

**BIO OSMO BHD (740838-A)**  
**(Incorporated in Malaysia)**

**CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE QUARTER AND YEAR-TO-DATE ENDED 30 JUNE 2018**

RM'000	3 months ended			12 months ended		
	30.06.18 (Unaudited)	30.06.17 (Unaudited)	Changes (%)	30.06.18 (Unaudited)	30.06.17 (Unaudited)	Changes (%)
Revenue	1,508	2,782	(46)	5,583	9,106	(39)
Other income	(189)	1,211	(116)	398	1,830	(78)
Operating expenses	(6,166)	(8,344)	(26)	(13,412)	(20,777)	(35)
Operating loss before tax	<u>(4,847)</u>	<u>(4,351)</u>	11	<u>(7,431)</u>	<u>(9,841)</u>	(24)
Taxation	(92)	(938)	(90)	(640)	(1,231)	(48)
Net loss after tax	<u>(4,939)</u>	<u>(5,289)</u>	(7)	<u>(8,071)</u>	<u>(11,072)</u>	(27)
Total comprehensive expense for the period	<u>(4,939)</u>	<u>(5,289)</u>	(7)	<u>(8,071)</u>	<u>(11,072)</u>	(27)
(Loss)/profit attributable to:						
Owners of the Company	(4,932)	(5,188)	(5)	(7,907)	(10,925)	(28)
Non-controlling interest	<u>(7)</u>	<u>(101)</u>	(93)	<u>(164)</u>	<u>(147)</u>	12
	<u>(4,939)</u>	<u>(5,289)</u>	(7)	<u>(8,071)</u>	<u>(11,072)</u>	(27)
Total comprehensive (expense)/income attributable to:						
Owners of the Company	(4,932)	(5,188)	(5)	(7,907)	(10,925)	(28)
Non-controlling interest	<u>(7)</u>	<u>(101)</u>	(93)	<u>(164)</u>	<u>(147)</u>	12
	<u>(4,939)</u>	<u>(5,289)</u>	(7)	<u>(8,071)</u>	<u>(11,072)</u>	(27)
Loss per share attributable to Owners of the Company (sen):-						
Basic	(0.62)	(0.72)	(14)	(0.99)	(1.67)	(40)
Fully diluted*	<u>(0.62)</u>	<u>(0.72)</u>	(14)	<u>(0.99)</u>	<u>(1.67)</u>	(40)

\* The diluted loss per share of the Group is equivalent to the basic loss per share as the diluted loss per share has anti-dilutive effect.

*The above condensed consolidated statements of profit or loss and other comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 30 June 2017 and the accompanying explanatory notes attached to these interim financial statements.*

**BIO OSMO BHD (740838-A)**  
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**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2018**

<b>RM'000</b>	<b>As at 30.06.18 (Unaudited)</b>	<b>As at 30.06.17 (Audited)</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	16,403	23,081
Intangible assets	12,507	13,533
Trade receivables	621	451
Total non-current assets	<u>29,531</u>	<u>37,065</u>
<b>Current assets</b>		
Inventories	-	574
Trade receivables	3,715	4,978
Other receivables, deposits and prepayments	602	944
Fixed deposits with licensed bank	306	306
Cash on hand and at banks	184	2,083
Total current assets	<u>4,807</u>	<u>8,885</u>
<b>TOTAL ASSETS</b>	<u><u>34,338</u></u>	<u><u>45,950</u></u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	42,299	42,299
Accumulated losses	(20,589)	(12,682)
Equity attributable to Owners of the Company	21,710	29,617
Non-controlling interest	4,688	5,415
Total equity	<u>26,398</u>	<u>35,032</u>
<b>Non-current liabilities</b>		
Deferred tax liability	725	766
Trade payables	100	81
Total non-current liabilities	<u>825</u>	<u>847</u>
<b>Current liabilities</b>		
Trade payables	941	1,185
Other payables and accruals	4,631	7,583
Amounts due to Directors	150	389
Tax payable	1,393	914
Total current liabilities	<u>7,115</u>	<u>10,071</u>
Total liabilities	<u>7,940</u>	<u>10,918</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><u>34,338</u></u>	<u><u>45,950</u></u>
Net assets per share attributable to owners of the Company (RM)	<u>0.03</u>	<u>0.04</u>

*The above condensed consolidated statements of financial position should be read in conjunction with the audited financial statements for the financial year ended 30 June 2017 and the accompanying explanatory notes attached to these interim financial statements.*

**BIO OSMO BHD (740838-A)**  
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**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR-TO-DATE ENDED 30 JUNE 2018**

	<----- Attributable to Owners of the Company ----->				Total	Non- controlling Interest	Total Equity
	Share Capital	Distributable	<----- Non-Distributable ----->				
		Accumulated losses	Share Premium	Warrants Reserve			
	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000
Balance as of 1 July 2017	42,299	(12,682)	-	-	29,617	5,415	35,032
Total comprehensive expense for the period	-	(7,907)	-	-	(7,907)	(164)	(8,071)
Dividends	-	-	-	-	-	(563)	(563)
Balance as of 30 June 2018	42,299	(20,589)	-	-	21,710	4,688	26,398
<hr/>							
Balance as of 1 July 2016	24,933	(3,023)	288	2,093	24,291	(1,103)	23,188
Issuance of shares	17,366	-	-	-	17,366	-	17,366
Share issuance expenses	-	(827)	(288)	-	(1,115)	-	(1,115)
Acquisition of new subsidiary	-	-	-	-	-	6,665	6,665
Warrants expiry	-	2,093	-	(2,093)	-	-	-
Total comprehensive expense for the period	-	(10,925)	-	-	(10,925)	(147)	(11,072)
Balance as of 30 June 2017	42,299	(12,682)	-	-	29,617	5,415	35,032

*The above condensed consolidated statements of changes in equity should be read in conjunction with the audited financial statements for the financial year ended 30 June 2017 and the accompanying explanatory notes attached to these interim financial statements.*

**BIO OSMO BHD (740838-A)**  
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**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEAR-TO-DATE ENDED 30 JUNE 2018**

<b>RM'000</b>	<b>12 months ended</b>	
	<b>30.06.18</b>	<b>30.06.17</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>CASH FLOWS USED IN OPERATING ACTIVITIES</b>		
Loss before taxation	(7,431)	(9,841)
Adjustments for:		
Bad debts written off	-	495
Bargain purchase gain on acquisition of a subsidiary	-	(1,244)
Amortisation of intangible assets	1,026	685
Amortisation of leasehold land	57	-
Deposits written off	-	75
Depreciation of property, plant and equipment	1,989	2,026
Impairment loss on property, plant and equipment	4,634	4,621
Impairment loss on receivables	-	179
Property, plant and equipment written off	-	281
Gain on disposal of property, plant and equipment	(20)	(460)
Reversal of impairment loss on property, plant and equipment	-	(28)
Reversal of impairment loss on trade receivables	-	(495)
Interest income	(19)	(21)
Unrealised gain on foreign currency exchange	135	(59)
<b>Operating profit/(loss) before working capital changes</b>	<b>371</b>	<b>(3,786)</b>
Decrease/(increase) in inventories	574	(163)
Decrease/(increase) in receivables	1,435	(3,514)
(Decrease)/increase in amount due to Directors	(239)	39
Decrease in payables	(3,177)	(2,784)
Cash absorbed by operations	(1,036)	(10,208)
Interest received	19	21
Dividend paid	(563)	-
Income tax paid	(202)	(360)
<b>Net cash used in operating activities</b>	<b>(1,782)</b>	<b>(10,547)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(2)	(3,396)
Proceeds from disposal of property, plant and equipment	20	12,000
Cash outflow on acquisition of a subsidiary company	-	(12,850)
<b>Net cash from/(used in) investing activities</b>	<b>18</b>	<b>(4,246)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issuance of ordinary shares	-	17,366
Shares issuance expenses paid	-	(1,115)
<b>Net cash from financing activities</b>	<b>-</b>	<b>16,251</b>
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(1,764)</b>	<b>1,458</b>
EFFECT OF EXCHANGE RATE CHANGES	(135)	-
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	<b>2,083</b>	<b>625</b>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>184</b>	<b>2,083</b>
<b>CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD COMPRISE:</b>		
Cash and bank balances	184	2,083
Fixed deposit with licensed banks	306	306
	490	2,389
Less : Fixed deposit pledged to licensed banks	(306)	(306)
	184	2,083

*The above condensed consolidated statements of cash flows should be read in conjunction with the audited financial statements for the financial year ended 30 June 2017 and the accompanying explanatory notes attached to these interim financial statements.*

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**NOTES TO THE QUARTERLY REPORT ON CONSOLIDATED RESULT FOR THE QUARTER AND YEAR-TO-DATE ENDED 30 JUNE 2018**

**A1. BASIS OF PREPARATION**

This condensed consolidated interim financial statements (Condensed Report), other than for financial instruments, have been prepared under the historical cost convention. Certain financial instruments have been carried at fair value in accordance to Malaysian Financial Reporting Standard (MFRS) 139 Financial Instruments: Recognition and Measurement.

This condensed consolidated interim financial statements (Condensed Report) have been prepared in accordance with MFRS 134: Interim Financial Reporting and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

This Condensed Report should be read in conjunction with the audited financial statements for the financial year ended 30 June 2017. The explanatory notes attached to the Condensed Report provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 30 June 2017.

**A2. SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies adopted in the preparation of the Condensed Report are consistent with those followed in the preparation of the Group's audited financial statements for the financial year ended 30 June 2017, except the

Adoption of Amendments to Standards and IC Interpretations

The Group has adopted the following Amendments to Standards and IC Interpretations, with a date of initial application of 1 January 2017.

Amendments to MFRS 107	Statement of Cash Flows - Disclosure Initiative
Amendments to MFRS 112	Income Taxes - Recognition of Deferred Tax Assets for Unrealised Losses
Amendments to MFRS 12	Disclosure of Interests in Other Entities (Annual Improvements to MFRSs 2014 - 2016 Cycle)

The above pronouncements are either not relevant or do not have any impact on the financial statements of the Group, except for the Amendments to MFRS107 Statement of Cash Flows - Disclosure Initiative.

These amendments to MFRS 107 Statement of Cash Flows - Disclosure Initiative require the Group to disclose a reconciliation between the opening and closing balances for liabilities arising from financing activities, including changes arising from both cash flow and non-cash flow items. The adoption of these amendments does not require additional disclosure in the Condensed Report, but such disclosure will be required in the annual financial statements.

Standards issued but not yet effective

At the date of authorisation of the Condensed Report, the following Standards, Amendments and Annual Improvements to Standards were issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective and have not been adopted by the Group:

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**A2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

Standards issued but not yet effective (cont'd)

**Effective for financial periods beginning on or after 1 January 2018**

MFRS 9	Financial Instruments
MFRS 15	Revenue from Contracts with Customers & Clarifications to MFRS 15
Amendments to MFRS 2	Share-based Payment - Classification and Measurement of Share-based Payment Transactions
Amendments to MFRS 4	Insurance Contracts - Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts
Amendments to MFRS 140	Investment Property - Transfers of Investment Property
Amendments to MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements to MFRSs 2014 - 2016 Cycle)
Amendments to MFRS 128	Investments in Associates and Joint Ventures (Annual Improvements to MFRSs 2014 - 2016 Cycle)
IC Interpretations 22	Foreign Currency Transactions and Advance Consideration

**Effective for financial periods beginning on or after 1 January 2019**

MFRS 9	Financial Instruments - Prepayment Features with Negative Compensation
MFRS 16	Leases
Amendments to MFRS 3, MFRS 11, MFRS 112, MFRS 123	Annual Improvements to MFRSs 2015 - 2017 Cycle
Amendments to MFRS 119	Employee Benefits - Plan Amendments, Curtailment or Settlement
Amendments to MFRS 128	Investment in Associates and Joint Ventures - Long-term Interest in Associates and Joint Ventures

**Effective for financial periods beginning on or after 1 January 2020**

Amendments to MFRS 2	Share-based Payment
Amendments to MFRS 3	Business Combinations
Amendments to MFRS 6	Exploration for and Evaluation of Mineral Resources
Amendments to MFRS 14	Regulatory Deferred Accounts
Amendments to MFRS 101	Presentation of Financial Statements
Amendments to MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors
Amendments to MFRS 134	Interim Financial Reporting
Amendments to MFRS 137	Provisions, Contingent Liabilities and Contingent Assets
Amendments to MFRS 138	Intangible Assets
Amendments to IC Interpretations 12	Service Concession Arrangements
Amendments to IC Interpretations 19	Extinguishing Financial Liabilities with Equity Instruments
Amendments to IC Interpretations 20	Stripping Costs in the Production Phase of a Surface Mine
Amendments to IC Interpretations 22	Foreign Currency Transactions and Advance Consideration
Amendments to IC Interpretations 132	Intangible Assets - Web Site Costs

**Effective for financial periods beginning on or after 1 January 2021**

MFRS 17	Insurance Contracts
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The Group will adopt the above pronouncements when they become effective in the respective financial periods. The Group does not expect any material impact to the financial statements on the above pronouncements.

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**A3. AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS**

The preceding financial period's audited financial statements of the Group were not subject to any qualification.

**A4. SEASONAL AND CYCLICAL FACTORS**

The business operations of the Group are subject to the forces of supply and demand, and thus could display cyclical trends.

**A5. UNUSUAL ITEMS AFFECTING ASSETS, LIABILITIES, EQUITY, NET INCOME OR CASH FLOWS**

There were no material items of an unusual nature and amount for the current quarter and year-to-date ended 30 June 2018.

**A6. MATERIAL ESTIMATES AND CHANGES IN ESTIMATES**

There were no material changes in the estimates used in the current quarter and year-to-date ended 30 June 2018.

**A7. ISSUANCES, CANCELLATIONS, REPURCHASES, RESALE AND REPAYMENTS OF DEBT AND EQUITY SECURITIES**

There were no issuance and repayment of debt and equity securities, share buy-backs, share cancellations and resale of treasury shares for the current quarter and year-to-date ended 30 June 2018.

**A8. DIVIDEND PAID**

There were no dividends paid during the current and previous corresponding quarter.

**A9. SEGMENTAL INFORMATION**

MFRS 8 requires separate reporting of segmental information for operating segments. Operating segments reflect the Group's management structure and the way financial information is regularly reviewed by the top management and the Board of Directors.

The Group is focused in 2 areas of activities, bottled drinking water business and hospitality business. The new hospitality business includes businesses of management and operation of hotels and resorts, property investment and hotel development.

<b><u>Segment Revenue and Results</u></b> <b>RM '000</b>	<b>3 months ended</b>		<b>12 months ended</b>	
	<b>30.06.18</b>	<b>30.06.17</b>	<b>30.06.18</b>	<b>30.06.17</b>
Revenue				
- Hospitality	973	2,647	3,385	4,699
- Bottled water	535	135	2,198	4,407
	<u>1,508</u>	<u>2,782</u>	<u>5,583</u>	<u>9,106</u>
Net (loss)/profit after tax				
- Hospitality	45	1,485	856	2,075
- Bottled water	(4,511)	(5,135)	(7,089)	(11,823)
- other unallocated expenses	(473)	(1,639)	(1,838)	(1,324)
	<u>(4,939)</u>	<u>(5,289)</u>	<u>(8,071)</u>	<u>(11,072)</u>

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**A9. SEGMENTAL INFORMATION (CONT'D)**

During the April to June 2018 period, the hospitality division contributed 64.5% of group revenue at RM0.973 million, compared to RM0.535 million or 35.5% derived from the bottled drinking water division. Overall revenue during the quarter was RM1.508 million, 45.8% lower than the corresponding period in FY2017, due mainly to slow revenue stream from the hospitality division as a result of time lag in the billings of technical consultancy fee. On a 12-month period, the hospitality division achieved a total revenue of RM3.385 million, or 60.6% of group revenue, with the drinking water division accounted for the balance 39.4% or RM2.198 million.

On profitability, the hospitality division posted a profit after tax of RM0.045 million during the quarter under review, while the bottled drinking division posted a net loss of RM4.511 million. Including other expenses, in particular at holding company level, the Group registered a net loss of RM4.939 million during the quarter.

The trend is similar on a 12-month cumulative basis, whereby the hospitality division churned in a net profit after tax of RM0.856 million, while the bottled drinking water business and holding company recorded net losses of RM7.089 million and RM1.838 million respectively.

**A10. VALUATION OF PROPERTY, PLANT AND EQUIPMENT**

There were no revaluation of property, plant and equipment during the quarter and year-to-date ended 30 June 2018.

**A11. EVENTS AFTER THE REPORTING PERIOD**

There was no material event subsequent to the end of the reporting period for the quarter and year-to-date ended 30 June 2018.

**A12. RELATED PARTY TRANSACTION**

Significant transaction between the Group with the related parties during the quarter and year-to-date ended 30 June 2018.

RM '000	3 months ended		12 months ended	
	30.06.18	30.06.17	30.06.18	30.06.17
Hotel management and technical fees received from:				
- Impiana Hotel Ipoh Sdn. Bhd.	76	85	626	85
- Impiana Cherating Sdn. Bhd.	550	2,359	1,920	2,359
- Impiana Ubud (Labuan) Co. Ltd.	-	203	230	203
- Impiana Tioman Sdn. Bhd.	-	-	262	-
- Impiana Pangkor Sdn. Bhd.	300	-	300	-
- Impiana PT Villa, Bali	47	-	47	-

The transactions were entered in the normal course of business and have been established under normal commercial terms that are no less favourable than those arranged with independent third parties.

**A13. CHANGES IN THE COMPOSITION OF THE GROUP**

There were no changes in the composition of the Group during the quarter and year-to-date ended 30 June 2018 other than the Group has struck off an inactive subsidiary company, Al Maurid Oil and Gas Sdn. Bhd.

**A14. CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

There were no contingent liabilities and assets as at the date of this report.

**A15. CAPITAL COMMITMENT**

There were no capital commitment by the Group during the financial period under review.



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**ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF BURSA SECURITIES**

**B1. FINANCIAL REVIEW FOR CURRENT QUARTER AND CULMULATIVE QUARTER**

RM'000	3 months ended			12 months ended		
	30.06.18	30.06.17	Changes (%)	30.06.18	30.06.17	Changes (%)
Revenue	1,508	2,782	(46)	5,583	9,106	(39)
Operating loss before tax	(4,847)	(4,351)	11	(7,431)	(9,841)	(24)
Taxation	(92)	(938)	(90)	(640)	(1,231)	(48)
Net loss after tax	(4,939)	(5,289)	(7)	(8,071)	(11,072)	(27)
Loss attributable to Owners of the Company	(4,932)	(5,188)	(5)	(7,907)	(10,925)	(28)

For the current quarter (April to June 2018) under review, the Group registered a group revenue of RM1.508 million, vis-a-vis RM2.782 million recorded in the fourth quarter of the previous financial year.

For the twelve-month cumulative basis, group revenue was RM5.583 million compared with RM9.106 million recorded during the same period of the previous financial year. The decline was due to lower sales value recognition from the bottled water division, where the revenue was derived on a “cost plus” basis as the sales were passed through a distributor. As a result, total revenue generated from this division was RM2.198 million, compared to RM4.407 million recorded previously. The revenue from the hospitality division has also experienced a 28.0% decline to RM3.385 million versus RM4.699 million during the corresponding period last year due to lower billings in technical consultancy fee for Impiana Cherating Hotel & Resort and Impiana Ubud Resort in Bali compared to the previous year corresponding period. Management Fee derived from Impiana Hotel Ipoh remains stable.

Net loss after tax after minority interests during the quarter reduced by 4.9% to RM4.932 million, compared to RM5.188 million earlier. The losses were mainly caused by RM3.774 million in impairment of property, plant and equipment and RM0.428 million in depreciation of the bottled water division; as well as RM0.271 million in amortisation of intangible asset and leasehold land of the hospitality division. Without these non-cashflow items, the Group’s total loss after tax after minority interests would otherwise reduce significantly to only RM0.459 million.

**B2. FINANCIAL REVIEW FOR CURRENT QUARTER AND IMMEDIATE PRECEDING QUARTER**

Variation of results against preceding quarter

RM'000	Current	Immediate	Changes %
	Quarter 30.06.18	Preceding Quarter 31.12.17	
Revenue	1,508	1,457	4
Loss before tax	(4,847)	(663)	631
Loss after tax	(4,939)	(905)	446
Loss attributable to owners of the Company	(4,932)	(728)	577

Group revenue during the current quarter (April to June 2018) increased by 3.5% to RM1.508 million vis-à-vis RM1.457 million recorded during the preceding quarter (Jan to March 2018).

Losses attributable to owners of the Company was higher at RM4.932 million during the current quarter under review vis-à-vis RM0.728 million recorded during the preceding quarter. This dismal performance was caused by the continued losses incurred at the bottled water division, which was further aggravated by the RM3.774 impairment loss on property, plant and equipment.

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**B3. CURRENT PROSPECTS**

The Board believes that the proven contributions from the hospitality division will spearhead the group's profitability in the medium to longer term. The gloomy results from the bottled water division, if not addressed, will curtail the Group's overall performance.

As such, the Board has indicated its intention to phase out the bottled water division by way of disposal of this division. The management has been tasked to identify a suitable suitor for this business.

The Group has earlier on 12 April 2018 announced the proposed acquisition of several hotel assets in Malaysia, as well as hotel management operations in Malaysia, Indonesia and Thailand is underway. This corporate exercise, once completed, will transform Bio Osmo Berhad into a full-fledged hospitality group, with total hotel resorts and related assets valued at over RM400 million.

**B4. PROFIT FORECAST**

There was no profit forecast for the period under review was required.

**B5. LOSS BEFORE TAXATION**

Loss before taxation have been determined after charging/(crediting) amongst other items the following:-

RM '000	3 months ended		12 months ended	
	30.06.18	30.06.17	30.06.18	30.06.17
Amortisation of intangible assets	256	685	1,026	685
Amortisation of leasehold land	14	-	57	-
Bad debts written off	-	495	-	495
Bargain purchase gain on acquisition of a subsidiary	-	(1,244)	-	(1,244)
Deposits written off	-	75	-	75
Depreciation of property, plant and equipment	428	595	1,989	2,026
Impairment loss on receivables	-	179	-	179
Impairment loss on property, plant and equipment	3,774	4,621	4,634	4,621
Loss on foreign currency exchange:				
- unrealised	294	(59)	135	(59)
- realised	-	33	2	13
Gain on disposal of property, plant and equipment	-	-	(20)	(460)
Property, plant and equipment written off	-	281	-	281
Reversal of impairment loss on property, plant and equipment	-	(28)	-	(28)
Reversal of impairment loss on trade receivables	-	(495)	-	(495)
Interest income	-	-	(19)	(21)

Other than the above, the items listed under Appendix 9B Note 16 of the Listing Requirement of Bursa Malaysia Securities Berhad are not applicable.

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**B6. TAXATION**

RM '000	3 months ended		12 months ended	
Income Tax	30.06.18	30.06.17	30.06.18	30.06.17
- current period expense	92	938	640	1,231
	92	938	640	1,231

Domestic income tax is calculated at the Malaysian statutory income tax rate of 24% of the estimated assessable profit for the financial period.

**B7. CORPORATE PROPOSAL**

The Company has on 12 April 2018 made an announcement to Bursa Securities Malaysia Bhd on the following proposals:

1. Proposed acquisition of 100.0% equity interest in Impiana Hotels & Resorts Management Sdn Bhd for a purchase consideration of RM70,840,458;
2. Proposed acquisition of 100.0% equity interest in Impiana Pangkor Sdn Bhd for a purchase consideration of RM79,000,664;
3. Proposed acquisition of 100.0% equity interest in Astaka Mekar Sdn Bhd for a purchase consideration of RM15,830,878;
4. Proposed acquisition of the remaining 25.0% equity interest in Intra Magnum Sdn Bhd, the 75%-owned subsidiary of Bio Osmo for a purchase consideration of RM12,674,767;
5. Proposed acquisition of 100.0% equity interest in Impiana Cherating Sdn Bhd for a purchase consideration of RM207,144,359;
6. Proposed acquisition of the business and assets by Intra Magnum which include the ownership of Impiana Hotel Ipoh for a purchase consideration of RM40,408,874; and
7. Proposed private placement of up to 2,000,000,000 new Bio Osmo Shares to independent third parties to be identified at later stage.

The total purchase consideration of items 1 to 6 above of RM425,900,000 shall be satisfied by the allotment and issuance of 4,800,000,000 new Bio Osmo Shares and 3,200,000,000 new ICPS at an issue price of RM0.05 per Share/ICPS, and the cash portion amounting to RM25,900,000.

**B8. GROUP BORROWINGS**

The Group did not have any borrowings as at the end of the reporting period.

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**B9. TRADE RECEIVABLES**

The Group's normal credit term ranges from 30 to 180 days (2016: 30 to 120 days). Other credit term are assessed and approved on a case to case basis. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

	<b>As at 30.06.18</b>	<b>As at 30.06.17</b>
Neither past due nor impaired	1,078	2,879
1 to 90 days past due but not impaired	1,045	402
91 to 180 days past due but not impaired	969	-
181 to 365 days past due but not impaired	1,244	-
	3,258	402
	4,336	3,281

Included in the non-current and current trade receivables are amounts of RM0.621 million and RM2.962 million respectively due from related parties. These amounts are subject to normal trade term.

**B10. STATUS OF UTILISATION OF PROCEEDS**

The proceeds from the new placement of new ordinary shares of RM 6.146 million (72,305,700 ordinary shares of RM 0.085 each), completed on 6 June 2017, are to be utilised as follows:

<b>Purpose</b>	<b>Proposed utilisation as per announcement dated 29 March 17 <i>RM'000</i></b>	<b>Actual utilisation as at 30 June 18 <i>RM'000</i></b>	<b>Intended timeframe for utilisation</b>	<b>Balance unutilised <i>RM'000</i></b>	<b>%</b>
- Working capital	4,286	4,286	Within 24 months	-	-
- Business expansion	1,594	1,594	Within 24 months	-	-
- Estimated expenses in relation to proposed private placement	266	266	Within 1 month	-	-
<b>TOTAL</b>	<b>6,146</b>	<b>6,146</b>		-	<b>0.00</b>

**B11. MATERIAL LITIGATION**

The Group did not have any material litigation as at the end of the reporting period.

**B12. DERIVATIVE FINANCIAL INSTRUMENT**

The Group did not have any derivative financial instrument as at the end of the reporting period.

**B13. OFF BALANCE SHEET FINANCIAL INSTRUMENT**

As at the end of the financial period and up to the date of this announcement, there is no off balance sheet financial instrument which has a material impact to the financial statement under review.

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**B14. DIVIDEND PAYABLE**

No interim dividend has been declared for the current financial period to date.

**B15. LOSS PER SHARE ("LPS")**

	<b>3 months ended</b>		<b>12 months ended</b>	
	<b>30.06.18</b>	<b>30.06.17</b>	<b>30.06.18</b>	<b>30.06.17</b>
Net loss attributable to Owners of the Company (RM '000)	(4,932)	(5,188)	(7,907)	(10,925)
Weighted average number of ordinary shares in issue ('000)	795,363	723,057	795,363	656,079
Basic LPS (sen)	(0.62)	(0.72)	(0.99)	(1.67)
Diluted LPS (sen)	(0.62)	(0.72)	(0.99)	(1.67)

**B16. AUTHORISED FOR ISSUE**

The condensed consolidated interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 29 August 2018.