

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

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

RM'000	3 months ended			15 months ended		
	30.09.18 (Unaudited)	30.09.17 (Restated) (Unaudited)	Changes (%)	30.09.18 (Unaudited)	30.09.17 (Restated) (Unaudited)	Changes (%)
Revenue	612	740	(17)	3,997	5,695	(30)
Other income	-	3	(100)	306	1,294	(76)
Operating expenses	(925)	(853)	8	(5,016)	(6,674)	(25)
Operating (loss)/profit before tax	(313)	(110)	185	(713)	315	(326)
Taxation	14	(151)	(109)	(568)	(909)	(38)
Net loss after tax						
- From continuing operations	(299)	(261)	15	(1,281)	(594)	116
- From discontinued operations	(497)	(801)	(38)	(7,586)	(11,540)	(34)
Loss for the period	(796)	(1,062)	(25)	(8,867)	(12,134)	(27)
Total comprehensive expense for the period	(796)	(1,062)	(25)	(8,867)	(12,134)	(27)
(Loss)/profit attributable to:						
Owners of the Company						
- From continuing operations	(356)	(279)	28	(1,552)	(438)	254
- From discontinued operations	(488)	(774)	(37)	(7,199)	(11,540)	(38)
	(844)	(1,053)	(20)	(8,751)	(11,978)	(27)
Non-controlling interest	48	(9)	(633)	(116)	(156)	(26)
	(796)	(1,062)	(25)	(8,867)	(12,134)	(27)
Total comprehensive (expense)/income attributable to:						
Owners of the Company	(844)	(1,053)	(20)	(8,751)	(11,978)	(27)
Non-controlling interest	48	(9)	(633)	(116)	(156)	(26)
	(796)	(1,062)	(25)	(8,867)	(12,134)	(27)
Loss per share attributable to Owners of the Company (sen):-						
Basic						
- From continuing operations	(0.04)	(0.04)	28	(0.20)	(0.06)	205
- From discontinued operations	(0.06)	(0.10)	(37)	(0.91)	(1.69)	(46)
	(0.11)	(0.13)	(20)	(1.10)	(1.75)	(37)
Fully diluted*						
- From continuing operations	(0.04)	(0.04)	28	(0.20)	(0.06)	205
- From discontinued operations	(0.06)	(0.10)	(37)	(0.91)	(1.69)	(46)
	(0.11)	(0.13)	(20)	(1.10)	(1.75)	(37)

\* 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 SEPTEMBER 2018**

RM'000	As at 30.09.18 (Unaudited)	As at 30.06.17 (Audited)
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	13,552	23,081
Intangible assets	12,250	13,533
Trade receivables	674	451
Total non-current assets	<u>26,476</u>	<u>37,065</u>
<b>Current assets</b>		
Inventories	-	574
Trade receivables	3,061	4,978
Other receivables, deposits and prepayments	205	944
Fixed deposits with licensed bank	-	306
Cash on hand and at banks	90	2,083
	<u>3,356</u>	<u>8,885</u>
Assets classified as held for sale	4,604	-
Total current assets	<u>7,960</u>	<u>8,885</u>
<b>TOTAL ASSETS</b>	<u><u>34,436</u></u>	<u><u>45,950</u></u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	42,299	42,299
Accumulated losses	(21,433)	(12,682)
Equity attributable to Owners of the Company	<u>20,866</u>	<u>29,617</u>
Non-controlling interest	4,736	5,415
Total equity	<u>25,602</u>	<u>35,032</u>
<b>Non-current liabilities</b>		
Deferred tax liability	715	766
Trade payables	100	81
Total non-current liabilities	<u>815</u>	<u>847</u>
<b>Current liabilities</b>		
Trade payables	-	1,185
Other payables and accruals	3,955	7,583
Amounts due to Directors	-	389
Tax payable	1,331	914
	<u>5,286</u>	<u>10,071</u>
Liabilities classified as held for sale	2,733	-
Total current liabilities	<u>8,019</u>	<u>10,071</u>
Total liabilities	<u>8,834</u>	<u>10,918</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><u>34,436</u></u>	<u><u>45,950</u></u>
Net assets per share attributable to owners of the Company (RM)	<u>0.02</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.*

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**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD-TO-DATE ENDED 30 SEPTEMBER 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	-	(8,751)	-	-	(8,751)	(116)	(8,867)
Dividends	-	-	-	-	-	(563)	(563)
Balance as of 30 September 2018	42,299	(21,433)	-	-	20,866	4,736	25,602
<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	-	(11,978)	-	-	(11,978)	(156)	(12,134)
Balance as of 30 September 2017	42,299	(13,735)	-	-	28,564	5,406	33,970

*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.*

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**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE PERIOD-TO-DATE ENDED 30 SEPTEMBER 2018**

<b>RM'000</b>	<b>15 months ended</b>	
	<b>30.09.18</b> <b>(Unaudited)</b>	<b>30.09.17</b> <b>(Unaudited)</b>
<b>CASH FLOWS USED IN OPERATING ACTIVITIES</b>		
Loss before taxation		
- From continuing operations	(713)	315
- From discontinued operations	(7,528)	(11,067)
	<u>(8,241)</u>	<u>(10,752)</u>
Adjustments for:		
Bad debts written off	3	495
Bargain purchase gain on acquisition of a subsidiary	-	(1,244)
Amortisation of intangible assets	1,283	942
Amortisation of leasehold land	72	14
Deposits written off	-	75
Depreciation of property, plant and equipment	2,417	2,546
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 loss/(gain) on foreign currency exchange	135	(59)
<b>Operating profit/(loss) before working capital changes</b>	<u>264</u>	<u>(3,906)</u>
Decrease/(increase) in inventories	259	(279)
Decrease/(increase) in receivables	917	(4,313)
(Decrease)/increase in amount due to Directors	(239)	39
Decrease in payables	(2,211)	(2,399)
Cash absorbed by operations	<u>(1,010)</u>	<u>(10,858)</u>
Interest received	19	21
Dividend paid	(563)	-
Income tax paid	(260)	(416)
<b>Net cash used in operating activities</b>	<u><b>(1,814)</b></u>	<u><b>(11,253)</b></u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(3)	(3,399)
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>	<u><b>17</b></u>	<u><b>(4,249)</b></u>
<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>	<u><b>-</b></u>	<u><b>16,251</b></u>
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>	<u><b>(1,797)</b></u>	<u><b>749</b></u>
EFFECT OF EXCHANGE RATE CHANGES	(135)	-
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	<u><b>2,083</b></u>	<u><b>625</b></u>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<u><u><b>151</b></u></u>	<u><u><b>1,374</b></u></u>

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**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE PERIOD-TO-DATE ENDED 30 SEPTEMBER 2018 (CONT'D)**

RM'000	15 months ended	
	30.09.18	30.09.17
	(Unaudited)	(Unaudited)
<b>CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD COMPRISE:</b>		
<b>- From continuing operations</b>		
Cash and bank balances	90	1,374
Fixed deposit with licensed banks	-	306
	90	1,680
Less : Fixed deposit pledged to licensed banks	-	(306)
	90	1,374
<b>- From discontinued operations</b>		
Cash and bank balances	61	-
Fixed deposit with licensed banks	306	-
	367	-
Less : Fixed deposit pledged to licensed banks	(306)	-
	61	-
	151	1,374

*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 PERIOD-TO-DATE ENDED 30 SEPTEMBER 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. COMPARATIVES**

On 30 May 2018, the Company had announced a change of financial year end from 30 June to 31 December. Therefore, the comparative preceding financial period of the financial statements presented for this interim results announcement will cover the 15-month financial period from 1 July 2016 to 30 September 2017.

On 13 November 2018, the Company entered into a share sale agreement with Start Sphere Sdn Bhd (Company No. 1231209-V), a company incorporated in Malaysia, to dispose 100% equity interest in Amshore Holdings Sdn Bhd (Company No. 463528-P) comprising 59,388,602 ordinary shares for a total cash consideration of RM2,500,000.

In accordance with MFRS 5, Non-Current Assets Held For Sale and Discontinued Operations, Amshore Holdings Sdn. Bhd. together with its subsidiary company, Amshore KL Sdn. Bhd. are classified as disposal group held for sale and discontinued operations. Therefore the comparative of the discontinued operation in the corresponding quarter of the preceding period and period-to-date have been reclassified and restated as follow:

<i>RM '000</i>	<b>3 months ended 30.09.17</b>		
	As previously stated	Disposal Group MFRS 5	As restated
Revenue	1,114	374	740
Other income	3	-	3
Operating expenses	(2,028)	(1,175)	(853)
Operating loss before tax	(911)	(801)	(110)
Taxation	(151)	-	(151)
Net loss after tax	<u>(1,062)</u>	<u>(801)</u>	<u>(261)</u>
<b>15 months ended 30.09.17</b>			
<i>RM '000</i>	As previously stated	Disposal Group MFRS 5	As restated
Revenue	10,219	4,524	5,695
Other income	1,805	511	1,294
Operating expenses	(22,776)	(16,102)	(6,674)
Operating (loss)/profit before tax	(10,752)	(11,067)	315
Taxation	(1,382)	(473)	(909)
Net loss after tax	<u>(12,134)</u>	<u>(11,540)</u>	<u>(594)</u>

**A4. AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS**

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

**A5. 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.

**A6. 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 period-to-date ended 30 September 2018.

**A7. MATERIAL ESTIMATES AND CHANGES IN ESTIMATES**

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



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**A8. 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 period-to-date ended 30 September 2018.

**A9. DIVIDEND PAID**

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

**A10. 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 segmental analysis for the current quarter and period-to-date ended 30 September 2018 is as follows:

<u>Segment Revenue and Results</u>	<b>3 months ended</b>		<b>15 months ended</b>	
	<b>30.09.18</b>	<b>30.09.17</b>	<b>30.09.18</b>	<b>30.09.17</b>
<i>RM '000</i>				
Revenue from continuing operations				
- Hospitality	612	740	3,997	5,695
	<u>612</u>	<u>740</u>	<u>3,997</u>	<u>5,695</u>
Revenue from discontinued operations				
- Bottled water	581	374	2,779	4,525
	<u>581</u>	<u>374</u>	<u>2,779</u>	<u>4,525</u>
Total revenue	<u>1,193</u>	<u>1,114</u>	<u>6,776</u>	<u>10,220</u>
Net profit/(loss) after tax from continuing operations				
- Hospitality	227	73	1,083	2,148
- other unallocated expenses	(526)	(334)	(2,364)	(2,742)
	<u>(299)</u>	<u>(261)</u>	<u>(1,281)</u>	<u>(594)</u>
Net loss after tax from discontinued operations				
- Bottled water	(497)	(801)	(7,586)	(11,540)
	<u>(497)</u>	<u>(801)</u>	<u>(7,586)</u>	<u>(11,540)</u>
Total net loss after tax	<u>(796)</u>	<u>(1,062)</u>	<u>(8,867)</u>	<u>(12,134)</u>

During the July to September 2018 period, the Hospitality Division contributed 51.3% of group revenue at RM0.612 million, compared to RM0.581 million or 48.7% derived from the Bottled Drinking Water Division. Overall revenue during the quarter was RM1.193 million, 7.1% higher than the corresponding period in FY2017. On a 15-month period, the hospitality division achieved a total revenue of RM3.997 million, or 59.0% of group revenue, with the drinking water division accounted for the balance 41.0% or RM2.779 million.

On profitability, the hospitality division posted a profit after tax of RM0.227 million during the quarter under review, while the bottled drinking division posted a net loss of RM0.497 million. Including other expenses, in particular at holding company level, the Group registered a net loss of RM0.796 million during the quarter under review.

The trend is similar on a 15-month cumulative basis, whereby the Hospitality Division churned in a net profit after tax of RM1.083 million, while the Bottled Drinking Water Division and holding company recorded net losses of RM7.586 million and RM2.364 million respectively.

Nonetheless, pursuant to the adoption of MFRS 5 as discussed in item A3 above, the Bottle Drinking Water subsidiaries, Amshore Holdings Sdn Bhd and Amshore KL Sdn Bhd have been reclassified as disposal group held for sale / discontinued operations. As such, the Hospitality Division would have accounted for the entire 100% of group revenue contributions of RM0.612 million during the period under review; while net loss after tax would have narrowed to only RM0.299 million. Similarly, the net loss after tax for the 15-month period would also be lower at RM1.281 million, after accounting for RM2.364 million in holding company expenses.

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**A11. DISCONTINUED OPERATIONS/DISPOSAL OF SUBSIDIARIES**

As mentioned in Note A3, Amshore Holdings Sdn. Bhd. together with its subsidiary company, Amshore KL Sdn. Bhd. are classified as disposal group held for sale and discontinued operations.

The disposal will enable the Group to concentrate on its core business which is in hospitality segment.

In accordance with MFRS 5: Non-Current Assets Held for Sale and Discontinued operations, the results and cash flow of the disposal group were classified as “Discontinued operation” in the Statement of Comprehensive Income.

The revenue and results of the Discontinued operations are as follow:

<i>RM '000</i>	<b>3 months ended</b>		<b>15 months ended</b>	
	<b>30.09.18</b>	<b>30.09.17</b>	<b>30.09.18</b>	<b>30.09.17</b>
Revenue	581	374	2,779	4,524
Other income	-	-	92	511
Operating expenses	(1,078)	(1,175)	(10,399)	(16,102)
Operating loss before tax	(497)	(801)	(7,528)	(11,067)
Taxation	-	-	(58)	(473)
Net loss after tax	(497)	(801)	(7,586)	(11,540)

Cash flow (used in)/from discontinued operations

	<b>15 months ended</b>	
	<b>30.09.18</b>	<b>30.09.17</b>
Net cash used in operating activities	(392)	(8,939)
Net cash from investing activities	17	8,601
Effect on cash flows	(375)	(338)

**A12. VALUATION OF PROPERTY, PLANT AND EQUIPMENT**

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

**A13. EVENTS AFTER THE REPORTING PERIOD**

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

**A14. CHANGES IN THE COMPOSITION OF THE GROUP**

There were no changes in the composition of the Group during the quarter and period-to-date ended 30 September 2018 other than the Group has submitted to strike off the following inactive subsidiary companies:

- a. Al Maurid Oil and Gas Sdn. Bhd.;
- b. Amshore Vista Sdn. Bhd.; and
- c. Morning Valley Sdn. Bhd.

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**A15. RELATED PARTY TRANSACTION**

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

RM '000	3 months ended		15 months ended	
	30.09.18	30.09.17	30.09.18	30.09.17
Hotel management and technical fees received from:				
- Impiana Hotel Ipoh Sdn. Bhd.	79	66	705	151
- Impiana Cherating Sdn. Bhd.	482	270	2,402	2,629
- Impiana Ubud (Labuan) Co. Ltd.	-	230	230	433
- Impiana Tioman Sdn. Bhd.	-	174	262	174
- Impiana Pangkor Sdn. Bhd.	-	-	300	-
- Impiana PT Villa, Bali	51	-	98	-

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.

**A16. CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

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

**A17. 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			15 months ended		
	30.09.18	30.09.17 (Restated)	Changes (%)	30.09.18	30.09.17 (Restated)	Changes (%)
Revenue	612	740	(17)	3,997	5,695	(30)
Operating (loss)/profit before tax	(313)	(110)	185	(713)	315	(326)
Taxation	14	(151)	(109)	(568)	(909)	(38)
Net loss after tax						
- From continuing operations	(299)	(261)	15	(1,281)	(594)	116
- From discontinued operations	(497)	(801)	(38)	(7,586)	(11,540)	(34)
Loss attributable to Owners of the Company						
- From continuing operations	(356)	(279)	28	(1,552)	(438)	254
- From discontinued operations	(488)	(774)	(37)	(7,199)	(11,540)	(38)

For the current quarter, period spanning from July to September 2018, the Group registered a revenue of RM0.612 million, vis-a-vis RM0.740 million recorded in the fourth quarter of the previous financial year.

For the 15-month cumulative basis, group revenue was RM3.997 million compared with RM5.695 million recorded during the corresponding period of the previous financial period. The decline was due to lower billings in technical consultancy fee for Impiana Cherating Hotel & Resort and Impiana Ubud Resort in Bali compared to the previous period as a result of timing difference in raising the relevant invoices. Management Fee derived from Impiana Hotel Ipoh remains stable during the period.

Net loss after tax from continuing operations (before non-controlling interests) during the quarter under review expanded by 14.6% to RM0.299 million, compared to RM0.261 million earlier. The losses were mainly caused by RM0.271 million in amortisation of intangible asset and leasehold land. For the 15-month cumulative period, net loss after tax from continuing operations (before non-controlling interests) was RM1.281 million, after taking into account RM2.364 million in holding company expenses.

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

Variation of results against preceding quarter

<b>RM'000</b>	<b>Current Quarter 30.09.18</b>	<b>Immediate Preceding Quarter 30.06.18</b>	<b>Changes %</b>
Revenue	612	973	(37)
Loss before tax	(313)	(335)	(7)
Loss after tax			
- From continuing operations	(299)	(427)	(30)
- From discontinued operations	(497)	(4,512)	(89)
Loss attributable to owners of the Company			
- From continuing operations	(356)	(430)	(17)
- From discontinued operations	(488)	(4,502)	(89)

Group revenue during the July to September 2018 quarter period dropped by 37% to RM0.612 million vis-à-vis RM0.973 million recorded during the preceding quarter (April to June 2018). The decline was due to lower billings in technical consultancy fee for Impiana Pangkor, Impiana Cherating and Impiana Seminyak, Bali.

As a result, the Group recorded a RM0.299 million in loss after tax before non-controlling interests but excluding discontinued operations during the current quarter. During the immediate preceding quarter, the group churned in a profit after tax of RM0.191 million.

Including contribution from discontinued operations, the Group's loss after tax before non-controlling interests would have been RM0.796 million for the current quarter; and RM4.939 million for the immediate preceding quarter.

**B3. CURRENT PROSPECTS**

On 13 November 2018, the Company has signed a conditional Share Sale Agreement ("SSA") with Messrs Star Sphere Sdn Bhd in which the Company shall dispose its 100% equity interest in Amshore Holdings Sdn Bhd for RM2,500,000. The said SSA has become unconditional on 14 November 2018.

With the disposal of the drinking water businesses, the Group's future prospects would depend solely on the Hospitality Division, in which the Board is confident that it would be the cornerstone to spearhead the group's profitability in the future. In the absence of continue losses incurred at the Bottled Drinking Water Division, we expect the Group to turnaround and achieve positive results in the near term.

The Group has earlier on 12 April 2018 announced the proposed acquisition of several hospitality assets in Malaysia, as well as hotel management operations in the region. These acquisitions will further widen the group's hospitality business landscape, which will boost its revenue and earnings in the longer term. The assets base of the group will also rise significantly once the acquisitions are completed.

**B4. PROFIT FORECAST**

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

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**B5. LOSS BEFORE TAXATION**

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

RM '000	3 months ended		15 months ended	
	30.09.18	30.09.17	30.09.18	30.09.17
Amortisation of intangible assets	257	257	1,283	942
Amortisation of leasehold land	15	14	72	14
Bad debts written off	3	-	3	495
Bargain purchase gain on acquisition of a subsidiary	-	-	-	(1,244)
Deposits written off	-	-	-	75
Depreciation of property, plant and equipment	428	520	2,417	2,546
Impairment loss on receivables	-	-	-	179
Impairment loss on property, plant and equipment	-	-	4,634	4,621
Loss/(gain) on foreign currency exchange:				
- unrealised	-	-	135	(59)
- realised	-	-	2	13
Gain on disposal of property, plant and equipment	-	-	(20)	(460)
Property, plant and equipment written off	-	-	-	281
Reversal of impairment loss on property, plant and equipment	-	-	-	(28)
Reversal of impairment loss on trade receivables	-	-	-	(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.

**B6. TAXATION**

RM '000	3 months ended		15 months ended	
	30.09.18	30.09.17	30.09.18	30.09.17
Income Tax				
- current period expense	(14)	151	626	1,382
	(14)	151	626	1,382

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

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**B7. CORPORATE PROPOSAL**

The Company has on 12 April 2018 made an announcement to Bursa Malaysia Securities Bhd pertaining to the acquisition of a number of hospitality assets and private placement of new shares (“Proposed Corporate Exercise”). Further to that announcement, the Company has on 9 November 2018 submitted the listing application to Bursa Malaysia for the new shares to be issued pursuant to the Proposed Corporate Exercise 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.

**B9. TRADE RECEIVABLES**

The Group’s normal credit term ranges from 30 to 180 days (2017: 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 30.09.18</b>	<b>As at 30.09.17</b>
Neither past due nor impaired	1,215	1,183
1 to 90 days past due but not impaired	934	2,772
91 to 180 days past due but not impaired	682	1,074
181 to 365 days past due but not impaired	904	1,032
	2,520	4,878
	3,735	6,061

Included in the non-current and current trade receivables are amounts of RM0.674 million and RM3.061 million respectively due from related parties. These amounts are subject to normal trade term.

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**B10. MATERIAL LITIGATION**

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

**B11. DERIVATIVE FINANCIAL INSTRUMENT**

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

**B12. 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.

**B13. DIVIDEND PAYABLE**

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

**B14. LOSS PER SHARE ("LPS")**

	<b>3 months ended</b>		<b>15 months ended</b>	
	<b>30.09.18</b>	<b>30.09.17</b>	<b>30.09.18</b>	<b>30.09.17</b>
Net loss attributable to Owners of the Company (RM '000)				
- From continuing operations	(356)	(279)	(1,552)	(438)
- From discontinued operations	(488)	(774)	(7,199)	(11,540)
	<u>(844)</u>	<u>(1,053)</u>	<u>(8,751)</u>	<u>(11,978)</u>
Weighted average number of ordinary shares in issue ('000)	795,363	795,363	795,363	684,119
Basic LPS (sen)				
- From continuing operations	(0.04)	(0.04)	(0.20)	(0.06)
- From discontinued operations	(0.06)	(0.10)	(0.91)	(1.69)
	<u>(0.11)</u>	<u>(0.13)</u>	<u>(1.10)</u>	<u>(1.75)</u>
Diluted LPS (sen)				
- From continuing operations	(0.04)	(0.04)	(0.20)	(0.06)
- From discontinued operations	(0.06)	(0.10)	(0.91)	(1.69)
	<u>(0.11)</u>	<u>(0.13)</u>	<u>(1.10)</u>	<u>(1.75)</u>

**B15. 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 15 November 2018.