

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 YEAR-TO-DATE ENDED 31 MARCH 2020

RM'000	3 months ended		15 months ended	
	31.03.20	31.03.19	31.03.20	31.03.19
Revenue	2,893	N/A	39,769	N/A
Other income	5	N/A	436	N/A
Operating expenses	(4,003)	N/A	(35,106)	N/A
Finance costs	(803)	N/A	(4,137)	N/A
Share of results of associated company	(306)	N/A	359	N/A
Operating profit/(loss) before tax	(2,214)	N/A	1,321	N/A
Taxation	9	N/A	(1,091)	N/A
Net profit/(loss) after tax	(2,205)	N/A	230	N/A
Total comprehensive profit/(loss) for the period	(2,205)	N/A	230	N/A
Profit/(Loss) attributable to:				
Owners of the Company	(2,205)	N/A	132	N/A
Non-controlling interest	-	N/A	98	N/A
	(2,205)	N/A	230	N/A
Total comprehensive income/(expense) attributable to:				
Owners of the Company	(2,205)	N/A	132	N/A
Non-controlling interest	-	N/A	98	N/A
	(2,205)	N/A	230	N/A
Profit/(Loss) per share attributable to Owners of the Company (sen):-				
Basic	(0.452)	N/A	0.027	N/A
Diluted	(0.444)	N/A	0.027	N/A

Notes:

(i) The Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended 31 December 2018 and the accompanying notes to the quarter report attached hereto

(ii) The financial year end has been changed from 31st December to 30th June. The next audited financial statements shall be for a period of eighteen (18) months from 1st January 2019 to 30th June 2020 and thereafter, the financial year end shall be 30th June for each subsequent year.

(iii) In addition, there is no comparative figures available for the preceding year corresponding period ended 31 March 2019

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2020

RM'000	As at 31.03.20 (Restated)	As at 31.12.18 (Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	71,325	19
Land held for development	3,441	-
Investment in associate	37,547	-
Intangible assets	10,960	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>172,467</u>	<u>25,297</u>
Current assets		
Inventories	95	-
Contract assets	2,036	-
Property development cost	25,134	-
Trade receivables	11,815	3,577
Other receivables, deposits and prepayments	1,275	2,050
Amount due from related companies	-	16
Fixed deposits with a licensed bank	-	-
Cash in hand and at bank	1,316	125
Total current assets	<u>41,671</u>	<u>5,768</u>
TOTAL ASSETS	<u><u>214,137</u></u>	<u><u>31,065</u></u>
EQUITY AND LIABILITIES		
Equity		
Share capital	80,245	42,299
Accumulated profit / (losses)	(39,958)	(25,656)
Revaluation reserve	24,518	-
Capital contributions from shareholders	21,783	-
Equity attributable to Owners of the Company	<u>86,588</u>	<u>16,643</u>
Non-controlling interest	-	6,347
Total equity	<u>86,588</u>	<u>22,990</u>

Notes:

(i) The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 31 December 2018 and the accompanying notes to the quarter report attached hereto

(ii) The financial year end has been changed from 31st December to 30th June. The next audited financial statements shall be for a period of eighteen (18) months from 1st January 2019 to 30th June 2020 and thereafter, the financial year end shall be 30th June for each subsequent year.

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2020
(CONT'D)

RM'000	As at 31.03.20 (Restated)	As at 31.12.18 (Audited)
Non-current liabilities		
Deferred tax liability	4,029	527
Borrowings	55,988	-
Trade and other payables	100	100
Amount due to related companies	20,566	-
Total non-current liabilities	<u>80,683</u>	<u>627</u>
Current liabilities		
Trade payables	3,799	-
Other payables and accruals	9,786	5,475
Tax payable	6,257	1,973
Amount due to related companies	13,732	-
Borrowings	2,987	-
Bank overdraft	10,305	-
Total current liabilities	<u>46,866</u>	<u>7,448</u>
Total liabilities	<u>127,549</u>	<u>8,075</u>
TOTAL EQUITY AND LIABILITIES	<u>214,137</u>	<u>31,065</u>
Net assets per share attributable to owners of the Company (RM)	<u>0.177</u>	<u>0.021</u>

Notes:

(i) The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 31 December 2018 and the accompanying notes to the quarter report attached hereto

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CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD-TO-DATE ENDED 31 MARCH 2020

	<----- Attributable to Owners of the Company ----->							
	<----- Non-Distributable ----->			Distributable		Total	Non-controlling Interest	Total Equity
	Share Capital	Capital Contributions from shareholders	Revaluation Reserve	Accumulated losses	Total			
	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	
Unaudited								
15 months ended 31 March 2020								
Balance as of 1 January 2019	42,299	-	-	(25,656)	16,643	6,347	22,990	
Issuance of shares	-	-	-	-	-	-	-	
Share conversion	-	-	-	-	-	-	-	
Reverse Accounting Acquisition	37,946	21,783	-	(20,879)	38,850	-	38,850	
Realisation of Revaluation Reserve	-	-	24,518	-	24,518	-	24,518	
Total comprehensive profit for the period	-	-	-	132	132	98	230	
Acquired shares in a subsidiary from the non-controlling interest	-	-	-	6,445	6,445	(6,445)	-	
Balance as of 31 March 2020	<u>80,245</u>	<u>21,783</u>	<u>24,518</u>	<u>(39,958)</u>	<u>86,588</u>	<u>-</u>	<u>86,588</u>	
<hr/>								
Audited								
18 months ended 31 December 2018								
Balance as of 1 July 2017	42,299	-	-	(12,682)	29,617	5,415	35,032	
Total comprehensive profit/ (loss) for the period	-	-	-	(12,974)	(12,974)	(642)	(13,617)	
Dividends	-	-	-	-	-	(563)	(563)	
Disposal of a subsidiary	-	-	-	-	-	2,137	2,137	
Balance as of 31 December 2018	<u>42,299</u>	<u>-</u>	<u>-</u>	<u>(25,656)</u>	<u>16,643</u>	<u>6,347</u>	<u>22,990</u>	

Notes:

(i) The Condensed Consolidated Statement of Changes In Equity should be read in conjunction with the Annual Financial Report for the year ended 31 December 2018 and the accompanying notes to the quarter report attached hereto

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CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE PERIOD-TO-DATE ENDED 31 MARCH 2020

RM'000	15 months ended 31.03.20 (Restated)	18 months ended 31.12.18 (Audited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(Loss) before taxation	1,321	(11,981)
Adjustments for:		
Bad debts written off	-	3
Amortisation of intangible assets	1,070	1,504
Amortisation of leasehold land	141	-
Depreciation of property, plant and equipment	1,526	2,581
Impairment loss on property, plant and equipment	-	4,634
Interest expense	4,137	-
Loss on disposal of a subsidiary company	-	1,402
Property, plant and equipment written off	-	23
Loss/(gain) on disposal of property, plant and equipment	-	862
Interest income	(436)	(20)
Share of results of associated company	(359)	-
Unrealised (gain)/loss on foreign currency exchange	(103)	88
Operating profit/(loss) before working capital changes	7,297	(904)
Increase in property development cost	5,791	-
Decrease in inventories	42	250
Increase in contract assets	(2,036)	-
Decrease/(Increase) in receivables	21,624	(68)
Increase in amount due from related companies	28,560	-
Increase/(Decrease) in amount due to Directors	69	-
Decrease in payables	(31,253)	1,040
Cash generated from operations	30,094	318
Interest received	436	20
Interest paid	(4,137)	-
Income tax paid	(1,406)	(582)
Net cash from operating activities	24,987	(243)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(10,038)	(3)
Advances to a related company	-	(16)
Acquisition of subsidiaries, net cash outflow	(43,960)	-
Proceeds from disposal of property, plant and equipment	-	20
Net cash inflow from disposal of subsidiary companies	-	488
Investment in an associate	(1,021)	-
Real property gains tax paid	-	(58)
Net cash (used in)/from investing activities	(55,019)	431

Notes:

(i) The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Report for the year ended 31 December 2018 and the accompanying notes to the quarter report attached hereto

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CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE PERIOD-TO-DATE ENDED 31 MARCH 2020 (CONT'D)

RM'000	15 months ended 31.03.20 (Restated)	18 months ended 31.12.18 (Audited)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of borrowings	(2,082)	-
Proceeds from borrowings	23,000	-
Dividend paid to non-controlling interest	-	(563)
Net repayment to third parties	-	(1,338)
Repayment from directors	-	(239)
Net cash used in financing activities	20,918	(2,139)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(9,115)	(1,951)
EFFECT OF EXCHANGE RATE CHANGES	-	(7)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	125	2,083
CASH AND CASH EQUIVALENTS AT END OF PERIOD	(8,989)	125
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD COMPRISE:		
Cash and bank balances	1,316	125
Fixed deposit pledged to licensed banks	-	-
	1,316	125
Less : Fixed deposit pledged to licensed banks	-	-
Less : Bank overdraft	(10,305)	-
	(8,989)	125

Notes:

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CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE PERIOD-TO-DATE ENDED 31 MARCH 2020 (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:

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

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

Notes:

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NOTES TO THE QUARTERLY REPORT ON CONSOLIDATED RESULT FOR THE QUARTER AND 3 MONTHS ENDED 31 MARCH 2020

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 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 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. AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

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

A4. SEASONAL AND CYCLICAL FACTORS

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

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

There were no material items of an unusual nature and amount for the current quarter and period-to-date ended 31 March 2020 other than stated in note A10: Fair Value of Net Identifiable Assets

A6. 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 March 2020.

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

During the quarter, the Company converted 1,430,000,000 units of ICPS into ordinary shares at the value of RM71.50 million. 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 March 2020.

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A8. DIVIDEND PAID

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

A9. SEGMENTAL INFORMATION

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

The segmental analysis for the current quarter and period-to-date ended 31 March 2020 is as follows:

<u>Segment Revenue and Results</u> <i>RM '000</i>	3 months ended		15 months ended	
	31.03.20	31.03.19	31.03.20	31.03.19
Revenue from continuing operations				
- Hotel investment	1,676	N/A	9,747	N/A
- Hotel management	1,217	N/A	5,995	N/A
- Property sales	-	N/A	24,019	N/A
	<u>2,893</u>	<u>N/A</u>	<u>39,761</u>	<u>N/A</u>
Net profit/(loss) after tax				
- Hotel investment	(1,713)	N/A	(4,343)	N/A
- Hotel management	600	N/A	1,539	N/A
- Property sales	(978)	N/A	6,387	N/A
- Other unallocated expenses	(114)	N/A	(3,353)	N/A
	<u>(2,205)</u>	<u>N/A</u>	<u>230</u>	<u>N/A</u>

During the quarter under review, the hotel investment segment contributed RM1.676 million in revenue that was generated from hotel operation of Impiana Hotel Ipoh ("hotel") accounting for 58% of group revenue, followed by hotel management segment by Impiana Hotels & Resort Management Sdn Bhd ("IHRM") contributed RM1.217 million in revenue accounting for 42% of group revenue, while no contribution from the property sales segment under Impiana Cherating Sdn Bhd. However, the overall group revenue during the quarter was RM2.893 million.

A10. 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 Impiana Ipoh Sdn Bhd (formerly known as Intra Magnum Sdn Bhd), the 75%-owned subsidiary of Impiana Hotels Berhad (formerly known as Bio Osmo Berhad) 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 Impiana Ipoh Sdn Bhd (formerly known as 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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A10. 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:

Fair Value of 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)
Other payables and accruals	-
Borrowings	-
Overdraft	-
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.

A11. VALUATION OF PROPERTY, PLANT AND EQUIPMENT

There were no revaluation of property, plant and equipment during the quarter and period-to-date ended 31 March 2020.

A12. 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 March 2020.

On 16 June 2020, the Company announced the completion of the first tranche of the Private Placement following the listing of and quotation for 61,000,000 Placement Shares on the Main Market of Bursa Malaysia Securities Berhad.

A13. CHANGES IN THE COMPOSITION OF THE GROUP

The composition of the Group during the quarter and period-to-date ended 31 March 2020 is illustrated as follows:

Name of Company	Proportion of Ownership interest	
	31.03.2020	31.12.2018
Impiana Ipoh Sdn Bhd (formerly known as 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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A14. RELATED PARTY TRANSACTION

Significant transaction between the Group with the related parties during the quarter and period-to-date ended 31 March 2020.

RM '000	3 months ended		15 months ended	
	31.03.20	31.03.19	31.03.20	31.03.19
Hotel management and technical fees received from:				
- Impiana Hotel Ipoh Sdn. Bhd. ^	-	N/A	47	N/A
- Impiana Cherating Sdn. Bhd. ^	-	N/A	750	N/A
- Impiana Tioman Sdn. Bhd. ^	-	N/A	87	N/A
- Impiana Seminyak (Labuan) Co. Ltd.	-	N/A	52	N/A
- Impiana Resort Patong	284	N/A	979	N/A
- Impiana Resort Villas Kata Noi	64	N/A	371	N/A
- Impiana Resort Chaweng Noi	113	N/A	542	N/A
- Impiana Private Villas Seminyak	141	N/A	824	N/A
- Impiana Private Villas Cemagi	9	N/A	32	N/A

^ The followings had been 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.

A15. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

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

A16. CAPITAL COMMITMENT

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

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ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF BURSA SECURITIES

B1. FINANCIAL REVIEW FOR CURRENT QUARTER AND CULMULATIVE QUARTER

RM'000	3 months ended		15 months ended	
	31.03.20	31.03.19	31.03.20	31.03.19
Revenue	2,893	N/A	39,769	N/A
Operating profit/(loss) before tax	(2,214)	N/A	1,321	N/A
Taxation	9	N/A	(1,091)	N/A
Net profit/(loss) after tax	(2,205)	N/A	230	N/A
Profit/(Loss) attributable to Owners of the Company	(2,205)	N/A	132	N/A

During the fifth quarter, the Group registered a revenue of RM2.893 million and an operating loss before tax of RM2.214 million. The loss during the quarter is mainly due to lower contribution from the hotel investment segment and finance cost of RM0.803 million related to borrowings. In addition, during the quarter the Group also recorded depreciation and amortisation of intangible assets and leasehold land of RM0.680 million.

Net loss after tax from continuing operations to owners of the Company during the quarter under review was RM2.205 million and cumulatively for the 15 month period ended 31 March 2020, the Group achieved a revenue and profit before tax of RM39.769 million and RM1.321 million respectively on the financial period under review.

No comparative figures are available for the corresponding period 31 March 2019, as the Group has changed the financial year end from 31 December to 30 June.

B2. FINANCIAL REVIEW FOR CURRENT QUARTER AND IMMEDIATE PRECEDING QUARTER

RM'000	Current	Immediate
	Quarter 31.03.20	Preceding Quarter 31.12.19
Revenue	2,893	3,117
Profit/(Loss) before tax	(2,214)	(2,311)
Profit/(Loss) after tax	(2,205)	(1,884)
Profit/(Loss) attributable to owners of the Company	(2,205)	(1,884)

The Group's revenue in the fifth quarter ended 31 March 2020 was RM2.893 million in comparison to RM3.117 million recorded in the immediate preceding quarter. The decrease in revenue was largely due to the effects of the global Covid-19 pandemic which severely restricted travel and movement regionally. Lockdowns in China followed by lockdowns in other countries including Malaysia's MCO from 18th March 2020 caused severe and almost total disruption in business operations across the board.

The outlook of the hotel investment and hotel management segment is very challenging for 2020 in view of the impact of Covid-19 and weak oil prices on the travel, tourism and hospitality industry. The main contributor to the Group's revenue during the quarter were the revenue from hotel investment segment of RM1.676 million coupled with revenue contribution from the hotel management segment of RM1.217 million.

As a result of lower in revenue, the Group recorded a loss after tax of RM2.205 million during the current quarter compared with a RM1.884 million loss after tax incurred during the immediate preceding quarter.

B3. CURRENT PROSPECTS

With the pervasive and longer term effects of the Covid-19 pandemic on the behaviour of consumers generally and more specifically in the hospitality industry, caution has been propelled to the forefront of priorities for consumers. Therefore the Group's prospects lie in the recovery of the hospitality and tourism sectors with the easing of restrictions gradually not just in Malaysia but regionally and globally, coupled with enhancing post-Covid new normal readiness in our offerings. To this end, the Group has enhanced its safety and hygiene protocols in accordance with local Health Ministries' requirements in our SOPs across all hotels. Convincing guests that their safety is well taken care of is key to a swift recovery and the Group has the readiness and capability to achieve this.

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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		15 months ended	
	31.03.20	31.03.19	31.03.20	31.03.19
Amortisation of intangible assets	214	N/A	1,070	N/A
Amortisation of leasehold land	(187)	N/A	141	N/A
Depreciation of property, plant and equipment	652	N/A	1,526	N/A
Impairment loss on property, plant and equipment	-	N/A	-	N/A
Interest expense	804	N/A	4,137	N/A
(Gain)/Loss on foreign currency exchange:		N/A		N/A
- unrealised	-	N/A	(103)	N/A
Reversal of impairment loss on trade receivables	-	N/A	-	N/A
Share of profit from an associate	306	N/A	(359)	N/A
Interest income	(2)	N/A	(436)	N/A

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

B6. TAXATION

RM '000	3 months ended		15 months ended	
	31.03.20	31.03.19	31.03.20	31.03.19
Income Tax				
- current period expense	(9)	N/A	1,091	N/A
	(9)	N/A	1,091	N/A

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

B7. CORPORATE PROPOSAL

The Company had on 21 February 2019, announced to Bursa Malaysia 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.

The consolidation of every 10 existing ordinary shares in Impiana into 1 ordinary share has been completed on 7 February 2020.

On 16 June 2020, the Company announced the completion of the first tranche of the Private Placement following the listing of and quotation for 61,000,000 Placement Shares on the Main Market of Bursa Malaysia Securities Berhad.

B8. GROUP BORROWINGS

Group's total borrowing as at 31 March 2020 as follows:

RM '000	31.03.20			31.03.19		
	Short term	Long term	Total	Short term	Long term	Total
Secured						
- Term loan	2,987	55,988	58,975	N/A	N/A	N/A
- Hire purchase	-	-	-	N/A	N/A	N/A
- Bank overdraft	10,305	-	10,305	N/A	N/A	N/A
	13,292	55,988	69,280	N/A	N/A	N/A

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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 31.03.20	As at 31.03.19
Neither past due nor impaired	882	N/A
1 to 90 days past due but not impaired	966	N/A
91 to 180 days past due but not impaired	8,339	N/A
181 to 365 days past due but not impaired	136	N/A
> 365 days past due but not impaired *	1,492	N/A
	10,933	N/A
	<u>11,815</u>	<u>N/A</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

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

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		15 months ended	
	31.03.20	31.03.19	31.03.20	31.03.19
Net profit/(loss) attributable to Owners of the Company (RM '000)	(2,205)	N/A	132	N/A
Basic:				
Weighted average number of ordinary shares in issue ('000)	487,920	N/A	487,920	N/A
Basic EPS/(LPS) (sen)	(0.452)	N/A	0.027	N/A
Diluted:				
Weighted average number of ordinary shares in issue ('000)	496,256	N/A	496,256	N/A
Diluted EPS/(LPS) (sen)	(0.444)	N/A	0.027	N/A

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