

BIO OSMO BHD
(Company No. 740838-A)
(Incorporated in Malaysia)

Quarterly report on consolidated results for the third quarter ended 31 March 2010.

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER 31/03/2010 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31/03/2009 RM'000	CURRENT YEAR TO DATE 31/03/2010 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/03/2009 RM'000
Revenue	4,325	5,257	11,636	16,779
Other income	112	158	300	327
Operating expenses	(6,115)	(9,117)	(18,155)	(26,565)
Finance cost	(905)	(836)	(2,864)	(2,510)
Operating Profit / (Loss) before tax	<u>(2,583)</u>	<u>(4,538)</u>	<u>(9,083)</u>	<u>(11,969)</u>
Taxation	(8)	(63)	(8)	(63)
Net Profit / (Loss) after tax	<u>(2,591)</u>	<u>(4,601)</u>	<u>(9,091)</u>	<u>(12,032)</u>
Attributable to:				
Equity holders of the parent company	<u>(2,591)</u>	<u>(4,601)</u>	<u>(9,091)</u>	<u>(12,032)</u>
Earnings per share:-				
(a) Basic (sen)	<u>(1.30)</u>	<u>(2.30)</u>	<u>(4.55)</u>	<u>(6.02)</u>
(b) Fully diluted (sen)	<u>(1.30)</u>	<u>(2.30)</u>	<u>(4.55)</u>	<u>(6.02)</u>

Note:

The unaudited condensed consolidated income statement should be read in conjunction with the audited financial statement for the financial year ended 30 June 2009 and the accompanying explanatory notes attached to the interim financial report.

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UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2010

	UNAUDITED AS AT 31/03/2010 RM'000	AUDITED AS AT 30/06/2009 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	48,877	53,314
Other investment	3,500	3,500
Deferred Tax Assets	-	-
	<u>52,377</u>	<u>56,814</u>
Current assets		
Inventories	1,016	1,562
Trade receivables	8,047	9,617
Other receivables, deposits and prepayments	9,943	10,373
Fixed deposits with licensed bank	346	652
Cash on hand and at banks	1,226	1,648
Tax recoverable	55	55
	<u>20,633</u>	<u>23,907</u>
TOTAL ASSETS	73,010	80,721
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	40,000	40,000
Reserves	(25,400)	(16,309)
TOTAL EQUITY	<u>14,600</u>	<u>23,691</u>
Non-current liabilities		
Long term borrowings	50,554	43,312
Deferred taxation	-	-
	<u>50,554</u>	<u>43,312</u>
Current liabilities		
Trade payables	1,520	1,634
Other payables and accruals	3,548	1,581
Short term borrowings	2,788	10,503
	<u>7,856</u>	<u>13,718</u>
TOTAL LIABILITIES	58,410	57,030
TOTAL EQUITY AND LIABILITIES	73,010	80,721
Net assets per share attributable to ordinary equity holders of the parent (RM)	0.0730	0.1185

Note:

The unaudited condensed consolidated balance sheet should be read in conjunction with the audited financial statement for the financial year ended 30 June 2009 and the accompanying explanatory notes attached to the interim financial report.

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UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT FOR THE FINANCIAL PERIOD ENDED 31ST MARCH 2010

	CURRENT YEAR TO DATE 31/03/2010 RM'000	PRECEEDING YEAR CORRESPONDING PERIOD 31/03/2009 RM'000
CASH FLOWS FROM / (USED IN) OPERATING ACTIVITIES		
(Loss) / Profit before tax	(9,083)	(11,969)
Adjustments for:		
Depreciation of property, plant and equipment	4,493	4,530
Interest Expense	2,864	2,495
Interest Income	(6)	(327)
Operating profit before working capital changes	<u>(1,732)</u>	<u>(5,271)</u>
Decrease / (Increase) in inventories	546	3,117
Decrease / (Increase) in trade receivables	1,570	2,272
Decrease / (increase) Increase in other receivables, deposits and prepa	430	(136)
Increase / (Decrease) in trade payables	(114)	(431)
Increase / (Decrease) in other payables and accruals	1,967	923
Cash used in operations	<u>2,667</u>	<u>474</u>
Income tax refund	-	1,095
Income tax paid	<u>(8)</u>	<u>(63)</u>
Net cash generated from operating activities	<u>2,659</u>	<u>1,506</u>
CASH FLOWS FROM / (USED IN) INVESTING ACTIVITIES		
Interest received	6	327
Purchase of property, plant and equipment	<u>(56)</u>	<u>(1,299)</u>
Net cash used in Investing activities	<u>(50)</u>	<u>(972)</u>
CASH FLOWS FROM / (USED IN) FINANCING ACTIVITIES		
Net proceeds/(repayment) of borrowings	(205)	578
Repayment of finance payables	(550)	(446)
Repayment of term loan	282	(29)
Dividend		(2,000)
Finance costs paid	<u>(2,864)</u>	<u>(2,495)</u>
Net cash used in financing activities	<u>(3,337)</u>	<u>(4,392)</u>
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>(728)</u>	<u>(3,858)</u>
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	<u>2,300</u>	<u>5,078</u>
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u><u>1,572</u></u>	<u><u>1,220</u></u>

Note:

The unaudited condensed consolidated cash flow statement should be read in conjunction with the audited financial statement for the financial year ended 30 June 2009 and the accompanying explanatory notes attached to the interim financial report.

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 31ST MARCH 2010

	Share Capital RM'000	Distributable Retained Profit RM'000	Non- Distributable Share Premium RM'000	Total Equity RM'000
Balance as of 1 July 2009	40,000	(19,162)	2,853	23,691
Net profit / (Loss) for the period	-	(9,091)	-	(9,091)
Balance as of 31 March 2010	<u>40,000</u>	<u>(28,253)</u>	<u>2,853</u>	<u>14,600</u>

Balance as of 1st July 2008	40,000	12,482	2,853	55,335
Net profit / (Loss) for the quarter	-	(12,032)	-	(12,032)
Dividend	-	(2,000)	-	(2,000)
Balance as of 31st March 2009	<u>40,000</u>	<u>(1,550)</u>	<u>2,853</u>	<u>41,303</u>

Note:

The unaudited condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statement for the financial year ended 30 June 2009 and the accompanying explanatory notes attached to the interim financial report.