



Hap Seng And Victoria Limited Back Bornoil's Gold Mining Activities To The Hilt

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LABUAN, Sept 30 (Bernama) -- RHB Investment Bank Berhad (“RHBIB”), on behalf of Borneo Oil Berhad (“BornOil”), has announced that BornOil has entered into an underwriting agreement with RHBIB, Kenanga Investment Bank Berhad and MIFAM Amanah Investment Bank Berhad to underwrite a total of up to 1,291,104,196 Rights Shares representing approximately 54.39% of the total Rights Shares available for subscription.

To recap, BornOil shareholders had approved the company’s renounceable rights issue entailing up to 2,373,841,596 Rights Shares at an indicative issue price of RM0.10 per Rights Share on the basis of six Rights Shares for every one existing BornOil Share held, together with up to 1,186,920,798 free detachable Warrants C on the basis of one free Warrant C for every two Rights Shares subscribed. The balance of 1,082,737,400 Rights Shares or approximately 45.61% of the total Rights Shares available for subscription represents the aggregate of the following:-

- The entitlements of Victoria Limited and Hap Seng Insurance Services Sdn Bhd, being the substantial shareholders of Bornoil, under the Rights Issue with Warrants, for which they have provided their respective irrevocable and unconditional written undertakings to fully subscribe for their respective entitlements under the Rights Issue with Warrants; and-
- The additional irrevocable and unconditional written undertaking from Victoria Limited to subscribe for an additional of up to 140,000,000 Rights Shares.

BornOil executive director Raymond Teo said that this latest development demonstrates the company’s substantial shareholders are fully behind its gold-mining initiatives. “We would like to express our deepest appreciation to the Hap Seng Group and Victoria Limited for the solid backing and confidence demonstrated with regards to BornOil’s prospects ahead,” said Teo. “At our end, we will continue to work hard and smart in our pursuit of excellence for our core

businesses and to maximise value for all shareholders,” added Teo. Last week, Borneo Oil Berhad (BornOil)’s financial performance continued from where it left off from the last quarter to record continued strong growth for the second quarter of the current year.

The increase in turnover to RM51.18million posted in the second quarter (2014: RM19.32 million) stemmed from greater contribution from the group’s oil, gas, mining and related activities ,and further complemented by its fast food division which continued to perform consistently. Cumulatively, for the first half year, revenue soared to RM65.81 million (2014:RM27.39 million) while net profit climbed to RM3.41 million from the RM845,000posted in the previously corresponding period.

To date, BornOil had signed exclusive production sharing agreements to carry out mining works at five sites on 1,500ha in Pahang. These mining arrangements donot carry any acquisition cost as infrastructure and development facilities were already in place at the two sites.

Gold price recently ran up to a six-week high as investors globally sought the commodity as a “safe haven” amid the backdrop of currency uncertainties and falling stock markets.

Last month, HSBC in a report predicted that the price of gold will rise by some10 percent by year-end to touch the US\$1,225 an ounce level (gold closed atUS1,135 an ounce last week).