

IMPIANA HOTELS BERHAD
(Formerly known as Bio Osmo Berhad)
Registration No: 200601021085 (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 2019

RM'000	3 months ended		9 months ended	
	30.09.19	30.09.18 Restated	30.09.19	30.09.18 Restated
Revenue	17,974	611	33,752	2,420
Other income	109	-	117	291
Operating expenses	(14,101)	(917)	(26,351)	(2,346)
Finance costs	(1,122)	-	(2,009)	-
Share of results of associated company	281	-	340	-
Operating profit/(loss) before tax	3,141	(306)	5,849	365
Taxation	(1,119)	14	(1,528)	(319)
Net profit/(loss) after tax				
- From continuing operations	2,022	(292)	4,321	46
- From discontinued operations	-	(504)	-	(6,688)
Profit/(Loss) for the period	2,022	(796)	4,321	(6,642)
Total comprehensive profit/(loss) for the period	2,022	(796)	4,321	(6,642)
Profit/(Loss) attributable to:				
Owners of the Company				
- From continuing operations	2,022	(339)	4,223	265
- From discontinued operations	-	(504)	-	(6,770)
	2,022	(843)	4,223	(6,505)
Non-controlling interest				
- From continuing operations	-	47	98	(219)
- From discontinued operations	-	-	-	82
	-	47	98	(137)
	2,022	(796)	4,321	(6,642)
Total comprehensive income/(expense) attributable to:				
Owners of the Company	2,022	(843)	4,223	(6,505)
Non-controlling interest	-	47	98	(137)
	2,022	(796)	4,321	(6,642)

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 period ended 31 December 2018 and the accompanying explanatory notes attached to these interim financial statements.

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CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE QUARTER AND PERIOD-TO-DATE ENDED 30 SEPTEMBER 2019 (CONT'D)

RM'000	3 months ended		9 months ended	
	30.09.19	30.09.18 Restated	30.09.19	30.09.18 Restated
Profit/(Loss) per share attributable to Owners of the Company (sen):-				
Basic				
- From continuing operations	0.053	(0.043)	0.110	0.033
- From discontinued operations	-	(0.063)	-	(0.851)
	<u>0.053</u>	<u>(0.106)</u>	<u>0.110</u>	<u>(0.818)</u>
Diluted				
- From continuing operations	0.034	(0.043)	0.072	0.033
- From discontinued operations	-	(0.063)	-	(0.851)
	<u>0.034</u>	<u>(0.106)</u>	<u>0.072</u>	<u>(0.818)</u>

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2019

RM'000	As at 30.09.19 Restated (Unaudited)	As at 31.12.18 (Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	62,114	19
Land held for development	3,497	-
Investment in associate	38,134	-
Intangible assets	11,388	12,030
Goodwill	48,934	-
Amount due from related companies	-	12,500
Trade receivables	-	748
Asset held for sale	260	-
Total non-current assets	<u>164,326</u>	<u>25,297</u>
Current assets		
Inventories	97	-
Contract assets	2,130	-
Property development cost	33,882	-
Trade receivables	24,599	3,577
Other receivables, deposits and prepayments	1,583	2,050
Amount due from related companies	-	16
Cash in hand and at bank	2,238	125
Total current assets	<u>64,529</u>	<u>5,768</u>
TOTAL ASSETS	<u><u>228,855</u></u>	<u><u>31,065</u></u>
EQUITY AND LIABILITIES		
Equity		
Share capital	80,245	42,299
Accumulated losses	(34,246)	(25,656)
Revaluation reserve	24,774	-
Capital contributions from shareholders	21,783	-
Equity attributable to Owners of the Company	<u>92,556</u>	<u>16,643</u>
Non-controlling interest	-	6,347
Total equity	<u>92,556</u>	<u>22,990</u>
Non-current liabilities		
Deferred tax liability	4,018	527
Borrowings	56,062	-
Trade and other payables	100	100
Amount due to related companies	36,417	-
Total non-current liabilities	<u>96,596</u>	<u>627</u>

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2019
(CONT'D)

RM'000	As at 30.09.19 Restated (Unaudited)	As at 31.12.18 (Audited)
Current liabilities		
Trade payables	6,233	-
Other payables and accruals	7,929	5,475
Tax payable	7,036	1,973
Amount due to related companies	7,792	-
Borrowings	3,284	-
Bank overdraft	7,428	-
Total current liabilities	<u>39,703</u>	<u>7,448</u>
Total liabilities	<u>136,299</u>	<u>8,075</u>
TOTAL EQUITY AND LIABILITIES	<u>228,855</u>	<u>31,065</u>
Net assets per share attributable to owners of the Company (RM)	<u>0.024</u>	<u>0.021</u>

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 period ended 31 December 2018 and the accompanying explanatory notes attached to these interim financial statements.

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CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR-TO-DATE ENDED 30 SEPTEMBER 2019

	<----- Attributable to Owners of the Company ----->						
	<----- Non-Distributable ----->			Distributable			
	Share Capital	Capital Contributions From Shareholders	Revaluation Reserve	Accumulated losses	Total	Non-controlling Interest	Total Equity
	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000
9 months period							
Balance as of 1 January 2019	42,299	-		(25,656)	16,643	6,347	22,990
Issuance of shares	-	-		-	-	-	-
Share conversion	-			-	-	-	-
Reverse acquisition accounting	37,946	21,783	-	(19,258)	40,471	-	40,471
Realisation of revaluation reserve	-	-	24,774	-	24,774	-	24,774
Total comprehensive profit / (loss) for the period	-	-		4,223	4,223	98	4,321
Acquired shares in a subsidiary from the non-controlling interest	-			6,445	6,445	(6,445)	-
Balance as of 30 September 2019	80,245	21,783	24,774	(34,246)	92,556	-	92,556
<hr/>							
Audited							
18 months ended 31 December 2018							
Balance as of 1 January 2017	42,299	-	-	(12,682)	29,617	5,415	35,032
Total comprehensive profit / (loss) for the period	-	-	-	(12,974)	(12,974)	(642)	(13,616)
Dividends	-	-	-	-	-	(563)	(563)
Disposal of subsidiary	-			-	-	2,137	2,137
Balance as of 31 December 2018	42,299	-	-	(21,433)	16,643	4,736	22,990

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CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE PERIOD-TO-DATE ENDED 30 SEPTEMBER 2019

RM'000	9 months ended	
	30.09.19	30.09.18
	(Restated)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(Loss) before taxation		
- From continuing operations	5,849	365
- From discontinued operations	-	(6,685)
	5,849	(6,320)
Adjustments for:		
Bad debts written off	-	3
Amortisation of intangible assets	643	770
Amortisation of leasehold land	328	43
Depreciation of property, plant and equipment	472	1,360
Impairment loss on property, plant and equipment	-	4,634
Gain on disposal of property, plant and equipment	-	(20)
Interest expense	2,009	-
Reversal of impairment loss on trade receivables	-	15
Interest income	(117)	(19)
Share of results of associated company	(340)	-
Unrealised (gain)/loss on foreign currency exchange	(103)	135
Operating profit/(loss) before working capital changes	8,741	601
Increase in property development cost	(2,881)	-
Decrease in inventories	40	375
Increase in contract assets	(2,130)	-
Decrease in receivables	8,209	2,184
Decrease in amount due from related companies	38,539	-
Increase/(Decrease) in amount due to Directors	-	(239)
Decrease in payables	(30,017)	(2,781)
Cash generated from operations	20,502	140
Interest received	117	4
Interest paid	(2,009)	-
Dividend paid	-	(563)
Income tax paid	(1,529)	(195)
Net cash from operating activities	17,081	(614)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(91)	5
Acquisition of subsidiaries, net cash outflow	(43,960)	-
Proceeds from disposal of property, plant and equipment	-	20
Net cash (used in)/from investing activities	(44,051)	25

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CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE PERIOD-TO-DATE ENDED 30 SEPTEMBER 2019 (CONT'D)

RM'000	9 months ended	
	30.09.19 (Restated)	30.09.18
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of borrowings	(1,449)	-
Proceeds from borrowings	23,000	-
Net cash used in financing activities	21,551	-
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(5,419)	(589)
EFFECT OF EXCHANGE RATE CHANGES	103	(135)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	125	875
CASH AND CASH EQUIVALENTS AT END OF PERIOD	(5,191)	151
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD COMPRISE:		
- From continuing operations		
Cash and bank balances	2,238	90
Fixed deposit pledged to licensed banks	2,238	-
	2,238	90
Less : Fixed deposit pledged to licensed banks	-	-
Less : Bank overdraft	(7,428)	-
	(5,191)	90
- From discontinued operations		
Cash and bank balances	-	61
Fixed deposit pledged to licensed banks	-	306
	-	367
Less : Fixed deposit pledged to licensed banks	-	(306)
Less : Bank overdraft	-	-
	-	61
	(5,191)	151

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CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE PERIOD-TO-DATE ENDED 30 SEPTEMBER 2019 (CONT'D)

Acquisition of acquiree company

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

(i) Fair value of identifiable assets acquired and liabilities recognised:

	RM'000
Assets	
Property, plant and equipment	16
Intangible assets	11,887
Receivables	17,441
Amount due from related company	241
Cash and bank balances	838
Total assets	30,423
Liabilities	
Payables	(1,449)
Tax payable	(2,345)
Deferred tax liability	(527)
Amt due to related company	(3,140)
Total liabilities	(7,461)
Total identifiable net assets acquired	22,962
Acquired shares in a subsidiary from the non-controlling interest	(6,228)
Share of net assets acquired	16,734
Total purchase consideration	65,668
Goodwill	48,934
Fair value consideration *	25,900

* The fair value consideration on the acquisition of acquiree company amounting RM25.9 million have been satisfied via cash consideration.

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NOTES TO THE QUARTERLY REPORT ON CONSOLIDATED RESULT FOR THE QUARTER AND 9 MONTHS ENDED 30 SEPTEMBER 2019

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 period ended 31 December 2018. 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 period ended 31 December 2018.

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 unaudited financial statements for the financial period ended 30 June 2020, except the following:

Adoption of Standards Amendments to Standards and IC Interpretations

The Group has adopted the following Standards Amendments to Standards and IC Interpretations, with a date of initial application of 1 January 2019.

Effective for financial periods beginning on or after 1 January 2019

MFRS 16	Leases
Amendments to MFRS 3	Business Combinations
Amendments to MFRS 11	Joint Arrangements
Amendments to MFRS 112	Income Taxes
Amendments to MFRS 119	Employee Benefits - Plan Amendments, Curtailment or Settlement
Amendments to MFRS 123	Borrowing Costs
Amendments to MFRS 128	Investment in Associates and Joint Ventures - Long-term Interest in Associates and Joint Ventures
Amendments to IC Interpretation 23	Uncertainty over Income Tax Treatments

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

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A2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Effective for financial periods beginning on or after 1 January 2021

MFRS 17	Insurance Contracts
Amendments to MFRS 5	Non-current Assets Held for Sale and Discontinued Operations
Amendments to MFRS 15	Revenue from Contracts with Customers
Amendments to MFRS 107	Statements of Cash Flows
Amendments to MFRS 116	Property, Plant and Equipment
Amendments to MFRS 136	Impairment of Assets
Amendments to MFRS 140	Investment Property

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.

A3. COMPARATIVES

The Company changed its financial year end from 30 June to 31 December.

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 preceding quarter have been reclassified and restated as follow:

Corresponding preceding quarter

	3 months ended 30.09.18		
	As previously stated	Discontinued Operations MFRS 5	As restated
RM '000			
Revenue	1,192	581	611
Other income	-	-	-
Operating expenses	(2,002)	(1,085)	(917)
Operating loss before tax	(810)	(504)	(306)
Taxation	14	-	14
Net loss after tax	(796)	(504)	(292)

	9 months ended 30.09.18		
	As previously stated	Discontinued Operations MFRS 5	As restated
RM '000			
Revenue	4,158	1,738	2,420
Other income	380	89	291
Operating expenses	(10,861)	(8,515)	(2,346)
Operating loss before tax	(6,323)	(6,688)	365
Taxation	(319)	-	(319)
Net loss after tax	(6,642)	(6,688)	46

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.

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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 2019 other than stated in note A11: Fair Value of Net Identifiable Assets

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 2019.

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 2019.

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 2019 is as follows:

<u>Segment Revenue and Results</u> RM '000	3 months ended		9 months ended	
	30.09.19	30.09.18	30.09.19	30.09.18
Revenue from continuing operations				
- Hotel investment	2,105	-	5,567	-
- Hotel management	1,215	611	3,616	2,420
- Property sales	14,654	-	24,569	-
	<u>17,974</u>	<u>611</u>	<u>33,752</u>	<u>2,420</u>
Revenue from discontinued operations				
- Bottled water	-	581	-	1,738
	<u>-</u>	<u>581</u>	<u>-</u>	<u>1,738</u>
Total revenue	<u>17,974</u>	<u>1,192</u>	<u>33,752</u>	<u>4,158</u>

<u>Segment Revenue and Results (Cont'd)</u> RM '000	3 months ended		9 months ended	
	30.09.19	30.09.18	30.09.19	30.09.18
Net profit/(loss) after tax from continuing operations				
- Hotel investment	(1,009)	-	(2,028)	-
- Hotel management	(504)	45	198	532
- Property sales	4,940	-	8,917	-
- Other unallocated expenses	(1,405)	(473)	(2,766)	(621)
	<u>2,022</u>	<u>(428)</u>	<u>4,321</u>	<u>(89)</u>
Net loss after tax from discontinued operations				
- Bottled water	-	(4,511)	-	(5,755)
	<u>-</u>	<u>(4,511)</u>	<u>-</u>	<u>(5,755)</u>
Total net profit/(loss) after tax	<u>2,022</u>	<u>(4,939)</u>	<u>4,321</u>	<u>(5,844)</u>

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A10. SEGMENTAL INFORMATION (CONT'D)

The year to date consolidated results of the newly acquired company was for seven months from March until September 2019 based on the acquisition date of 1st March 2019.

During the current quarter, the hotel investment segment contributed RM2.105 million in revenue accounting for 12.00% of group revenue, the hotel management segment contributed RM1.215 million in revenue accounting for 7.00% of group revenue, while the property sales segment under Impiana Cherating Sdn Bhd contributed 82.00% of group revenue amounting RM14.654 million. Overall group revenue during the quarter was RM17.974 million, more than 100% higher than the corresponding financial period ended 2018 ("FPE2018").

In the hotel investment segment, the revenue of RM2.105 million was generated from hotel operation of Impiana Hotel Ipoh ("hotel") resulted from the positive average occupancy rate of 53.00% and stronger food and beverage business.

In the hotel management segment, the group registered a revenue of RM1.215 million in the current quarter as compared to previous year corresponding quarter of RM0.611 million. The increase in revenue was mainly due to the recognition of hotel management contracts by

A11. FAIR VALUE OF NET IDENTIFIABLE ASSETS

On 21 February 2019, the Company via an Extraordinary General Meeting obtained the shareholders' approval on the following acquisitions:

- 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 include the ownership of Impiana Hotel Ipoh for a purchase consideration of RM40,408,874 by Intra Magnum Sdn Bhd

The business combination arising from the completed acquisitions was previously accounted for using the direct acquisition method wherein the Company was identified as both the legal and accounting acquirer. During the review of purchase price allocation, the Company has identified that the legal acquirer may not necessarily be the accounting acquirer for accounting purposes. This was confirmed by an independent expert who concluded that the Company should be identified as the accounting acquiree instead of the accounting acquirer.

Therefore the legal acquirer (ie Impiana Hotels Berhad) is to be distinguished from the accounting acquirer (ie the legal subsidiaries) as the substance of the completed acquisitions reflects a reverse acquisition within the scope of MFRS 3 Business Combinations.

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A11. FAIR VALUE OF NET IDENTIFIABLE ASSETS (CONT'D)

Summary of the effects of acquisitions of Impiana Hotels Berhad by the above companies is illustrated as follows:

Identifiable net assets as at acquisition date:

	RM'000
Assets	
Property, plant and equipment	16
Intangible assets	11,887
Receivables	17,441
Amount due from related company	241
Cash and bank balances	838
Total assets	30,423
Liabilities	
Payables	(1,449)
Tax payable	(2,345)
Deferred tax liability	(527)
Amt due to related company	(3,140)
Total liabilities	(7,461)
Total identifiable net assets acquired	22,962
Acquired shares in a subsidiary from the non-controlling interest	(6,228)
Share of net assets acquired	16,734
Total purchase consideration	65,668
Goodwill *	48,934

* Goodwill is measured as the excess of the cost of business combination (Deemed Cost of Investment) over the fair value of Impiana Hotels Berhad's identifiable assets and liabilities. However, the goodwill is impaired as it relates to the premium paid for the listing status.

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 2019.

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 2019.

A14. CHANGES IN THE COMPOSITION OF THE GROUP

The composition of the Group during the quarter and period-to-date ended 30 June 2019 is illustrated as follows:

Name of Company	Proportion of Ownership interest	
	30.09.2019	31.12.2018
Intra Magnum Sdn Bhd	100%	75%
Astaka Mekar Sdn Bhd	100%	-
Impiana Cherating Sdn Bhd	100%	-
Impiana Pangkor Sdn Bhd	100%	-
Impiana Hotels & Resorts Management Sdn Bhd	100%	-
Morning Valley Sdn Bhd ^	-	100%
Amshore Vista Sdn Bhd ^	-	100%
Amshore Holdings Sdn Bhd *	-	100%
Amshore KL Sdn Bhd *	-	100%

^ Morning Valley Sdn Bhd and Amshore Vista Sdn Bhd had received notification from CCM for the striking off applications on 26 February 2019 and 14 March 2019 respectively.

* The disposal of Amshore Holdings Sdn Bhd and Amshore KL Sdn Bhd was completed on 31 December 2018.

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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 2019.

RM '000	3 months ended		9 months ended	
	30.09.19	30.09.18	30.09.19	30.09.18
Hotel management and technical fees received from:				
- Impiana Hotel Ipoh Sdn. Bhd. ^	-	79	47	562
- Impiana Cherating Sdn. Bhd. ^	-	482	750	1,460
- Impiana Tioman Sdn. Bhd. ^	-	-	87	-
- Impiana Pangkor Sdn. Bhd. ^	-	-	-	300
- Impiana Seminyak (Labuan) Co. Ltd.	-	-	52	-
- Impiana Resort Patong	169	-	429	-
- Impiana Resort Villas Kata Noi	78	-	203	-
- Impiana Resort Chaweng Noi	172	-	359	-
- Impiana Private Villas Seminyak	272	-	500	-
- Impiana Private Villas Cemagi	7	-	15	-
- Impiana Private Villas & Resorts Ubud, Bali	-	51	-	98

^ Transacted during pre-acquisition period.

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. The transactions were also transacted within the threshold as per the approved Recurrent Related Party Transactions ("RRPT") mandate.

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		9 months ended	
	30.09.19	30.09.18 (Restated)	30.09.19	30.09.18 (Restated)
Revenue	17,974	611	33,752	2,420
Operating profit/(loss) before tax	3,141	(306)	5,849	365
Taxation	(1,119)	14	(1,528)	(319)
Net profit/(loss) after tax				
- From continuing operations	2,022	(292)	4,321	46
- From discontinued operations	-	(504)	-	(6,688)
Profit/(Loss) attributable to Owners of the Company				
- From continuing operations	2,022	(339)	4,223	265
- From discontinued operations	-	(504)	-	(6,770)

For purpose of comparison, the financial period ended 2018 ("FPE2018") financial statement has been restated to reflect the discontinued operations of the Bottled Drinking Water Division which was disposed during FPE2018.

For the third quarter of FPE2019, the Group registered a revenue of RM17.974 million compared to RM0.611 million recorded in the same quarter of the previous financial year. In line with the marked increase in revenue, the Company registered an operating profit before tax of RM3.141 million compared to operating loss of RM0.306 million recorded in the corresponding period in FPE2018.

Net profit after tax from continuing operations to owners of the Company during the quarter under review was RM2.022 million, compared to net loss after tax to owners of RM0.339 million during the corresponding period in FPE2018.

B2. FINANCIAL REVIEW FOR CURRENT QUARTER AND IMMEDIATE PRECEDING QUARTER

RM'000	Current	Immediate
	Quarter 30.09.19	Preceding Quarter 30.06.19
Revenue	17,974	13,006
Profit/(Loss) before tax	3,141	2,262
Profit/(Loss) after tax		
- From continuing operations	2,022	2,080
- From discontinued operations	-	-
Profit/(Loss) attributable to owners of the Company		
- From continuing operations	2,022	2,080
- From discontinued operations	-	-

The Group's revenue in the third quarter ended 30 September 2019 was RM17.974 million in comparison to RM13.006 million recorded in the immediate preceding quarter. The increase was due to the revenue contribution from the property sales segment of RM14.654 million solely came from the recognition of sale based the sales and purchase agreement ("S&P") signed with Silver Max Asia Pacific Labuan Limited ("Silvermax") dated 11 September 2019. The other contributor to the Group's revenue were the revenue from hotel investment segment of RM2.105 million coupled with a higher revenue contribution from the hotel management segment of RM1.215 million.

The Group achieved a profit after tax of RM2.022 million during the current quarter, slightly lower by 3% compared with a RM2.080 million profit after tax incurred during the immediate preceding quarter.

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B3. CURRENT PROSPECTS

With the disposal by the Group of its bottled drinking water business on 31 December 2018, 2019 will only contain revenues from the hospitality segment only. Thus far the Group's have contributed positively to financial performance with profits. This bodes well for further improvements in the coming quarters that will hopefully deliver a satisfactory performance full year for the Group.

The Group anticipates that the hospitality business will continue to be the main revenue contributor to the Group moving forward. In addition to the above, the management is actively identifying hospitality assets for potential acquisitions as well as hotel management opportunities for third-party owned hotel and resort to further expand the reach of the Impiana Brand. As a result, on 27 September 2019, the Company announced that Impiana Hotels & Resorts Management Sdn Bhd ("IHRM"), had entered into a Joint Venture Agreement ("JVA") with Athitheya Kshema Hotels Private Limited ("AKH") (collectively, the "Parties") to establish a joint venture company ("JV Co") in India to undertake the business of operation and management of the hotels presently owned and/or controlled by AKH ("Hotel") and any other hotels and/or serviced accommodation owned by other hotel owners in India. Concurrently with the JVA, the Parties had also signed a Shareholders' Agreement on even date to govern the Parties relationship as shareholders in the JV Co.

B4. PROFIT FORECAST

No profit forecast was required for the period under review.

B5. PROFIT BEFORE TAXATION

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

RM '000	3 months ended		9 months ended	
	30.09.19	30.09.18	30.09.19	30.09.18
Amortisation of intangible assets	214	257	643	770
Amortisation of leasehold land	140	15	328	43
Depreciation of property, plant and equipment	216	428	472	1,360
Impairment loss on property, plant and equipment	-	-	-	4,634
Interest expense	1,123	-	2,009	-
(Gain)/Loss on foreign currency exchange:				
- unrealised	(102)	-	(103)	135
Reversal of impairment loss on trade receivables	-	-	-	15
Share of profit from an associate	(282)	-	(340)	-
Interest income	(108)	-	(117)	(19)

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		9 months ended	
	30.09.19	30.09.18	30.09.19	30.09.18
Income Tax				
- current period expense	1,119	(14)	1,528	319
	1,119	(14)	1,528	319

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

One of the Proposed Corporate Exercise that had been announced to Bursa Malaysia Securities Bhd on 12 April 2018 was pertaining to the proposed private placement of up to 2,000,000,000 new Impiana Hotels Berhad Shares to independent third parties to be identified. The Company sought further extension of time from Bursa Malaysia Securities Berhad ("Bursa Securities") to carry out the private placement exercise. Bursa Securities subsequently granted the Company an extension of six months from 23 July 2019 until 22 January 2020 to complete the exercise vide its letter dated 9 July 2019.

On 11 July 2019, the Company announced the proposed consolidation of every 10 existing ordinary shares in Impiana into 1 ordinary share on an entitlement date to be determined later ("Proposed Share Consolidation"). The Company is given a time frame of 6 months to carry out the share consolidation exercise within 6 months from date of approval vide letter dated 17 July 2019. The Company intends to apply to Bursa Securities to seek further extension of time of six months from 17 January 2020 until 17 July 2020 to complete the exercise.

B8. GROUP BORROWINGS

Including in the Group's total borrowing as at 30 September 2019 was borrowings arising from the acquisition of subsidiaries amounting of RM45.497 million.

RM '000	30.09.19			30.09.18		
	Short term	Long term	Total	Short term	Long term	Total
Secured						
- Term loan	3,284	56,062	59,346	-	-	-
- Hire purchase	-	-	-	-	-	-
- Bank overdraft	7,428	-	7,428	-	-	-
	10,712	56,062	66,774	-	-	-

B9. TRADE RECEIVABLES

The Group's normal credit terms ranges from 30 to 180 days (2018: 30 to 180 days). Other credit terms 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.

RM '000	As at	As at
	30.09.19	30.09.18
Neither past due nor impaired	22,614	1,215
1 to 90 days past due but not impaired	1,128	934
91 to 180 days past due but not impaired	375	682
181 to 365 days past due but not impaired	84	904
> 365 days past due but not impaired *	398	-
	1,985	2,520
	24,599	3,735

* This amount is retention sums on contracts.

Trade receivables are non-interest bearing and normal credit terms offered by the Group is 30 days from the date of invoices. Other credit terms are assessed and approved on a case by case basis.

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B10. MATERIAL LITIGATION

Further updates on the litigation matter on the Company's wholly owned subsidiary, Impiana Pangkor Sdn Bhd ("Impiana Pangkor") are as reported in the Company's quarterly report on consolidated results for the financial period ended 31 March 2019 as announced on 2 May 2019, 19 June 2019, 12 July 2019 and 6 August 2019 respectively.

Following the hearing on 19 September 2019, the Court granted order for Impiana Pangkor's application and leave to issue the Writ of Possession against the Defendants to recover possession of the Pangkor Land, and for the Defendants to evict the Pangkor Land on or before 2 December 2019. With the granting of the Court's Order, Impiana Pangkor is able to execute the Writ of Possession against the Defendants for the return of vacant possession of the Pangkor Land. The Court's bailiff has set 18 November 2019 to affix the notice of eviction on the Pangkor Land.

B11. DERIVATIVE FINANCIAL INSTRUMENT

The Group does not have any derivative financial instrument is 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. EARNINGS/(LOSS) PER SHARE ("EPS")/("LPS")

RM '000	3 months ended		9 months ended	
	30.09.19	30.09.18	30.09.19	30.09.18
Net profit/(loss) attributable to Owners of the Company (RM '000)				
- From continuing operations	2,022	(339)	4,223	265
- From discontinued operations	-	(504)	-	(6,770)
	<u>2,022</u>	<u>(843)</u>	<u>4,223</u>	<u>(6,505)</u>
Basic:				
Weighted average number of ordinary shares in issue ('000)	3,837,121	795,363	3,837,121	795,363
Basic EPS/(LPS) (sen)				
- From continuing operations	0.053	(0.043)	0.110	0.033
- From discontinued operations	-	(0.063)	-	(0.851)
	<u>0.053</u>	<u>(0.106)</u>	<u>0.110</u>	<u>(0.818)</u>
Diluted:				
Weighted average number of ordinary shares in issue ('000)	5,864,960	795,363	5,864,960	795,363
Diluted EPS/(LPS) (sen)				
- From continuing operations	0.034	(0.043)	0.072	0.033
- From discontinued operations	-	(0.063)	-	(0.851)
	<u>0.034</u>	<u>(0.106)</u>	<u>0.072</u>	<u>(0.818)</u>

B15. AUTHORISED FOR ISSUE

The revised interim financial statements were reviewed by the Audit Committee ("AC") and duly authorised for issue by the Board of Directors ("BOD") in accordance with a resolution of the Directors dated 02 September 2020.