Proposed subscription proceeds were as follows:-

Utilisation of proceeds	Intended time frame for utilization	Actual proceeds raised (RM'000)	Actual Utilisation (RM'000)	Balance Available (RM'000)
Working capital expenses	Within 12 months	27,310	27,310	-
Estimated expenses in relation to the Proposed subscription	Within 12 months	-	-	-
Total		27,310	27,310	-

EMPLOYEES SHARE OPTION SCHEME ("ESOS")

There has been an 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").

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.

There is a Proposed termination of the old ESOS and implementation of the new ESOS scheme of which the Company is still pending for approval from BURSA to implement and adopt in an Extraordinary General Meeting ("EGM") by the shareholders.

RECURRENT RELATED PARTY TRANSACTIONS

During the financial year ended 30 June 2024, the Company did not enter into any recurrent related party transactions of revenue or trading nature.

AUDIT COMMITTEE REPORT



Ms. Susie Chung Kim Lan
(Independent and
Non-Executive Director)



Mr. Seroop Singh Ramday
(Senior Independent and
Non-Executive Director)



**Ms. Siti Ainee Hanum
Binti Suhaidi**
(Independent and
Non-Executive Director)

COMPOSITION

The Audit Committee (“AC”) currently comprises of the following members: -

	Name of Director(s)	Designation	Date of appointment
Chairwoman	Ms. Susie Chung Kim Lan	Independent Non-Executive Director	Appointed on 1 April 2022
Members	Mr. Seroop Singh Ramday	Senior Independent Non- Executive Director	Appointed on 24 April 2015 (initially as an Independent Non-Executive Director. Thereafter on 27 April 2018 re-designated as Senior Independent Non-Executive Director)
	Ms. Siti Ainee Hanum Binti Suhaidi	Independent Non-Executive Director	Appointed on 27 July 2023

The present AC comprised exclusively of three (3) Non-Executive Directors, all being Independent Directors who are in compliance with Paragraph 15.09 of the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”) and Malaysian Code on Corporate Governance 2021 (“MCCG 2021”).

The AC is chaired by Ms. Susie Chung Kim Lan, who is a Chartered Accountant. She holds membership in CPA Australia and is also a member of the Malaysian Institute of Accountants (“MIA”). The Company is also in compliance with the requirement of Paragraph 15.09(1)(a)(i) under the Main Market Listing Requirement (“MMLR”), which requires at least one (1) member of the Committee to be a qualified accountant.

Audit Committee Report (cont'd)

AC MEETINGS AND ATTENDANCE

During the financial year ended 30 June 2024 ("FYE 2024"), five (5) AC meetings were held and the details of attendance of each member are as follows:-

Audit Committee	Director's Name	Meetings Attended
Chairwoman	Ms. Susie Chung Kim Lan	5/5
Member	Mr. Seroop Singh Ramday	5/5
Member	Ms. Siti Ainee Hanum Binti Suhaidi	5/5

ACTIVITIES OF THE AC

During the FYE 2024, the AC, in discharging its functions and duties, carried out the following activities:-

Financial Reporting

- Reviewed the quarterly reports of the Group prior to submission to the Board of Directors for consideration and approval;
- Reviewed the performance of the Group;

External Audit

- Reviewed the audited financial statements of the Company and of the Group for the FYE 2024 prior to submission to the Board of Directors for consideration and approval;
- Recommended the re-appointment of External Auditors and the payment of audit fees;
- Reviewed the competency and effectiveness of the External Auditors;
- Reviewed and approved the Audit Planning Memorandum and Internal Audit Plan;

Internal Audit

- Reviewed and discussed the Internal Audit Reports and the Follow-up Internal Audit Report;
- Reviewed the competency and effectiveness of the Internal Auditors

Other Activities

- Reviewed the Statement on Risk Management and Internal Control ("SORMIC") in respect of the FYE 2024 and the external auditors' report on the SORMIC prior to submission to the Board of Directors for consideration and approval;
- Reviewed the AC's Report in respect of the FYE 2024 prior to submission to the Board of Directors for consideration and approval; and
- Reviewed on related Party Transactions and Conflict of Interest, if any.

Audit Committee Report (cont'd)

Internal Audit Function

The internal audit function is outsourced to an independent professional firm, Valens Consult Services Sdn. Bhd. ("Valens") to perform the independent risk-based internal audit review on the key operational areas of the Group. Their main role is to undertake independent and systematic review of the system of internal control so as to provide independent assurance on the adequacy and effectiveness of risk management, internal controls and governance process of the Group.

Valens does not have any other business engagements with Borneo Oil Berhad ("the Company") other than the provision of Internal Audit services. None of its directors and shareholders are common directors of the Company or its significant shareholders.

The internal audit report is prepared in accordance to the Institute of Internal Auditors ("IIA") International Standard for the Professional Practice of Internal Auditing ("IPPF"), a copy of which had been shared with the Management prior to the audit engagement. Preparation of the report had been sighted by Professional Member of the IIA.

The overall purpose of the audit is relating to key compliance matter in the preparation of Sustainability Statement in accordance to the Bursa Reporting Guide (3rd Version) of the Company.

The professional fees incurred for the internal audit function in respect of the financial year ended 30 June 2024 for the Group amounted to RM18,500.

Evaluation of AC

The Board, through the Nomination Committee, has evaluated the performance of the AC and its members. Based on the assessment conducted for the FYE 2024, the AC and its members are found to have effectively discharged their duties and responsibilities in accordance with the AC's Terms of Reference.

This AC Reports was approved by the AC on 23 October 2024.

NOMINATION COMMITTEE REPORT

COMPOSITION AND ATTENDANCE

The board has established a Nomination Committee ("NC") to formulate and implement the policy for nominating board candidates for election. The NC has written terms of reference dealing with its authority and duties which include the selection and assessment of directors.

The nomination committee comprises exclusively of Independent Non-Executive Directors whose biographies are set out in the annual report.

The respective member's attendance at meetings for the financial year ended 30 June 2024 are disclosed below:-

Nominating Committee	Director's Name	Status of Directorship	Meetings Attended
Chairman	Mr. Seroop Singh Ramday	Senior Independent Non-Executive	2/2
Member	Ms. Susie Chung Kim Lan	Independent Non-Executive	2/2
Member	Ms. Siti Ainee Hanum Binti Suhaidi	Independent Non-Executive	2/2

We are pleased to present the NC annual report on behalf of the board for the financial year ended 30 June 2024, which explains the committee's activities for the year. This year the committee continued to focus on succession planning and ensuring the board has the correct balance of skills, knowledge, experience, and independence.

On 1 April 2022, we welcome one (1) new independent and non-executive director and two (2) new executive directors to the board to compliment and further enhance the depth and strength of the board, giving due consideration to diversity and inclusion. The new Independent and Non-Executive Director (Ms. Susie Chung) brings with her a vast amount of corporate and audit experience. On the other hand, focusing on succession planning, both the Executive directors have been promoted from the current senior management. They bring significant operational experience and knowledge to the board. In this connection, we have also brought on Board on 27 July 2023, Ms. Siti Ainee, a dynamic UK finance graduate, a successful entrepreneur with significant experience in International Media and Communication.

We are confident that the increasing diversity in the members with the mixed balance of skills and experience will continue to maintain productivity at the highest level in a rapidly evolving corporate environment and further enhance the overall performance of the board. Ms Siti Ainee, our latest board recruit has settled rapidly and imputed constructively on the group's digital media and marketing activities while at the same time, providing the necessary checks and balances to support the other INEDs on strategies and policies going forward.

FUNCTIONS

The key functions of the NC include the following:-

- Review annually the required mix of skills, experience and other qualities, including core competencies with Directors should bring to the Board whilst reviewing the structure, size and composition of the Board (including skills, knowledge and experience) and make recommendations for further recruitment to the Board or propose changes to the existing Board;
- Review the leadership needs of the Company, both executive and non-executive, ensuring appropriate succession planning for Directors and other senior executives within the business;
- Lead the process for Board appointments, ensuring they are conducted on merit and against objective criteria and taking into consideration that diversity is an important factor forming part of the selection criteria used to assess candidates to achieve a balance on the Board;
- Make recommendations to the Board, including on appointment of Executive Directors and Non-Executive Directors to the Board, the re-appointment of Directors, the re-election of Directors at the Annual General Meeting and the membership of the Audit, Nomination, Remuneration Committees.

Nomination Committee Report (cont'd)

FUNCTIONS (CONT'D)

The key functions of the NC include the following: - (cont'd)

- (e) Ensure that an induction program is undertaken by any newly appointed member of the Board;
- (f) Ensure that an annual evaluation of the Board and its Committees is conducted and if deemed necessary, an external evaluation is conducted at least every three years;
- (g) Review annually the time required from the Non-Executive Directors, as well as consider the external commitments of all members of the Board;
- (h) Examine the size of the Board with a view to determine the number of Directors on the Board in relation to its effectiveness;
- (i) Undergo a transparent procedure for the proposing of new nominees and recommending on the suitability of candidates nominated for the appointment to the Board and to fill the seats of the Audit, Nomination, Remuneration, and other Committees;
- (j) Recommend suitable orientation, educational and training programs to continuously train and equip the existing and new Directors;
- (k) Recommend to the Board, candidates for all directorships to be filled by the shareholders of the Board taking into consideration the skills, knowledge, expertise and experience, professionalism, integrity of the candidate, and in the case of candidates for positions of Independent Non-Executive Director, the Committee should also evaluate the candidate's ability to discharge such responsibilities/functions objectively as expected from Independent Non-Executive Directors; and
- (l) Assess annually the effectiveness of the Board as a whole, the Committees of the Board and the contribution of each individual Director based on the process implemented by the Board.

ACTIVITIES OF THE NOMINATION COMMITTEE

During the financial year ended 30 June 2024, the NC met two times during the year. In discharging its functions and duties, the NC carried out the following activities:-

- a. Reviewed the composition of the Board and Board Committees;
- b. Assessed the effectiveness of the Board as a whole, the Board committees and the individual Directors;
- c. Review the mix of skills, experience and other qualities of the Board;
- d. Discussed and recommended the re-election of the retiring Directors;
- e. Assessed the independence of the Independent Non-Executive Directors and long serving Independent Directors; and
- f. Reviewed the Nomination Committee Report.

Nomination Committee Report (cont'd)

ACTIVITIES OF THE NOMINATION COMMITTEE (CONT'D)

The NC upon its annual assessment carried out for the financial year ended 30 June 2024, was satisfied that: -

- a. The Board has been able to discharge its duties professionally and effectively;
- b. All the Directors continue to uphold the highest governance standards in discharging their duties and responsibilities;
- c. The size and composition of the Board are optimal with appropriate mix of knowledge, skills, attributes and core competencies;
- d. All the members of the Board are qualified to hold their position as Directors of the Company in view of their respective work experience, academic, and professional qualifications, and diverse depth of knowledge, skills and experience and their personal qualities;
- e. The Independent Non-Executive Directors bring independent and objective judgement to the Board and mitigates risks arising from conflicts of interest or undue influence from interested parties; and
- f. The Directors are able to devote sufficient time and commitment to their roles and responsibilities.

The assessment was carried out internally by the NC and the Board as a whole, facilitated by the Company Secretaries. The NC agreed that the assessment done indicated a high level of compliance and integrity, and in view of the new changes to the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad, certain compliances have been proposed by the NC to the Board and Board Committee on the necessary measures, to be carried out pertaining to the appropriate Board composition required.

For Independent Non-Executive Directors who have served the Board for a cumulative term of more than nine (9) years, their justifications are as follows:-

- a. They fulfil the criteria under the definition of Independent Director as stated in the MMLR;
- b. They are able to bring independent and objective judgement to the Board as they do not have any business dealing with the Company;
- c. With their years of experience in the Company, they are familiar with the Company's business operations, thus enabling them to continue actively and effectively during deliberations or discussions at Board meetings;
- d. Their length of service on the Board does not in any way interfere with their exercise of independent judgement. They have remained objective and independent in expressing their views and participating in deliberation and decision-making of the Board and Board Committees;
- e. They have devoted sufficient time and commitment to discharge their responsibilities as Independent Non-Executive Directors; and
- f. They have continued to exercise their independence and due care during their tenure as Independent Non-Executive Directors of the Company and carries out duties in the interests of the Company and shareholders.

The NC has evaluated the performance of the Board through its annual assessment conducted during the financial year ended 30 June 2024 and was generally satisfied with the level of independence demonstrated by the Independent Non-Executive Directors and their ability to act independently and objectively in the best interests of the Company.

REMUNERATION COMMITTEE REPORT

COMPOSITION AND ATTENDANCE

The members of the Remuneration Committee ("RC") and their respective members' attendance at meetings for the financial year ended 30 June 2024 are as follows:-

Remuneration Committee	Director's Name	Status of Directorship	Meetings Attended
Chairman	Mr. Seroop Singh Ramday	Senior Independent Non-Executive	1/1
Member	Ms. Susie Chung Kim Lan	Independent Non-Executive	1/1
Member	Ms. Siti Ainee Hanum Binti Suhaidi	Independent Non-Executive	1/1

The present RC consists of three (3) board members, all of whom are Independent Non-Executive Directors. Their respective roles, duties and responsibilities were laid out under its written Terms of Reference, which is available on the Company's website, www.borneo-oil.com.my.

INTRODUCTION

As outlined in the relevant corporate section of the annual report, this past financial year has brought with it many challenges effecting both global and national economies. This has affected most sectors of industries. The Remuneration Committee, in this respect, closely monitors industry and market circumstances to ensure that the company remains relevant and competitive in all its operational sectors. We are pleased to report that the consistent approach has meant minimal staff turnover with no challenges on recruitment for our growth sectors.

TERMS OF REFERENCE

The RC with clearly defined Terms of Reference as approved by the Board are as follows: -

- Reviews and assesses and recommends to the Board the remuneration packages of the Executive Directors ("ED");
- The RC and the Board ensure that the Company's remuneration policy remains supportive of the Company's Corporate objectives, are aligned with the interests of shareholders, are designed to attract, retain, and motivate the ED, and are reflective of their experience and level of responsibilities;
- The remuneration of the EDs is reviewed annually and the EDs play no part in the decision of their own remunerations;
- The RC reviews and administers any share incentive scheme adopted by the Group and decides on the allocation to eligible participants under the said scheme; and
- The RC also reviews the Company's obligations arising in the event of any resignation, retirement or termination of the Executive Directors' and key management personnel's contracts of service by ensuring such contracts of services contain fair and reasonable termination clauses.

The Board determines the remuneration of the Non-Executive Directors and will recommend the Directors' fees for shareholders' approval. Only the Non-Executive Directors are entitled to the Directors' fees and meeting allowances for Board or Board Committee Meetings they attended.

If required, the RC will seek expert advice inside and/or outside the Company on the remuneration of all Directors and key management personnel, and any such engagement of independent remuneration consultants would be disclosed.

The RC has reviewed the Non-Executive Directors and Board Committees fees based on market and industry benchmark and recommended to the Board, the proposed increase in fees to commensurate with the time commitment required, responsibilities, duties and commitment for the financial year ended 30 June 2024, which is subject to the approval of shareholders at the forthcoming AGM. Non-Executive Directors are not overly compensated to the extent that their independence may be compromised. The Company does not have a retirement remuneration plan for Non-Executive Directors. No individual Directors fixes his own remuneration.

Remuneration Committee Report (cont'd)

SUMMARY OF THE WORK OF THE RC

During the financial year under review, the RC has undertaken the following activities in discharging its duties: -

- Review senior management performance and remuneration, taking into consideration current industry practices and economic circumstances;
- Reviewed the performance of the Executive Director and submitted recommendations to the Board on specific adjustment in remuneration and/or reward payments;
- Reviewed and recommended Directors' fees and benefits payable to the Directors of the Group for the Board's approval;
- Progress diversity, equity and inclusion agenda; and
- Review governance and regulatory matters.

The level and mix of each individual Director's remuneration for the financial year ended 30 June 2024 is disclosed in pages 53 to 54 of this Annual Report on Corporate Governance Overview Statement.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

This “Statement on Risk Management and Internal Control” is in line with paragraph 15.26 (b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad on the Group’s compliance with the Principles and Best Practices relating to internal control as stipulated in the Malaysian Code on Corporate Governance.

It is the Company’s mission to comply with the guiding principles as set out as follows:

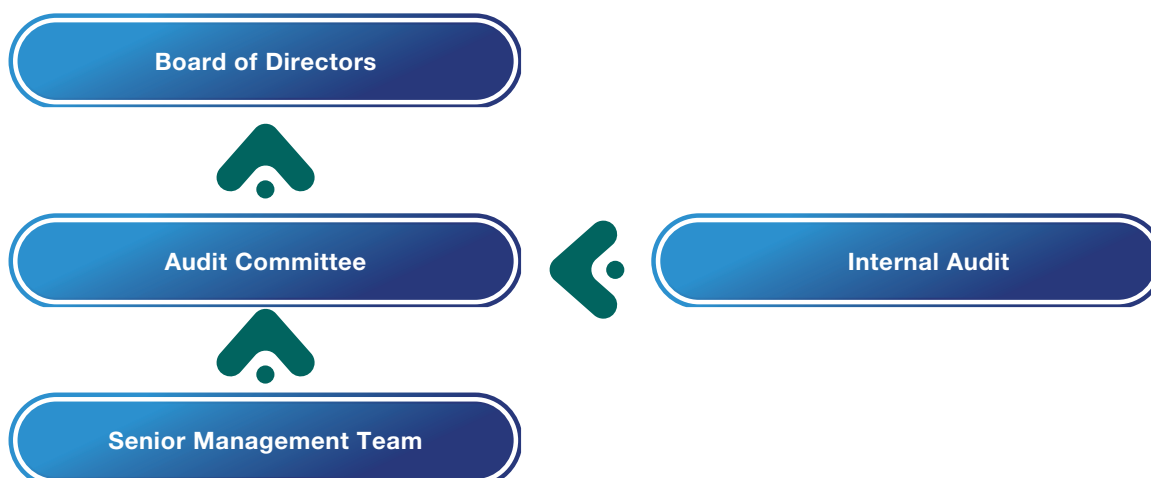
1. Use the best practices in risk management which are generally aligned with the Guidelines to support and enhance the activities in all areas of the Organisation;
2. Ensure risk management is an integral part of all organizational and decision making processes;
3. Use a structured risk management programme to minimize reasonable foreseeable disruptions to operations, injuries to people, and damage to the environment and property;
4. Train the people to implement risk management effectively; and
5. Strive to continually improve the risk management practices.

ROLES AND RESPONSIBILITY BOARD OF DIRECTORS (“BOARD”)

The Board is responsible for reviewing and monitoring the Group’s system of risk management and internal control to ensure its adequacy and integrity and its alignment with business objectives.

However, it should be noted that risk management and control systems are not about totally eliminating risks but managing them. As such, it can only provide reasonable but not absolute assurance against any material loss or failure. The Board has established a process for identifying, evaluating, monitoring and managing extreme and high risks that may adversely affect the business, operating results, cash flow and financial condition, as well as for enhancing the process where necessary.

RISK REPORTING STRUCTURE



Statement on Risk Management and Internal Control (cont'd)

RISK MANAGEMENT

The Board is aware that a risk management framework and sound system of internal control should be embedded in the operations of the Group and form part of its culture. This system should be capable of responding quickly to evolving risks to the business arising from factors within the Group and changes in the business environment. It should include procedures for reporting immediately to appropriate levels of management any significant control failings or weaknesses that are identified together with details of corrective action being taken.

Some of the responsibilities and functions include the following:

1. Establish, maintain and continuously monitor the process of identifying, measuring and monitoring risks throughout the Group by the respective risk owners, within appropriate periodic reporting of all risk activities.
2. Ensure the risk owners implement all risk treatment programmes, and the progress of these programmes is continuously monitored and reported.
3. Ensure risk management policies, procedures and framework are in place and that they are effectively functioning, continuously monitored, reviewed and reported inclusive of but not limited to the following risks:-
 - Strategic Risk;
 - Operation Risks (Including the framework to address Compliance, Internal and External Fraud, Occupational Health and Safety, IT Security, Physical Assets Security, Insurance, Business Continuity (minimization of major business interruptions or catastrophic loss);
 - Human Capital and Environmental Risks;
 - Financial Risks;
 - Market Risk; and
 - Legal and Regulatory Risks

INTERNAL CONTROL

The Board acknowledges the importance of the internal audit function and has outsourced to an independent advisory firm, Valens Consult Services Sdn Bhd. As part of its efforts in ensuring the internal controls are adequate and effective, the internal auditor will report directly to the Audit Committee ("AC").

The internal audit function independently reviews the adequacy and integrity of the system of internal controls in managing the key risks and report these accordingly to the AC on a Quarterly basis.

Where weaknesses have been identified as a result of the reviews, improvement measures are recommended to strengthen controls and follow-up audits are conducted by the Internal Auditor to assess the status of implementation thereof by the Management.

In carrying out its work, the Internal Auditor focuses on areas of priority as directed and approved by the AC.

Statement on Risk Management and Internal Control (cont'd)

OTHER KEY ELEMENTS OF INTERNAL CONTROL SYSTEMS

- **Organization Structure**

The Group has an established organization structure with clear defined lines of authority, responsibility and accountability to meet its business strategies and objectives within a reasonably controlled environment.

- **Business Ethics and Code of Conduct, Anti Bribery and Anti-corruption manual and Whistleblowing Policy**

The Group has in place a Business Ethics and Code of Conduct to provide guidance to employees for moral and ethical behaviour that is expected from the employees in following laws, policies, standards and procedures.

The Anti-Bribery and Anti-corruption policy has been established to outline with the Group's policy on matters pertaining to bribery and corruption.

A Whistleblowing policy is also established to provide appropriate communication and feedback channels which facilitate whistleblowing in a transparent and confidential manner to enable employees and stakeholders to raise concerns about possible improprieties, improper conduct and other malpractices within the Group in an appropriate way.

- **Delegation of Authority**

The Group has established Financial Authority Limits for approving capital expenditure. Major capital investments, acquisitions and disposals exceeding a certain threshold require the relevant Committee or Board Approval.

- **Business Process**

The Group has in place well-established and documented business processes which are aligned with the strategic objectives and goals.

- **Annual Business Plans and Budgets**

Operating plans and budgets are prepared by the respective Heads of Departments on an annual basis. The Group's operating plan and budgets are presented to the Board for deliberation and approval.

Actual performance against budget is monitored by the Board for corrective actions where necessary.

- **Monitoring by Senior management**

Regular management and operation meetings are conducted by Senior Management which include the Managing Director, Executive Directors and Financial Consultants and top Senior Managers of the Company on financial and operational performance.

- **Monitoring by the Board**

Board meetings are held at least once a Quarter with a formal agenda on matters for discussion. The Board is kept updated on the Group's activities and operations regularly.

- **Compliance Function**

A compliance framework to ensure compliance with applicable regulatory and legal requirements, which includes monitoring and continuous training has been established.

Statement on Risk Management and Internal Control (cont'd)

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

As required by paragraph 15.23 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the External Auditors have reviewed this Statement on Risk Management and Internal Control.

Their review was performed in accordance with Audit and Assurance Practice Guide 3 ("AAPG 3"). Guidance for Auditors on Engagements to Report on the Statement on Risk management and Internal Control included in the Annual Report issued by the Malaysian Institute of Accountants ("MIA"). AAPG 3 does not require the External Auditors to, and they did not, consider whether the Statement covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk and control procedures. AAPG 3 also does not require the External Auditors to consider whether the processes described to deal with material internal control aspects of any significant problems disclosed in the Integrated Annual Report will, in fact, remedy the problems.

Based on their review, the External Auditor have reported to the Board that nothing has come to their attention that causes them to believe that this Statement on Risk management and Internal Control is not prepared, in all material respects, in accordance with the disclosure required by paragraph 41 and 42 of the Statement on Risk Management and Internal Control Guidelines for Directors of Listed Issuers, nor is the Statement factually inaccurate.

CONCLUSION

For the financial year under review and up to the date of issuance of the financial statements, the Board is satisfied with the adequacy and effectiveness of the Group's risk management and internal control system in order to safeguard the shareholders' investment, the interests of customers, regulators and employees, and the Group's assets.

The Board is of the opinion that there were no material control failures or adverse compliance events that directly resulted in any material loss to the Group during the financial year under review.

This Statement does not include the state of risk management and internal control of the Company's associate companies, which have not been dealt with as part of the Group.

This Statement on Risk Management and Internal Control was approved by the Board of Directors of the Company on 23 October 2024.

CORPORATE SOCIAL RESPONSIBILITY (CSR) STATEMENT

“GIVING BACK” INITIATIVE



We are committed to fostering positive social impact through our Corporate Social Responsibility (“CSR”) initiatives. By partnering with various partners, BOB actively supports various charitable initiatives across Malaysia by providing free meals and sponsorship. Our ongoing partnerships and support efforts are crucial to fostering educational and personal development opportunities for the underprivileged children, including support for the elderly and the vulnerable / special needs groups reinforcing our dedication to social responsibility and community support.

As part of our annual “**Giving Back**” initiative, BOB has been supporting various NGO’s and groups who organise charity visits to needy homes and various other charities for many years. This CSR effort, organised annually, involves the giving of donations and free meals to various groups during charity and outreach programmes all over Malaysia, including rural areas of Sabah and Sarawak.

In 2024, BOB spent RM 35,294 on providing over thousands of meals to charity homes across Malaysia (refer Table 1), bringing joy to many communities and underprivileged members of society, particularly during festive seasons.

This CSR initiative aims to highlight and contribute towards the global effort to end world hunger. BOB has always supported this initiative since before as the Group believes in using its influence to improve the lives of all those it can reach, in whatever way, no matter how small. This principle is in alignment with the Sustainable Development Goals (SDG) set forth by the United Nations:



17 AUGUST 2023 (WEDNESDAY) » JABATAN PENERANGAN MALAYSIA, SANDAKAN



SB Supplies & Logistics Sdn Bhd ("SBSL") sponsored the Kembara Merdeka Jalur Gemilang event organised by Jabatan Penerangan Malaysia on 17 August 2023 at Dewan PPR Batu Sapi, Sandakan, celebrating Malaysia's Independence Day. SBSL contributed 100 Kids Meals consisting of savoury rice, chickies and packet drinks for the participants of the event.

This sponsorship reflects the Group's commitment in promoting unity, patriotism and community spirit.

Corporate Social Responsibility (CSR) Statement (cont'd)

23 AUGUST 2023 (THURSDAY) » SABAH TSHUNG TSIN SECONDARY SCHOOL



As part of the Group's effort in promoting youth development and active lifestyles, SBSL proudly sponsored a full set of jerseys for the girls' basketball team. Through initiatives like this, our Group continues to invest in the future of the younger generation, providing them with the resources to thrive both on and off the court.

27 OCTOBER 2023 (FRIDAY) » SK NANGA PASSA, BETONG



Corporate Social Responsibility (CSR) Statement (cont'd)

27 OCTOBER 2023 (FRIDAY) » SK NANGA PASSA, BETONG (CONT'D)

SBSL sponsored Year 6 students from SK Ng. Passa, Betong on the 27 October 2023. This sponsorship is aim at raising awareness on the value of educational trips in broadening students' knowledge and experiences. SBSL provided meal sponsorships for 20 students attending the event. The sponsored meals were served at our Borneo Asian Food by SugarBun outlet located at Wisma SugarBun, Jalan Satok.

The Group is honoured to contribute to enriching the learning experiences of young students and support their growth through activities beyond the classroom.



Students posing for the photo outside of SugarBun outlet located at Wisma SugarBun, Jalan Satok.

18 NOVEMBER 2023 (SATURDAY) » RUMAH KANAK-KANAK KOTA KINABALU



Volunteers preparing and distributing SugarBun meals to the children.

On 18 November 2023, SBSL participated in the RKKK World International Children's Day & Christmas Celebration, held at the Dewan Rumah Kanak-Kanak Kota Kinabalu, Beringgis. This festive event brought together children and caregivers from various communities to celebrate the joy and spirit of the holiday season. As part of our commitment to supporting the local community, we provided sponsorship and volunteers to ensure the success of the event. Our team worked closely with the organisers to distribute food, snacks, and gifts to the children, creating a memorable experience for them. This initiative aligns with our CSR focus on community development and social welfare, highlighting our ongoing efforts to contribute positively to the well-being of children and families in need. Through events like this, we aim to foster a sense of togetherness and support for the less fortunate during the holiday season.

Corporate Social Responsibility (CSR) Statement (cont'd)

24 NOVEMBER 2023 (FRIDAY) » DYSLEXIA ASSOCIATION OF SARAWAK, KUCHING



Activity during the Yearly Literacy and Character Building Camp 2023.

Children with dyslexia posing for the photo during the camp. SBSL gladly sponsored the Dyslexia Association of Sarawak's (DASwk) Yearly Literacy and Character Building Camp 2023, held on 24 November 2023. SBSL provided meal sponsorships for 50 participants attending the camp.



Children with dyslexia posing for the photo during the camp.

Corporate Social Responsibility (CSR) Statement (cont'd)

7 DECEMBER 2023 (THURSDAY) » SK KAMPUNG BUDA, SPAOH, BETONG



As part of the Group's ongoing commitment to education and community engagement, we sponsored the "Lawatan Sambil Belajar" organised by SK Kampung Buda, Spaoh, on 7 December 2023. Recognising the importance of providing enriching experiences for students, SBSL sponsored meals for 28 students and 5 teachers as part of this educational trip. The meals were prepared and served at our Borneo Asian Food by SugarBun outlet in Wisma SugarBun, Jalan Satok.

1 FEBRUARY 2024 (THURSDAY) » GRACE OLD FOLKS HOME, LIKAS, KOTA KINABALU



SBSL participated in a charity sponsorship programme in collaboration with Manulife (DU Life Group), insurance agency in Kota Kinabalu. SBSL graciously sponsored the lunch for the home's 24 elderly residents and 9 staff members during the Chinese New Year celebrations. This contribution was key to the event's success, allowing the Manulife team to deliver a nutritious meal while also creating a joyful experience for the elderly. The event not only provided a nutritious meal for the elderly, but also brought smiles and warmth to their hearts. The collaboration promoted awareness of the elderly's needs and emphasised the company's dedication to giving back to society, as well as its continuous support for community welfare initiatives.

Corporate Social Responsibility (CSR) Statement (cont'd)

1 FEBRUARY 2024 (THURSDAY) » GRACE OLD FOLKS HOME, LIKAS, KOTA KINABALU (CONT'D)



A collection of donated food items including SugarBun meals, cooking oil, and household essentials, ready to be distributed to the Grace Old Folks Home.



Nutritious lunch meal sponsored by SugarBun.



Elderly residents enjoying their meals with caregivers assisting them.

Corporate Social Responsibility (CSR) Statement (cont'd)

10 FEBRUARY 2024 (SATURDAY) » PASTI DARUL ILMI 2, KUCHING

SBSL's sponsorship items, including Kids Meals and packet drinks. SBSL sponsored 'Majlis Anugerah Prestasi Murid and Majlis Akhir Tahun Pasti Darul Ilmi 2' held on 10 February 2024, in Kuching by contributing 150 Kids Meals including packet drinks for the students and attendees.

This sponsorship reflects SBSL's dedication to fostering a positive and engaging learning environment for young learners, encouraging their progress, and supporting community-led initiatives.



SBSL's sponsorship items, including Kids Meals and packet drinks.



Children enjoying the sponsored SugarBun Kids Meal.

17 MARCH 2024 (SUNDAY) » LIONS CLUB OF KOTA KINABALU CITY

A representative from SBSL receiving a certificate of appreciation from the Lions Club. The Group also sponsored the Lions Club's 2024 event. SBSL sponsored food for 200 pax to support the Medical Camp organised by the Lions Club at SK Kaiduan, Papar.



A representative from SBSL receiving a certificate of appreciation from the Lions Club.



Certificate of appreciation.

Corporate Social Responsibility (CSR) Statement (cont'd)

24 MAY 2024 (FRIDAY) » PALLIATIVE CARE ASSOCIATION KOTA KINABALU



Palliative Care Association of Kota Kinabalu 25th Anniversary Charity Concert 2024.



Palliative Care Association of Kota Kinabalu 25th Anniversary Charity Concert 2024.

SBSL proudly sponsored the Palliative Care Association of Kota Kinabalu 25th Anniversary Charity Concert 2024. Recognising the vital role that palliative care plays in providing comfort and dignity to patients with life-limiting illnesses, SBSL contributed RM 10,000 by sponsoring a table for the event.

This sponsorship not only reflects our dedication to enhancing community welfare but also our support for local organisations that strive to make a meaningful impact on the lives of those in need of palliative care. The contribution helped the Palliative Care Association raise funds to continue offering essential services and support to patients and their families.

Corporate Social Responsibility (CSR) Statement (cont'd)

8 JUNE 2024 (SATURDAY) » MOTHER OF DIVINE GRACE HOSTEL, KOTA BELUD



The entrance of Mother of Divine Grace Convent in Kota Belud.

Operational since December 2002, Mother of Divine Grace Hostel supports needy rural girls from Kota Belud, which is run by the Franciscan Sisters. This hostel currently accommodates up to 15 local girls, aged 13 to 18, under the supervision of Sr. Clarice Jamitin and Sr. Clare Lombigit.



Students lined up to get meals (sponsored by SugarBun & Pezzo).

15 JUNE 2024 (SATURDAY) » ST. MARIA GORETTI HOSTEL, BINAONG, KENINGAU

Run by the Franciscan Sisters, this hostel currently accommodates up to 70 local girls and also serves as a refuge centre for the abused.



Students and Sister of St. Maria Goretti in Binaong, Keningau, warmly welcome visitors at the entrance of their hostel.



SugarBun and Pezzo' staff are ready to serve meals & beverages to St. Maria Goretti hostel, demonstrating their contribution to the community.

Corporate Social Responsibility (CSR) Statement (cont'd)

15 JUNE 2024 (SATURDAY) » ST. MARIA GORETTI HOSTEL, BINAONG, KENINGAU (CONT'D)



Group photo of SugarBun and Pezzo teams with students of St. Maria Goretti hostel.

16 JUNE 2024 (SUNDAY) » RUMAH KANAK-KANAK BONDULU TOBOH, TAMBUNAN

This is a hostel for poor and needy children, currently houses 66 children, ranging from 6 to 18 years old consisting of both girls (39) and boys (27), run by the Franciscan sisters, Sr. Germaine Angkangon, Sr. Leonia Jokinin and Sr. Liza Pileh.



SugarBun and Pezzo teams, together with partner donors, visit Rumah Kanak-Kanak Bondulu Toboh in Tambunan, engaging with children and supporting the local community.



Children of Bondulu Toboh enjoying their meals.

Corporate Social Responsibility (CSR) Statement (cont'd)

21 JUNE 2024 (FRIDAY) » JESSELTON MEDICAL CENTRE ("JMC"), KOTA KINABALU

SBSL sponsored the Blood Donation Campaign organised by JMC, Kota Kinabalu. Understanding the importance of supporting such life-saving initiatives, we contributed 50 bottles of our signature Tuhau Chilli in support of the event. SBSL's sponsorship was provided as a gesture of appreciation for the donors and event participants, reinforcing our dedication to supporting healthcare initiatives in the community.



JMC team proudly displaying the sponsored goodies during the Blood Donation Campaign.



A grateful blood donor receiving a SBSL-sponsored Tuhau Chilli bottle as part of the JMC's Blood Donation Campaign.

22 JUNE 2024 (SATURDAY) » ST. MARIANNE HOSTEL BANTAYAN, TAMPARULI

A newly built hostel completed in 2022, which can accommodate up to 120 girls, located in Kg. Bantayan, Tamparuli. The hostel, run by the Franciscan Sisters, currently houses 26 girls since it opened in January 2023. Majority of the girls originate from other districts such as Ranau and Kota Belud.



Group photo of SugarBun and Pezzo teams, together with partner donors, visit St. Marianne hostel.

Corporate Social Responsibility (CSR) Statement (cont'd)

23 JUNE 2024 (SUNDAY) » ST. THERESA HOSTEL, KOTA MARUDU

Students lined up awaiting the distribution of the meals (sponsored by SugarBun and Pezzo). This hostel currently houses up to 58 children consisting of 27 boys and 31 girls, from Primary up to Secondary School, situated in Kota Marudu, Sabah. The children come from the surrounding districts whereby it is too far for the children to travel to school. The hostel also houses children from impoverished homes, single parent homes, orphans and some which have been rescued from troubled homes.



Students lined up awaiting the distribution of the meals (sponsored by Sugarbun and Pezzo).

29 JUNE 2024 (SATURDAY) » DON BOSCO CHILDREN'S HOME, BUNDU TUHAN, RANAU

This home has been a sanctuary for orphans and needy children, since its founding in 1969. Currently houses up to 37 children, 20 boys and 17 girls, aged 4 to 18. These children attend classes at SM Bundu Tuhan, a government-run school in the area. Most of these children come from broken families and underprivileged homes that are affected by divorce and single parenting, as well as from rural communities that are located far away from schools.



30 JUNE 2024 (SUNDAY) » SAN DAMIANO GIRLS' HOSTEL, KIULU, TAMPARULI

The hostel was built to accommodate the students coming from far away villages to further their studies. Currently, there are 64 girls residing in the hostel, aged 13 to 18, under the supervision of Sr. Jane Sandalun and Sr. Marysia Angku, Franciscan Sisters.



Corporate Social Responsibility (CSR) Statement (cont'd)

30 JUNE 2024 (SUNDAY) » SAN DAMIANO BOYS' HOSTEL, KIULU, TAMPARULI

The hostel was previously managed by the Franciscan Sisters to provide residential care for school-going youth who were unable to walk to school due to distances from their village homes. Under Monfort Youth Training Centre, the hostel facilities were upgraded to provide a conducive home and learning environment for the youth, including the underprivileged youth into skilled workers for gainful employment and be upright citizens for the nation. Currently, there are 52 boys residing in the hostel, aged 13 to 17, under the supervision of Mr. Johnny Suti.



Group photo with partner sponsors, visiting the San Damiano Boys during their team-building activities at Kondis Point, Kiulu.

Table 1: Sponsorship Summary to Hostels, Schools and Organisations across Malaysia (during the financial year from 1 July 2023 - 30 June 2024).

NO.	DATE	LOCATION / HOSTEL / ORGANISATION
SABAH		
1	17 August 2023	Jabatan Penerangan Malaysia, Sandakan
2	23 August 2023	Sabah Tshung Tsin Secondary School
3	18 November 2023	Rumah Kanak-Kanak Kota Kinabalu, Beringgis
4	1 February 2024	Grace Old Folks Home, Likas, Kota Kinabalu
5	17 March 2024	Lions Club of Kota Kinabalu City
6	24 May 2024	Palliative Care Association Kota Kinabalu
7	8 June 2024	Mother of Divine Grace Hostel, Kota Belud
8	15 June 2024	St. Maria Goretti Hostel, Binaong, Keningau
9	15 June 2024	Montfort Youth Training Centre (MYTC)
10	16 June 2024	Rumah Kanak-Kanak Bondulu Toboh, Tambunan
11	21 June 2024	Jesselton Medical Centre, Kota Kinabalu
12	22 June 2024	St Marianne Hostel Bantayan, Tamparuli
13	23 June 2024	St. Theresa Hostel, Kota Marudu
14	29 June 2024	Don Bosco Children's Home, Bundu Tuhan, Ranau
15	30 June 2024	San Damiano Girls' Hostel, Kiulu, Tamparuli
16	30 June 2024	San Damiano Boys' Hostel, Kiulu, Tamparuli

Corporate Social Responsibility (CSR) Statement (cont'd)

Table 1: Sponsorship Summary to Hostels, Schools and Organisations across Malaysia (during the financial year from 1 July 2023 - 30 June 2024). (Cont'd)

NO.	DATE	LOCATION / HOSTEL / ORGANISATION
SARAWAK		
17	July 2023	Kelab Sosial & Rekreasi Pejabat Kesihatan
18	27 October 2023	SK Nanga Passa, Betong
19	24 November 2023	Dyslexia Association of Sarawak, Kuching
20	7 December 2023	SK Kampung Buda, Spaoh, Betong
21	3 February 2024	SK Pendidikan Khas Kuching
22	10 February 2024	PASTI Darul Ilmi 2, Kuching
23	7 April 2024	Sarawak Society for the Deaf, Kuching
WEST MALAYSIA		
24	12 November 2023	SM Pendidikan Khas Vokasional Kuantan
25	30 November 2023	SK Taman Cendana, Pasir Gudang

FARMER CONNECT - A REGENERATIVE AGRICULTURE INITIATIVE

As part of BOB's commitment towards sustainable and regenerative agriculture and food production, through its subsidiary Borneo Eco Food Sdn. Bhd. ("BEF"), it lends its support towards sustainable food production through its collaboration with Verde Resources (Malaysia) Sdn Bhd. Through an innovative CSR project to plant maize, BEF collaborated on a Pilot Project with Verde to use sustainable and regenerative farming practices. This Pilot Project is done in collaboration with rural landowners of idle land to share knowledge on optimal, eco-friendly farming techniques and help local farmers to prosper. This initiative includes the purchase of the produce from the farmer to incentivise production of the maize.

Our flagship initiative involves the cultivation of maize for animal feed as part of an initiative to train and encourage self-reliance. Being a major consumer of poultry for the FFO Division, this initiative is part of our broader strategy to positively contribute towards sustainable sourcing of raw materials and impact the community and the environment and at the same time. This initiative, if scaled up, can lower the cost of locally sourced poultry that is directly affected by foreign exchange due to reliance on imported maize.

Maize Planting Pilot Project | Kg. Bobot, Kota Belud, Sabah



SugarBun's pilot project in Kg Bobot to farm maize on a commercial scale.

Through our subsidiary, BEF, we have collaborated on a pilot project in Kg Bobot, Kota Belud, Sabah covering an area of approximately eight (8) acres, to cultivate maize on a commercial scale utilizing modern and sustainable farming methods.

The regenerative products used in this project were Enriched Biochar ("EBC") and Wood Vinegar ("WV"), which were applied to the plot soil. BEF has invested a total of RM 200,000 venture capital and covered all expenses related to the maize cultivation and also in its effort to purchase the maize from local agropreneurs in maize production. This venture involves the local farmer, who is also the landowner, who shares the profits from the sale of maize after deducting operational costs. This mutually beneficial arrangement ensures the financial viability of local farmers and contributes to the economic growth of the region.

Corporate Social Responsibility (CSR) Statement (cont'd)

Maize Planting Pilot Project | Kg. Bobot, Kota Belud, Sabah (Cont'd)

The harvested maize is subsequently sold to BOB's chicken supplier, Evergrowth Integrated Food Industries Sdn Bhd, as material for SugarBun. This closed-loop system not only benefits local farmers, but also ensures a steady supply of sustainable food products to SugarBun, strengthening the overall food sustainability chain and resulting in a sustainable business model for the agropreneurs and the company. This is a small but impactful first step towards ensuring that all produce used in the Group's supply chain are in line with ESG principles.

This CSR project utilises cutting-edge agricultural technology, including regulated water systems, automatic seeding machines, drones for WV application, harvesters, de-kernelling machines, and kernel drying machines. Designed by Trinity Agroviser PLT, a young local start-up, this technological integration minimizes manual labour while increasing productivity, making agriculture more attractive to the younger generation.



Datuk Seri Dr Jeffrey Kitingan (Minister of Agriculture, Fisheries and Food Industry) and Datuk Joseph Ambrose Lee (Managing Director of BOB Group).

Impact & Future Prospects

The pilot project commenced in mid-August 2023 and yielded an estimated 7.8 metric tons of maize harvested from approximately 8 acres within 100 days.

Our goal is to produce 2,000 metric tons of maize monthly, contributing to the 200,000 metric tons required annually as feedstock for chicken. By achieving this target, we aim to reduce the cost of our chicken supply and at the same time, take a proactive role in ensuring the source of the poultry is sustainable.

The Group recognises that this is an ongoing effort, and that this effort cannot on its own ensure that all the Group's chicken and poultry is sustainably sourced. However, the Group is committed to do its best endeavours to achieve its target to procure most of its raw materials through sustainable sources and conduct due diligence on its suppliers.

This CSR project showcases our efforts toward achieving the United Nations Sustainable Development Goals ("UNSDG"):



DIRECTORS' RESPONSIBILITY STATEMENT

The Directors are required by the Companies Act, 2016 ("CA") to prepare the financial statements for each financial year which have been made out in accordance with the applicable Malaysian Financial Reporting Standards, the IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the CA in Malaysia.

The Directors are responsible to ensure that the financial statements give a true and fair view of the state of affairs of the Group and of the Company at the end of the financial year and the results and cash flows of the Group and of the Company for the financial year.

In preparing the financial statements, the Directors have:

- Adopted appropriate accounting policies which were consistently applied;
- Made judgements and estimates that are reasonable and prudent; and
- Prepared the financial statements on a going concern basis.

The Directors have a reasonable expectation, having made enquiries, that the Group and the Company have adequate resources to continue in operations for the foreseeable future.

The Directors are responsible to ensure that the Group and the Company keep accounting records which disclose the financial position of the Group and of the Company with reasonable accuracy, enabling them to ensure that the financial statements comply with the CA.

The Directors are also responsible for taking such steps to ensure that proper internal controls are in place to safeguard the assets of the Group and the Company, and to detect and prevent fraud and other irregularities.