

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 31 DECEMBER 2019**

RM'000	3 months ended		12 months ended	
	31.12.19	31.12.18 Restated	31.12.19	31.12.18 Restated
Revenue	3,117	827	36,869	3,247
Other income	315	1	434	292
Operating expenses	(4,743)	(3,977)	(31,099)	(6,325)
Finance costs	(1,326)	-	(3,334)	-
Share of results of associated company	326	-	665	-
Operating profit/(loss) before tax	(2,311)	(3,149)	3,535	(2,786)
Taxation	427	(738)	(1,102)	(1,058)
Net profit/(loss) after tax				
- From continuing operations	(1,884)	(3,887)	2,433	(3,844)
- From discontinued operations	-	431	-	(6,255)
Profit/(Loss) for the period	(1,884)	(3,456)	2,433	(10,099)
Total comprehensive profit/(loss) for the period	(1,884)	(3,456)	2,433	(10,099)
Profit/(Loss) attributable to:				
Owners of the Company				
- From continuing operations	(1,884)	(3,988)	2,335	(3,727)
- From discontinued operations	-	41	-	(6,563)
	(1,884)	(3,947)	2,335	(10,290)
Non-controlling interest				
- From continuing operations	-	101	98	(117)
- From discontinued operations	-	390	-	308
	-	491	98	191
	(1,884)	(3,456)	2,433	(10,099)
Total comprehensive income/(expense) attributable to:				
Owners of the Company	(1,884)	(3,947)	2,335	(10,290)
Non-controlling interest	-	491	98	191
	(1,884)	(3,456)	2,433	(10,099)

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 31 DECEMBER 2019 (CONT'D)**

RM'000	3 months ended		12 months ended	
	31.12.19	31.12.18 Restated	31.12.19	31.12.18 Restated
Profit/(Loss) per share attributable to Owners of the Company (sen):-				
Basic				
- From continuing operations	(0.043)	(0.501)	0.053	(0.469)
- From discontinued operations	-	0.005	-	(0.825)
	(0.043)	(0.496)	0.053	(1.294)
Diluted				
- From continuing operations	(0.037)	(0.501)	0.046	(0.469)
- From discontinued operations	-	0.005	-	(0.825)
	(0.037)	(0.496)	0.046	(1.294)

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2019

RM'000	As at 31.12.19 (Restated)	As at 31.12.18 (Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	71,789	19
Land held for development	3,441	-
Investment in associate	38,460	-
Intangible assets	11,174	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>174,058</u>	<u>25,297</u>
Current assets		
Inventories	115	-
Contract assets	2,036	-
Property development cost	25,072	-
Trade receivables	10,933	3,577
Other receivables, deposits and prepayments	1,204	2,050
Amount due from related companies	-	16
Cash in hand and at bank	1,909	125
Total current assets	<u>41,269</u>	<u>5,768</u>
TOTAL ASSETS	<u><u>215,326</u></u>	<u><u>31,065</u></u>
EQUITY AND LIABILITIES		
Equity		
Share capital	80,245	42,299
Accumulated profit/(losses)	(37,146)	(25,656)
Revaluation reserve	24,517	-
Capital contributions from shareholders	21,783	-
Equity attributable to Owners of the Company	<u>89,399</u>	<u>16,643</u>
Non-controlling interest	-	6,347
Total equity	<u>89,399</u>	<u>22,990</u>
Non-current liabilities		
Deferred tax liability	4,029	527
Borrowings	54,329	-
Trade and other payables	100	100
Amount due to related companies	20,840	-
Total non-current liabilities	<u>79,298</u>	<u>627</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 STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2019 (CONT'D)

RM'000	As at 31.12.19 (Restated)	As at 31.12.18 (Audited)
Current liabilities		
Trade payables	6,139	-
Other payables and accruals	8,952	5,475
Tax payable	6,266	1,973
Amount due to related companies	11,466	-
Borrowings	4,460	-
Bank overdraft	9,346	-
Total current liabilities	<u>46,629</u>	<u>7,448</u>
Total liabilities	<u>125,927</u>	<u>8,075</u>
TOTAL EQUITY AND LIABILITIES	<u>215,326</u>	<u>31,065</u>
Net assets per share attributable to owners of the Company (RM)	<u>0.020</u>	<u>0.021</u>

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CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR-TO-DATE ENDED 31 DECEMBER 2019

	<----- Attributable to Owners of the Company ----->						Non-controlling Interest	Total Equity
	Share Capital	Capital contributions from shareholders	Revaluation Reserve	Accumulated losses	Total	Distributable		
	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	
Unaudited								
12 months ended 31 December 2019								
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	-	(15,192)	44,536	-	44,536	
Realisation of revaluation reserve	-	-	24,517	(5,077)	19,440	-	19,440	
Total comprehensive profit for the period	-	-	-	2,335	2,335	98	2,433	
Acquired shares in a subsidiary from the non-controlling interest	-	-	-	6,445	6,445	(6,445)	-	
Balance as of 31 December 2019	80,245	21,783	24,517	(37,145)	89,399	-	89,399	
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 a subsidiary	-	-	-	-	-	2,137	2,137	
Balance as of 31 December 2018	42,299	-	-	(25,656)	16,643	6,347	22,990	

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CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE PERIOD-TO-DATE ENDED 31 DECEMBER 2019

RM'000	12 months ended	
	31.12.19	31.12.18
	Restated (Unaudited)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(Loss) before taxation		
- From continuing operations	3,535	(2,786)
- From discontinued operations	-	(6,258)
	3,535	(9,044)
Adjustments for:		
Bad debts written off	-	767
Amortisation of intangible assets	856	1,026
Amortisation of leasehold land	328	43
Depreciation of property, plant and equipment	874	1,505
Impairment loss on property, plant and equipment	-	4,634
Interest expense	3,333	-
Loss on disposal of a subsidiary company	-	555
Loss/(gain) on disposal of property, plant and equipment	-	809
Reversal of impairment loss on trade receivables	-	15
Interest income	(434)	(19)
Share of results of associated company	(665)	-
Unrealised (gain)/loss on foreign currency exchange	(103)	135
Operating profit/(loss) before working capital changes	7,724	426
Increase in property development cost	5,854	-
Decrease in inventories	22	367
Increase in contract assets	(2,036)	-
Decrease/(Increase) in receivables	21,972	(1,758)
Increase in amount due from related companies	26,636	-
Increase/(Decrease) in amount due to Directors	-	(239)
Decrease in payables	(29,496)	(1,312)
Cash generated from operations	30,675	(2,516)
Interest received	434	4
Interest paid	(3,334)	-
Dividend paid	-	(563)
Income tax paid	(1,415)	(151)
Net cash from operating activities	26,360	(3,226)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(10,038)	5
Acquisition of subsidiaries, net cash outflow	(43,960)	-
Proceeds from disposal of property, plant and equipment	-	20
Proceed from issuance of shares	-	-
Net cash inflow from disposal of subsidiary companies	-	2,175
Fixed deposits	-	-
Net cash (used in)/from investing activities	(55,019)	2,200

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CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE PERIOD-TO-DATE ENDED 31 DECEMBER 2019 (CONT'D)

RM'000	12 months ended	
	31.12.19 Restated (Unaudited)	31.12.18
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of borrowings	(2,006)	-
Proceeds from borrowings	23,000	-
Unpledged of fixed deposits	-	306
Net cash used in financing activities	20,994	306
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(7,665)	(720)
EFFECT OF EXCHANGE RATE CHANGES	103	(30)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	125	875
CASH AND CASH EQUIVALENTS AT END OF PERIOD	(7,437)	125
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD COMPRISE:		
- From continuing operations		
Cash and bank balances	1,909	125
Fixed deposit pledged to licensed banks	-	-
	1,909	125
Less : Fixed deposit pledged to licensed banks	-	-
Less : Bank overdraft	(9,346)	-
	(7,437)	125
- From discontinued operations		
Cash and bank balances	-	-
Fixed deposit pledged to licensed banks	-	-
	-	-
Less : Fixed deposit pledged to licensed banks	-	-
Less : Bank overdraft	-	-
	-	-
	(7,437)	125

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CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE PERIOD-TO-DATE ENDED 31 DECEMBER 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 have been satisfied via cash consideration of RM25.9 million.

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NOTES TO THE QUARTERLY REPORT ON CONSOLIDATED RESULT FOR THE QUARTER AND 12 MONTHS ENDED 31 DECEMBER 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 audited financial statements for the financial period ended 31 December 2018, 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 2018.

MFRS 9	Financial Instruments
MFRS 15	Revenue from Contracts with Customers & Clarifications to MFRS 15
Amendments to MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements to MFRSs 2014 - 2016 Cycle)
Amendments to MFRS 3	Business Combinations
Amendments to MFRS 4	Insurance Contracts - Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts
Amendments to MFRS 128	Investments in Associates and Joint Ventures (Annual Improvements to MFRSs 2014 - 2016 Cycle)
Amendments to MFRS 140	Investment Property - Transfers of Investment Property
IC Interpretations 22	Foreign Currency Transactions and Advance Consideration

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:

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

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A2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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
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 comparative of the discontinued operation in the corresponding preceding quarter have been reclassified and restated as follow:

Corresponding preceding quarter

	3 months ended 31.12.18		
	As previously stated	Discontinued Operations MFRS 5	As restated
<i>RM '000</i>			
Revenue	1,245	418	827
Other income	1	-	1
Operating expenses	(3,964)	13	(3,977)
Operating loss before tax	(2,718)	431	(3,149)
Taxation	(738)	-	(738)
Net loss after tax	(3,456)	431	(3,887)

	12 months ended 31.12.18		
	As previously stated	Discontinued Operations MFRS 5	As restated
<i>RM '000</i>			
Revenue	5,403	2,156	3,247
Other income	381	89	292
Operating expenses	(14,825)	(8,500)	(6,325)
Operating loss before tax	(9,041)	(6,255)	(2,786)
Taxation	(1,058)	-	(1,058)
Net loss after tax	(10,099)	(6,255)	(3,844)

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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 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 31 December 2019.

A8. ISSUANCES, CANCELLATIONS, REPURCHASES, RESALE AND REPAYMENTS OF DEBT AND EQUITY SECURITIES

During the quarter, the Company converted 652,000,000 units of ICPS into ordinary shares amounting to RM32.60 million and 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 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 31 December 2019 is as follows:

<u>Segment Revenue and Results</u> <i>RM '000</i>	3 months ended		12 months ended	
	31.12.19	31.12.18	31.12.19	31.12.18
Revenue from continuing operations				
- Hotel investment	2,504	-	8,071	-
- Hotel management	1,162	827	4,778	3,247
- Property sales	(549)	-	24,019	-
	<u>3,117</u>	<u>827</u>	<u>36,869</u>	<u>3,247</u>
Revenue from discontinued operations				
- Bottled water	-	581	-	1,738
	<u>-</u>	<u>581</u>	<u>-</u>	<u>1,738</u>
Total revenue	<u>3,117</u>	<u>1,408</u>	<u>36,869</u>	<u>4,985</u>

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A10. SEGMENTAL INFORMATION (CONT'D)

<u>Segment Revenue and Results (Cont'd)</u>	3 months ended		12 months ended	
	31.12.19	31.12.18	31.12.19	31.12.18
<i>RM '000</i>				
Net profit/(loss) after tax from continuing operations				
- Hotel investment	(602)	-	(2,630)	-
- Hotel management	741	(1,705)	939	(1,173)
- Property sales	(1,550)	-	7,365	-
- Other unallocated expenses	(473)	(1,553)	(3,241)	(2,973)
	<u>(1,884)</u>	<u>(3,258)</u>	<u>2,433</u>	<u>(4,146)</u>
Net loss after tax from discontinued operations				
- Bottled water	-	(198)	-	(5,953)
	<u>-</u>	<u>(198)</u>	<u>-</u>	<u>(5,953)</u>
Total net profit/(loss) after tax	<u>(1,884)</u>	<u>(3,456)</u>	<u>2,433</u>	<u>(10,099)</u>

The year to date consolidated results of the newly acquired companies were for ten month from March until December 2019 based on the acquisition date of 1st March 2019.

During the current quarter, the hotel investment segment contributed RM2.504 million in revenue accounting for 80% of group revenue, the hotel management segment contributed RM1.162 million in revenue accounting for 37% of group revenue, while the property sales segment under Impiana Cherating Sdn Bhd contributed negative revenue of RM0.549 million due to cancellation of property sales. However, the overall group revenue during the quarter was RM3.117 million, more than 100% higher than the corresponding financial period ended 2018 ("FPE2018").

In the hotel investment segment, the revenue of RM2.504 million was generated from hotel operation of Impiana Hotel Ipoh ("hotel") resulted from the positive average occupancy rate of 62.00% and stronger food and beverage business.

In the hotel management segment, the group registered a revenue of RM1.162 million in the current quarter as compared to previous year corresponding quarter of RM0.827 million. The increase in revenue was mainly due to the recognition of hotel management contracts by Impiana Hotels & Resort Management Sdn Bhd ("IHRM"), as result of the completion of the acquisition.

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 31 December 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 31 December 2019.

A14. CHANGES IN THE COMPOSITION OF THE GROUP

The composition of the Group during the quarter and period-to-date ended 31 December 2019 is illustrated as follows:

Name of Company	Proportion of Ownership interest	
	31.12.2019	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 31 December 2019.

RM '000	3 months ended		12 months ended	
	31.12.19	31.12.18	31.12.19	31.12.18
Hotel management and technical fees received from:				
- Impiana Hotel Ipoh Sdn. Bhd. ^	-	92	47	654
- Impiana Cherating Sdn. Bhd. ^	-	734	750	2,194
- Impiana Tioman Sdn. Bhd. ^	-	-	87	-
- Impiana Pangkor Sdn. Bhd. ^	-	-	-	300
- Impiana Seminyak (Labuan) Co. Ltd.	-	-	52	-
- Impiana Resort Patong	266	-	696	-
- Impiana Resort Villas Kata Noi	103	-	307	-
- Impiana Resort Chaweng Noi	72	-	430	-
- Impiana Private Villas Seminyak	185	-	684	-
- Impiana Private Villas Cemagi	7	-	22	-
- Impiana Private Villas & Resorts Ubud, Bali	-	-	-	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		12 months ended	
	31.12.19 (Restated)	31.12.18 (Restated)	31.12.19 (Restated)	31.12.18 (Restated)
Revenue	3,117	827	36,869	3,247
Operating profit/(loss) before tax	(2,311)	(3,149)	3,535	(2,786)
Taxation	427	(738)	(1,102)	(1,058)
Net profit/(loss) after tax				
- From continuing operations	(1,884)	(3,887)	2,433	(3,844)
- From discontinued operations	-	431	-	(6,255)
Profit/(Loss) attributable to Owners of the Company				
- From continuing operations	(1,884)	(3,988)	2,335	(3,727)
- From discontinued operations	-	41	-	(6,563)

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 fourth quarter of FPE2019, the Group registered a revenue of RM3.117 million compared to RM0.827 million recorded in the same quarter of the previous financial year. The Company registered an operating loss before tax of RM2.311 million compared to operating loss of RM3.149 million recorded in the corresponding period in FPE2018. The loss during the quarter is mainly due to finance cost of RM1.326 million related to the borrowing by Impiana Ipoh Sdn Bhd for the acquisition of assets and liabilities of Hotel Ipoh. In addition, during the quarter the Group also recorded depreciation and amortisation of intangible assets and leasehold land of RM1.086 million.

Net loss after tax from continuing operations to owners of the Company during the quarter under review was RM1.884 million, compared to net loss after tax to owners of RM3.988 million during the corresponding period in FPE2018.

B2. FINANCIAL REVIEW FOR CURRENT QUARTER AND IMMEDIATE PRECEDING QUARTER

RM'000	Current Quarter	Immediate Preceding Quarter
	31.12.19	30.09.19
Revenue	3,117	17,974
Profit/(Loss) before tax	(2,311)	3,141
Profit/(Loss) after tax		
- From continuing operations	(1,884)	2,022
- From discontinued operations	-	-
Profit/(Loss) attributable to owners of the Company		
- From continuing operations	(1,884)	2,022
- From discontinued operations	-	-

The Group's revenue in the third quarter ended 31 December 2019 was RM3.117 million in comparison to RM17.974 million recorded in the immediate preceding quarter. The decrease in revenue was due to suspension of work addressing coastal erosion mitigation measures which caused lower revenue contribution from the property sales segment. The main contributor to the Group's revenue during the quarter were the revenue from hotel investment segment of RM2.504 million coupled with revenue contribution from the hotel management segment of RM1.162 million.

As a result of lower in revenue, the Group recorded a loss after tax of RM1.884 million during the current quarter compared with a RM2.022 million profit after tax incurred during the immediate preceding quarter.

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B3. CURRENT PROSPECTS

The overall hospitality and tourism industries are facing a challenging environment. The Group is taking appropriate measures to maintain a balanced geographical mix of source markets in order not to be overly exposed to one or two source markets. Examples of these challenges would be COVID-19 outbreak and reduction of travel not just from China but others as well.

The Group also aims to secure more hotel management contracts to grow its fee based business and is currently in talks with multiple hotel owners.

The Group is also aiming to replicate the Impiana Cherating model with its Pangkor land and the design stage is nearing completion.

B4. PROFIT FORECAST

No profit forecast was required for the period under review.

B5. PROFIT/(LOSS) BEFORE TAXATION

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

RM '000	3 months ended		12 months ended	
	31.12.19	31.12.18	31.12.19	31.12.18
Amortisation of intangible assets	213	256	856	1,026
Amortisation of leasehold land	-	-	328	43
Depreciation of property, plant and equipment	402	145	874	1,505
Impairment loss on property, plant and equipment	-	-	-	4,634
Interest expense	1,324	-	3,333	-
(Gain)/Loss on foreign currency exchange:				
- unrealised	(1)	20	(103)	-
Reversal of impairment loss on trade receivables	-	-	-	15
Share of profit from an associate	(325)	-	(665)	-
Interest income	(317)	-	(434)	(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		12 months ended	
	31.12.19	31.12.18	31.12.19	31.12.18
Income Tax				
- current period expense	(427)	738	1,102	1,058
	(427)	738	1,102	1,058

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

B7. CORPORATE PROPOSAL

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 further granted the Company an extension of six months from 22 January 2020 until 21 July 2020 to complete the exercise vide its letter dated 14 January 2020.

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 exercise has been completed on 7 February 2020.

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B8. GROUP BORROWINGS

Group 's total borrowing as at 31 December 2019 as follows:

RM '000	31.12.19			31.12.18		
	Short term	Long term	Total	Short term	Long term	Total
Secured						
- Term loan	4,460	54,329	58,789	-	-	-
- Hire purchase	-	-	-	-	-	-
- Bank overdraft	9,346	-	9,346	-	-	-
	<u>13,806</u>	<u>54,329</u>	<u>68,135</u>	<u>-</u>	<u>-</u>	<u>-</u>

B9. TRADE RECEIVABLES

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

RM '000	As at 31.12.19	As at 31.12.18
Neither past due nor impaired	777	417
1 to 90 days past due but not impaired	8,984	566
91 to 180 days past due but not impaired	144	934
181 to 365 days past due but not impaired	412	1,660
> 365 days past due but not impaired *	616	-
	<u>10,156</u>	<u>3,160</u>
	<u>10,933</u>	<u>3,577</u>

* 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.

B10. MATERIAL LITIGATION

Following the court order granted to evict the Defendants squatters, Impiana Pangkor had successfully carried out the eviction of the squatters on 2 December 2019 and recovered possession of 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.

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B14. EARNINGS/(LOSS) PER SHARE ("EPS")/("LPS")

RM '000	3 months ended		12 months ended	
	31.12.19	31.12.18	31.12.19	31.12.18
Net profit/(loss) attributable to Owners of the Company (RM '000)				
- From continuing operations	(1,884)	(3,988)	2,335	(3,727)
- From discontinued operations	-	41	-	(6,563)
	<u>(1,884)</u>	<u>(3,947)</u>	<u>2,335</u>	<u>(10,290)</u>
Basic:				
Weighted average number of ordinary shares in issue ('000)	4,374,201	795,363	4,374,201	795,363
Basic EPS/(LPS) (sen)				
- From continuing operations	(0.043)	(0.501)	0.053	(0.469)
- From discontinued operations	-	0.005	-	(0.825)
	<u>(0.043)</u>	<u>(0.496)</u>	<u>0.053</u>	<u>(1.294)</u>
Diluted:				
Weighted average number of ordinary shares in issue ('000)	5,082,908	795,363	5,082,908	795,363
Diluted EPS/(LPS) (sen)				
- From continuing operations	(0.037)	(0.501)	0.046	(0.469)
- From discontinued operations	-	0.005	-	(0.825)
	<u>(0.037)</u>	<u>(0.496)</u>	<u>0.046</u>	<u>(1.294)</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 2 September 2020.