

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

Quarterly report on consolidated results for the second quarter ended 31 December 2011.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2011

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER 31/12/2011 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31/12/2010 RM'000	CURRENT YEAR TO DATE 31/12/2011 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/12/2010 RM'000
Revenue	829	4,147	1,491	8,059
Other income	172	198	217	919
Operating expenses	(2,161)	(5,646)	(4,198)	(11,089)
Finance cost	(375)	(1,057)	(829)	(1,946)
Loss before tax	<u>(1,535)</u>	<u>(2,358)</u>	<u>(3,319)</u>	<u>(4,057)</u>
Taxation	-	(37)	-	(37)
Loss after tax	<u>(1,535)</u>	<u>(2,395)</u>	<u>(3,319)</u>	<u>(4,094)</u>
Other comprehensive income				
Gain arising from revaluation of Property, Plant and Equipment	-	-	-	1,148
Total comprehensive expense for the year	<u>(1,535)</u>	<u>(2,395)</u>	<u>(3,319)</u>	<u>(2,946)</u>
Loss attributable to:				
Owners of the Parent	(1,535)	(2,395)	(3,319)	(4,094)
Non-controlling interest	-	-	-	-
	<u>(1,535)</u>	<u>(2,395)</u>	<u>(3,319)</u>	<u>(4,094)</u>
Total comprehensive expense attributable to:				
Owners of the Parent	(1,535)	(2,395)	(3,319)	(2,946)
Non-controlling interest	-	-	-	-
	<u>(1,535)</u>	<u>(2,395)</u>	<u>(3,319)</u>	<u>(2,946)</u>
Earnings per share:-				
(a) Basic (sen)	<u>(0.77)</u>	<u>(1.20)</u>	<u>(1.66)</u>	<u>(2.05)</u>
(b) Fully diluted (sen)	<u>(0.77)</u>	<u>(1.20)</u>	<u>(1.66)</u>	<u>(2.05)</u>

Note:

The unaudited condensed consolidated statement of comprehensive expense should be read in conjunction with the audited financial statement for the financial year ended 30 June 2011 and the accompanying explanatory notes attached to the interim financial report.

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2011

	UNAUDITED AS AT 31/12/2011 RM'000	AUDITED AS AT 30/06/2011 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	45,484	47,101
Deferred Tax Assets	4,414	4,414
	49,898	51,515
Current assets		
Inventories	1,795	1,671
Trade receivables	2,415	2,733
Other receivables, deposits and prepayments	9,825	9,819
Fixed deposits with licensed bank	424	428
Cash on hand and at banks	160	118
Tax recoverable	53	53
	14,672	14,822
TOTAL ASSETS	64,570	66,337
EQUITY AND LIABILITIES		
Share capital	40,000	40,000
Accumulated Losses	(24,966)	(21,643)
Reserves	4,096	4,096
	19,130	22,453
Non-controlling interest	-	(4)
TOTAL EQUITY	19,130	22,449
Non-current liabilities		
Long term borrowings	13,160	14,729
	13,160	14,729
Current liabilities		
Trade payables	2,032	1,713
Other payables and accruals	2,831	1,617
Amount due to director	24	-
Short term borrowings	27,393	25,829
	32,280	29,159
TOTAL LIABILITIES	45,440	43,888
TOTAL EQUITY AND LIABILITIES	64,570	66,337
Net assets per share attributable to ordinary equity holders of the parent (RM)	0.0957	0.1123

Note:

The unaudited condensed consolidated statement of financial position should be read in conjunction with the audited financial statement for the financial year ended 30 June 2011 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 31 DECEMBER 2011

	CURRENT YEAR FOR THE PERIOD 31/12/2011 RM'000	PRECEEDING YEAR CORRESPONDING PERIOD 31/12/2010 RM'000
CASH FLOWS USED IN OPERATING ACTIVITIES		
Loss before tax	(3,319)	(4,057)
Adjustments for:		
Depreciation of property, plant and equipment	1,558	1,689
Unrealised Foreign Exchange Gain	(2)	(106)
Interest Expense	829	1,946
Gain on disposal of property, plant and equipment	(156)	(706)
Interest Income	(5)	(4)
Operating loss before working capital changes	(1,094)	(1,238)
Increase in inventories	(124)	(1,002)
Decrease / (Increase) in trade receivables	318	(393)
Increase in other receivables, deposits and prepayments	(6)	(163)
Increase / (Decrease) in trade payables	319	(892)
Increase / (Decrease) in other payables and accruals	414	(202)
Cash used in operations	(174)	(3,890)
Interest received	5	4
Interest paid	(5)	(654)
Income tax paid	-	(37)
Net cash used in operating activities	(173)	(4,577)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceed from disposal of property, plant and equipment	220	1,637
Purchase of property, plant and equipment	(5)	(67)
Net cash from investing activities	215	1,570
CASH FLOWS (USED IN) / FROM FINANCING ACTIVITIES		
Net changes in revolving credit	-	3,754
Drawdown of term loan	91	-
Repayment of hire purchase payables	(96)	(367)
Repayment of term loan	-	(344)
Withdrawal/(Placement) of fixed deposit pledged	4	(40)
Net cash (used in)/from financing activities	(1)	3,003
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	41	(4)
EFFECT OF EXCHANGE RATE CHANGES	2	106
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	118	305
CASH AND CASH EQUIVALENTS AT END OF PERIOD	160	407
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR COMPRISE:		
Cash and bank balances	160	407
Fixed deposit with licensed banks	424	388
	584	795
Less: Fixed deposit with licensed banks pledged	(424)	(388)
	160	407

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 2011 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 DECEMBER 2011

	<----- Attributable to equity holders of the Parent Company ----->				Total	Non-controlling Interest	Total Equity
	Share Capital RM'000	Distributable Retained Profit RM'000	Non-Distributable Share Premium RM'000	Revaluation reserve RM'000			
Balance as of 1 July 2011	40,000	(21,643)	2,853	1,243	22,453	(4)	22,449
Total comprehensive income for the period	-	(3,319)	-	-	(3,319)	-	(3,319)
Changes in non-controlling interest		(4)			(4)	4	
Balance as of 31 December 2011	<u>40,000</u>	<u>(24,966)</u>	<u>2,853</u>	<u>1,243</u>	<u>19,130</u>	<u>-</u>	<u>19,130</u>
<hr/>							
Balance as of 1 July 2010	40,000	(28,905)	2,853	-	13,948	-	13,948
Total comprehensive income for the period	-	(4,094)	-	1,148	(2,946)	-	(2,946)
Balance as of 31 December 2010	<u>40,000</u>	<u>(32,999)</u>	<u>2,853</u>	<u>1,148</u>	<u>11,002</u>	<u>-</u>	<u>11,002</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 2011 and the accompanying explanatory notes attached to the interim financial report.