

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 31 DECEMBER 2018

RM'000	3 months ended			18 months ended		
	31.12.18 (Unaudited)	31.12.17 (Restated) (Unaudited)	Changes (%)	31.12.18 (Unaudited)	31.12.17** (Restated) (Unaudited)	Changes (%)
Revenue	826	837	(1)	4,823	6,532	(26)
Other income	1	15	(93)	307	1,309	(77)
Operating expenses	(3,353)	(1,388)	142	(8,370)	(8,062)	4
Operating loss before tax	(2,526)	(536)	371	(3,240)	(221)	1,366
Taxation	(738)	(97)	661	(1,305)	(1,006)	30
Net loss after tax						
- From continuing operations	(3,264)	(633)	416	(4,545)	(1,227)	270
- From discontinued operations	(198)	(533)	(63)	(7,784)	(12,072)	(36)
Loss for the period	(3,462)	(1,166)	197	(12,329)	(13,299)	(7)
Total comprehensive expense for the period	(3,462)	(1,166)	197	(12,329)	(13,299)	(7)
(Loss)/profit attributable to:						
Owners of the Company						
- From continuing operations	(2,837)	(696)	308	(4,530)	(1,134)	299
- From discontinued operations	(336)	(499)	(33)	(7,394)	(12,038)	(39)
	(3,173)	(1,195)	166	(11,924)	(13,172)	(9)
Non-controlling interest	(289)	29	(1,097)	(405)	(127)	219
	(3,462)	(1,166)	197	(12,329)	(13,299)	(7)
Total comprehensive (expense)/income attributable to:						
Owners of the Company	(3,173)	(1,195)	166	(11,924)	(13,172)	(9)
Non-controlling interest	(289)	29	(1,097)	(405)	(127)	219
	(3,462)	(1,166)	197	(12,329)	(13,299)	(7)
Loss per share attributable to Owners of the Company (sen):-						
Basic						
- From continuing operations	(0.36)	(0.09)	308	(0.57)	(0.16)	253
- From discontinued operations	(0.04)	(0.06)	(33)	(0.93)	(1.71)	(46)
	(0.40)	(0.15)	166	(1.50)	(1.87)	(20)
Fully diluted*						
- From continuing operations	(0.36)	(0.09)	308	(0.57)	(0.16)	253
- From discontinued operations	(0.04)	(0.06)	(33)	(0.93)	(1.71)	(46)
	(0.40)	(0.15)	166	(1.50)	(1.87)	(20)

* 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.

** 18 months pro-forma results

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)
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2018

RM'000	As at 31.12.18 (Unaudited)	As at 30.06.17 (Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	41	23,081
Intangible assets	11,994	13,533
Trade receivables	13,248	451
Total non-current assets	<u>25,283</u>	<u>37,065</u>
Current assets		
Inventories	-	574
Trade receivables	3,859	4,978
Other receivables, deposits and prepayments	2,094	944
Fixed deposits with licensed bank	-	306
Cash on hand and at banks	20	2,083
Total current assets	<u>5,973</u>	<u>8,885</u>
TOTAL ASSETS	<u><u>31,256</u></u>	<u><u>45,950</u></u>
EQUITY AND LIABILITIES		
Equity		
Share capital	42,299	42,299
Accumulated losses	(24,606)	(12,682)
Equity attributable to Owners of the Company	17,693	29,617
Non-controlling interest	6,584	5,415
Total equity	<u>24,277</u>	<u>35,032</u>
Non-current liabilities		
Deferred tax liability	527	766
Trade payables	100	81
Total non-current liabilities	<u>627</u>	<u>847</u>
Current liabilities		
Trade payables	-	1,185
Other payables and accruals	4,229	7,583
Amounts due to Directors	-	389
Tax payable	2,123	914
Total current liabilities	<u>6,352</u>	<u>10,071</u>
Total liabilities	<u>6,979</u>	<u>10,918</u>
TOTAL EQUITY AND LIABILITIES	<u><u>31,256</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.

BIO OSMO BHD (740838-A)
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CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD-TO-DATE ENDED 31 DECEMBER 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	-	(11,924)	-	-	(11,924)	(405)	(12,329)
Disposal of subsidiary	-	-	-	-	-	2,137	2,137
Dividends	-	-	-	-	-	(563)	(563)
Balance as of 31 December 2018	42,299	(24,606)	-	-	17,693	6,584	24,277
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	-	(13,172)	-	-	(13,172)	(127)	(13,299)
Balance as of 31 December 2017	42,299	(14,929)	-	-	27,370	5,435	32,805

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 31 DECEMBER 2018

RM'000	18 months ended	
	31.12.18 (Unaudited)	31.12.17* (Unaudited)
CASH FLOWS USED IN OPERATING ACTIVITIES		
Loss before taxation		
- From continuing operations	(3,240)	(55)
- From discontinued operations	(7,725)	(11,707)
	(10,965)	(11,762)
Adjustments for:		
Bad debts written off	767	495
Bargain purchase gain on acquisition of a subsidiary	-	(1,244)
Amortisation of intangible assets	1,539	1,198
Amortisation of leasehold land	72	29
Deposits written off	-	75
Depreciation of property, plant and equipment	2,562	3,083
Impairment loss on property, plant and equipment	4,634	4,621
Impairment loss on receivables	-	179
Loss on disposal of subsidiary companies	555	-
Property, plant and equipment written off	-	281
Loss/(gain) on disposal of property, plant and equipment	809	(460)
Reversal of impairment loss on property, plant and equipment		(28)
Reversal of impairment loss on trade receivables	-	(495)
Interest income	(19)	(36)
Unrealised loss/(gain) on foreign currency exchange	135	(59)
Operating profit/(loss) before working capital changes	89	(4,123)
Decrease/(increase) in inventories	251	(279)
Increase in receivables	(3,025)	(4,781)
(Decrease)/increase in amount due to Directors	(239)	39
Decrease in payables	(742)	(2,214)
Cash absorbed by operations	(3,666)	(11,358)
Interest received	19	36
Dividend paid	(563)	-
Income tax paid	(216)	(425)
Net cash used in operating activities	(4,426)	(11,747)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(3)	(3,404)
Proceeds from disposal of property, plant and equipment	20	12,000
Net cash inflow from disposal of subsidiary companies	2,175	-
Cash outflow on acquisition of a subsidiary company	-	(12,850)
Net cash from/(used in) investing activities	2,192	(4,254)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of term loan	-	-
Proceeds from issuance of ordinary shares	-	17,366
Shares issuance expenses paid	-	(1,115)
Unpledged of fixed deposits	306	-
Net cash from financing activities	306	16,251
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(1,928)	250
EFFECT OF EXCHANGE RATE CHANGES	(135)	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	2,083	625
CASH AND CASH EQUIVALENTS AT END OF PERIOD	20	875

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CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE PERIOD-TO-DATE ENDED 31 DECEMBER 2018 (CONT'D)

RM'000	18 months ended	
	31.12.18	31.12.17*
	(Unaudited)	(Unaudited)
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD COMPRISE:		
- From continuing operations		
Cash and bank balances	20	607
Fixed deposit with licensed banks	-	306
	20	913
Less : Fixed deposit pledged to licensed banks	-	(306)
	20	607
- From discontinued operations		
Cash and bank balances	-	268
Fixed deposit with licensed banks	-	306
	-	574
Less : Fixed deposit pledged to licensed banks	-	(306)
	-	268
	20	875

* 18 months pro-forma results

Disposal of subsidiary companies

The disposal had the following effect on the financial position of the Group:

	RM'000
Property, plant and equipment	2,268
Inventories	323
Receivables	1,930
Cash and bank balances	325
Payables	(3,778)
Amt due to Directors	(150)
Net assets	918
Non-controlling interest	2,137
Share of net assets disposed	3,055
Loss on disposal	(555)
Disposal proceed	2,500
Less: Cash and cash equivalent of subsidiary companies	(325)
Net cash inflow from disposal of subsidiary companies	2,175

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 31 DECEMBER 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 following:

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 announced the change of its financial year end from 30 June to 31 December. Therefore, the comparative preceding financial period of the financial statements presented for this quarter results will cover the 18-month financial period from 1 July 2016 to 31 December 2017 (FPE2017).

On 13 November 2018, the Company entered into a share sale agreement with Start Sphere Sdn Bhd (Company No. 1231209-V) to dispose 100% equity interest in Amshore Holdings Sdn Bhd comprising 59,388,602 ordinary shares for a total cash consideration of RM2,500,000. The share sale has been completed on 31 December 2018.

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 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>	3 months ended 31.12.17		
	As previously stated	Disposal Group MFRS 5	As restated
Revenue	1,504	667	837
Other income	15	-	15
Operating expenses	(2,530)	(1,142)	(1,388)
Operating loss before tax	(1,011)	(475)	(536)
Taxation	(155)	(58)	(97)
Net loss after tax	<u>(1,166)</u>	<u>(533)</u>	<u>(633)</u>

<i>RM '000</i>	18 months ended 31.12.17		
	As previously stated	Disposal Group MFRS 5	As restated
Revenue	11,723	5,191	6,532
Other income	1,821	512	1,309
Operating expenses	(25,306)	(17,244)	(8,062)
Operating loss before tax	(11,762)	(11,541)	(221)
Taxation	(1,537)	(531)	(1,006)
Net loss after tax	<u>(13,299)</u>	<u>(12,072)</u>	<u>(1,227)</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 31 December 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 31 December 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 31 December 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 31 December 2018 is as follows:

<u>Segment Revenue and Results</u>	3 months ended		18 months ended	
	31.12.18	31.12.17	31.12.18	31.12.17*
<i>RM '000</i>				
Revenue from continuing operations				
- Hospitality	826	837	4,823	6,532
	<u>826</u>	<u>837</u>	<u>4,823</u>	<u>6,532</u>
Revenue from discontinued operations				
- Bottled water	418	667	3,197	5,192
	<u>418</u>	<u>667</u>	<u>3,197</u>	<u>5,192</u>
Total revenue	<u>1,244</u>	<u>1,504</u>	<u>8,020</u>	<u>11,724</u>
Net (loss)/profit after tax from continuing operations				
- Hospitality	(1,705)	251	(622)	2,148
- other unallocated expenses	(1,559)	(334)	(3,923)	(2,742)
	<u>(3,264)</u>	<u>(83)</u>	<u>(4,545)</u>	<u>(594)</u>
Net loss after tax from discontinued operations				
- Bottled water	(198)	(1,083)	(7,784)	(12,705)
	<u>(198)</u>	<u>(1,083)</u>	<u>(7,784)</u>	<u>(12,705)</u>
Total net loss after tax	<u>(3,462)</u>	<u>(1,166)</u>	<u>(12,329)</u>	<u>(13,299)</u>

* 18 months pro-forma results

During the current quarter, the Hospitality Division contributed RM0.826 million in revenue accounting for 66.4% of group revenue, while the Bottled Drinking Water Division's share of total revenue contribution was RM0.418 million, or 33.6% of group revenue for the single month of October 2018. The result contribution from the Bottled Drinking Water Division was only for a one month period up to 31 October 2018 upon fulfilling the conditions precedent of the share sale agreement pertaining to the disposal.

Overall group revenue during the quarter was RM1.244 million, 17.3% lower than the corresponding period in FY2017. On the 18-month financial period ended 31 December 2018 (FPE2018), the Hospitality Division achieved a total revenue of RM4.823 million or 60.1% of group revenue; whereas the Bottled Drinking Water Division accounted for the balance 39.9% or RM3.197 million.

The Hospitality Division, under 75%-owned Intra Magnum Sdn Bhd (IMSB) posted a net loss after tax of RM1.705 million during the quarter under review. There was a further loss of RM1.559 million at the holding company level, mainly due to corporate expenses and professional fees paid for the corporate exercise.

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A11. DISCONTINUED OPERATIONS/DISPOSAL OF SUBSIDIARIES

As mentioned in Note A3 above, Amshore Holdings Sdn Bhd together with its subsidiary company, Amshore KL Sdn Bhd were classified as disposal group held for sale and discontinued operations. 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 disposal of these subsidiaries has incurred a one-off loss of RM0.555 million to the Group up to 31 October 2018, upon meeting the conditions precedent in the share sale agreement.

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

<i>RM '000</i>	3 months ended		18 months ended	
	31.12.18	31.12.17	31.12.18	31.12.17*
Revenue	418	667	3,197	5,191
Other income	-	-	92	512
Operating expenses	(616)	(1,142)	(11,014)	(17,244)
Operating loss before tax	(198)	(475)	(7,725)	(11,541)
Taxation	-	(58)	(59)	(531)
Net loss after tax	(198)	(533)	(7,784)	(12,072)

Cash flow (used in)/from discontinued operations

	18 months ended	
	31.12.18	31.12.17*
Net cash used in operating activities	(434)	(8,738)
Net cash from investing activities	17	8,596
Effect on cash flows	(417)	(142)

** 18 months pro-forma results*

A12. VALUATION OF PROPERTY, PLANT AND EQUIPMENT

There were no revaluation of property, plant and equipment during the quarter and period-to-date ended 31 December 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 31 December 2018, other than as mentioned in Note B7 below.

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 31 December 2018, other than the Group has submitted to strike off the following inactive subsidiary companies:

- a. Amshore Vista Sdn. Bhd.; and
- b. 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 31 December 2018.

RM '000	3 months ended		18 months ended	
	31.12.18	31.12.17	31.12.18	31.12.17*
Hotel management and technical fees received from:				
- Impiana Hotel Ipoh Sdn. Bhd.	92	66	797	151
- Impiana Cherating Sdn. Bhd.	734	270	3,136	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	-	-	98	-

* 18 months pro-forma results

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			18 months ended		
	31.12.18	31.12.17 (Restated)	Changes (%)	31.12.18	31.12.17* (Restated)	Changes (%)
Revenue	826	837	(1)	4,823	6,532	(26)
Operating loss before tax	(2,526)	(536)	371	(3,240)	(221)	1,366
Taxation	(738)	(97)	661	(1,305)	(1,006)	30
Net loss after tax						
- From continuing operations	(3,264)	(633)	416	(4,545)	(1,227)	270
- From discontinued operations	(198)	(533)	(63)	(7,784)	(12,072)	(36)
Loss attributable to Owners of the Company						
- From continuing operations	(2,837)	(696)	308	(4,530)	(1,134)	299
- From discontinued operations	(336)	(499)	(33)	(7,394)	(12,038)	(39)

* 18 months pro-forma results

For purpose of comparison, the FYE2017 financial statement has been restated to reflect the discontinued operations of the Bottled Drinking Water Division which was disposed during the quarter under review.

For the sixth quarter of FPE2018, the Group registered a revenue of RM0.826 million, vis-a-vis RM0.837 million recorded in the fourth quarter of the previous financial year. On a cumulative basis, the group revenue was RM4.823 million compared with the FPE2017 of RM6.532 million. The 26.2% 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 to owners of the Company during the quarter under review was RM2.837 million, compared to RM0.696 million during the corresponding period in FPE2017.

For the 18-month cumulative period, net loss after tax from continuing operations to owners of the Company was RM4.530 million, compared to RM1.134 million in FPE2017. The widening in losses after tax was mainly attributable to the RM1.036 million tax adjustment arising from reclassification of land to non-current receivable when IMSB surrendered its landbank for the Impiana Resort & Residences Cherating redevelopment project. The reclassification has also resulted in a loss on deemed disposal of RM0.829 million.

During the 18-month FPE2018 period, holding company incurred a loss after tax of RM3.923 million, which comprised a RM0.555 million loss on disposal of the Bottled Drinking Water Division which was completed in 31 December 2018.

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B2. FINANCIAL REVIEW FOR CURRENT QUARTER AND IMMEDIATE PRECEDING QUARTER

Variation of results against preceding quarter

RM'000	Current Quarter 31.12.18	Immediate Preceding Quarter 30.09.18	Changes %
Revenue	826	612	35
Loss before tax	(2,526)	(313)	707
Loss after tax			
- From continuing operations	(3,264)	(299)	992
- From discontinued operations	(198)	(497)	(60)
Loss attributable to owners of the Company			
- From continuing operations	(2,837)	(356)	697
- From discontinued operations	(336)	(488)	(31)

Group revenue during the current quarter increased by 35.0% to RM0.826 million vis-à-vis RM0.612 million recorded during the preceding quarter. The increase was due to higher billings in technical consultancy fee for Impiana Cherating during the October to December 2018 period.

The Group recorded RM2.837 million in loss after tax from continuing operations to owners of the Company during the current quarter. During the immediate preceding quarter, the loss after tax was lower at RM0.356 million.

B3. CURRENT PROSPECTS

The Group has vide an Extraordinary General Meeting held on 21 February 2019 approved the Company's corporate exercise relating to the acquisitions of several hospitality assets in Malaysia as well as hotel management operations in the region. Details of the acquisitions are outlined in Note B7 below. The Group is looking forward to complete the acquisitions by the Second Quarter of the current financial year. These new acquisitions will form a solid platform for the Group and widening its existing hospitality base.

In addition, The Group had also completed the disposal of its bottled drinking water business on 31 December 2018. As a result, The Group's financial performance will no longer be weighed down by the continued losses incurred by that previous segment. Moving forward, we expect the acquisition of these hospitality assets to contribute positively to the earnings of the Group in the long term.

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		18 months ended	
	31.12.18	31.12.17	31.12.18	31.12.17*
Amortisation of intangible assets	256	256	1,539	1,198
Amortisation of leasehold land	-	15	72	29
Bad debts written off	764	-	767	495
Bargain purchase gain on acquisition of a subsidiary	-	-	-	(1,244)
Deposits written off	-	-	-	75
Depreciation of property, plant and equipment	145	536	2,562	3,083
Impairment loss on receivables	-	-	-	179
Impairment loss on property, plant and equipment	-	-	4,634	4,621
Loss on disposal of subsidiaries	555	-	555	-
Loss/(gain) on foreign currency exchange:				
- unrealised	-	-	135	(59)
- realised	-	-	2	13
Loss/(gain) on disposal of property, plant and equipment	829	-	809	(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	-	(15)	(19)	(36)

* 18 months pro-forma results

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		18 months ended	
	31.12.18	31.12.17	31.12.18	31.12.17*
Income Tax				
- current period expense	738	155	1,364	1,536
	738	155	1,364	1,536

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

* 18 months pro-forma results

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B7. CORPORATE PROPOSAL

The Company had 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”). The Proposed Corporate Exercise was approved by shareholders at the Extraordinary General Meeting held on 21 February 2019 pertaining to the following proposals:

1. Proposed acquisition of the following:
 - I. 100.0% equity interest in Impiana Hotels & Resorts Management Sdn Bhd for a purchase consideration of RM70,840,458;
 - II. 100.0% equity interest in Impiana Pangkor Sdn Bhd for a purchase consideration of RM79,000,664;
 - III. 100.0% equity interest in Astaka Mekar Sdn Bhd for a purchase consideration of RM15,830,878;
 - IV. 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;
 - V. 100.0% equity interest in Impiana Cherating Sdn Bhd for a purchase consideration of RM207,144,359; and
 - Vi. Assets and liabilities by Intra Magnum which include the ownership of Impiana Hotel Ipoh for a purchase consideration of RM40,408,874
2. Proposed private placement of up to 2,000,000,000 new Bio Osmo Shares to independent third parties to be identified.
3. Proposed offer for sale of up to 1,000,000,000 Bio Osmo Shares to be held by Dato’ Seri Ismail @ Farouk Bin Abdullah (“Dato’ Seri Farouk”) upon completion of the propose acquisitions to independent third party investors to be identified.
4. Proposed amendments to the constitution of the company to facilitate issuance of Irredeemable Convertible Preference Shares (“ICPS”).
5. Proposed change of company name from Bio Osmo Berhad to Impiana Hotels Berhad.

The total purchase consideration of items 1 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.

Upon issuance of the Consideration Shares in item 1, Dato’ Seri Farouk and the Persons Acting in Concert (“PACs”) collective shareholdings in the Company will increase to 88.57%. Pursuant to the above, the Board had on 21 February 2019 received a Mandatory General Offer served by Kenanga Investment Bank Berhad (“KIVB”) on behalf of Dato’ Seri Farouk and Impiana Sdn. Bhd. (“Offerors”) to acquire all the remaining Shares in Bio Osmo Berhad not already held by the Offerors at RM0.05 per share.

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 (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.

	As at 31.12.18	As at 31.12.17
Neither past due nor impaired	13,947	1,183
1 to 90 days past due but not impaired	566	2,772
91 to 180 days past due but not impaired	934	1,074
181 to 365 days past due but not impaired	1,660	1,032
	3,160	4,878
	17,107	6,061

Included in the non-current and current trade receivables are amounts of RM0.748 million and RM3.859 million respectively due from related parties. These amounts are subject to normal trade term.

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.

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B14. LOSS PER SHARE ("LPS")

	3 months ended		18 months ended	
	31.12.18	31.12.17	31.12.18	31.12.17*
Net loss attributable to Owners of the Company (RM '000)				
- From continuing operations	(2,837)	(696)	(4,530)	(1,134)
- From discontinued operations	(336)	(499)	(7,394)	(12,038)
	<u>(3,173)</u>	<u>(1,195)</u>	<u>(11,924)</u>	<u>(13,172)</u>
Weighted average number of ordinary shares in issue ('000)	795,363	795,363	795,363	702,761
Basic LPS (sen)				
- From continuing operations	(0.36)	(0.09)	(0.57)	(0.16)
- From discontinued operations	(0.04)	(0.06)	(0.93)	(1.71)
	<u>(0.40)</u>	<u>(0.15)</u>	<u>(1.50)</u>	<u>(1.87)</u>
Diluted LPS (sen)				
- From continuing operations	(0.36)	(0.09)	(0.57)	(0.16)
- From discontinued operations	(0.04)	(0.06)	(0.93)	(1.71)
	<u>(0.40)</u>	<u>(0.15)</u>	<u>(1.50)</u>	<u>(1.87)</u>

* 18 months pro-forma results

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 21 February 2019.