

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 JUNE 2020

RM'000	3 months ended		18 months ended	
	30.06.20	30.06.19	30.06.20	30.06.19
Revenue	3,543	N/A	43,312	N/A
Other income	4	N/A	440	N/A
Operating expenses	(8,127)	N/A	(43,233)	N/A
Other expenses *	(50,291)	N/A	(50,291)	N/A
Finance costs	(1,638)	N/A	(5,775)	N/A
Share of results of associated company	(607)	N/A	(248)	N/A
Operating profit/(loss) before tax	(57,116)	N/A	(55,796)	N/A
Taxation	(877)	N/A	(1,968)	N/A
Net profit/(loss) after tax	(57,993)	N/A	(57,764)	N/A
Other comprehensive income				
- Realisation of asset revaluation	-	N/A	256	N/A
Total comprehensive profit/(loss) for the period	(57,993)	N/A	(57,508)	N/A
Profit/(Loss) attributable to:				
Owners of the Company	(57,993)	N/A	(57,508)	N/A
Non-controlling interest	-	N/A	-	N/A
	(57,993)	N/A	(57,508)	N/A
Total comprehensive income/(expense) attributable to:				
Owners of the Company	(57,993)	N/A	(57,508)	N/A
Non-controlling interest	-	N/A	-	N/A
	(57,993)	N/A	(57,508)	N/A
Profit/(Loss) per share attributable to Owners of the Company (sen):-				
Basic	(10.811)	N/A	(10.721)	N/A
Diluted	(10.727)	N/A	(10.637)	N/A

* The other expenses consists of impairment loss on goodwill and intangible asset amounting RM48.934 million and RM1.357 million respectively.

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 30 June 2019.

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2020

RM'000	As at 30.06.20 (Unaudited)	As at 31.12.18 (Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	59,636	19
Land held for development	3,441	-
Investment in associate	37,547	-
Intangible assets	8,552	12,030
Amount due from related companies	-	12,500
Trade receivables	-	748
Total non-current assets	<u>109,176</u>	<u>25,297</u>
Current assets		
Inventories	92	-
Contract assets	4,424	-
Property development cost	63,457	-
Trade receivables	10,713	3,577
Other receivables, deposits and prepayments	970	2,050
Amount due from related companies	15,308	16
Fixed deposits with a licensed bank	652	-
Tax recoverable	145	-
Cash in hand and at bank	77	125
Total current assets	<u>95,838</u>	<u>5,768</u>
TOTAL ASSETS	<u><u>205,014</u></u>	<u><u>31,065</u></u>
EQUITY AND LIABILITIES		
Equity		
Share capital	80,245	42,299
Accumulated profit/(losses)	(91,644)	(25,656)
Revaluation reserves	30,331	-
Capital contribution from shareholder	21,783	-
Equity attributable to Owners of the Company	<u>40,715</u>	<u>16,643</u>
Non-controlling interest	-	6,347
Total equity	<u><u>40,715</u></u>	<u><u>22,990</u></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 30 JUNE 2020
(CONT'D)

RM'000	As at 30.06.20 (Unaudited)	As at 31.12.18 (Audited)
Non-current liabilities		
Deferred tax liability	6,206	527
Borrowings	56,750	-
Trade and other payables	100	100
Total non-current liabilities	<u>63,056</u>	<u>627</u>
Current liabilities		
Trade payables	3,967	-
Other payables and accruals	35,345	5,475
Contract liabilities	1,204	-
Tax payable	6,433	1,973
Amount due to related companies	42,008	-
Borrowings	2,859	-
Bank overdraft	9,428	-
Total current liabilities	<u>101,244</u>	<u>7,448</u>
Total liabilities	<u>164,301</u>	<u>8,075</u>
TOTAL EQUITY AND LIABILITIES	<u>205,014</u>	<u>31,065</u>
Net assets per share attributable to owners of the Company (RM)	<u>0.049</u>	<u>0.020</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 STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD-TO-DATE ENDED 30 JUNE 2020

	<----- Attributable to Owners of the Company ----->				Total	Non-controlling Interest	Total Equity
	Share Capital	Capital contribution from shareholder	Revaluation Reserve	Accumulated losses			
	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000
Unaudited							
18 months ended 30 June 2020							
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	26,931	(14,828)	71,832	-	71,832
Realisation of revaluation reserve	-	-	3,400	-	3,400	-	3,400
Total comprehensive profit/(loss) for the period	-	-	-	(57,508)	(57,508)	-	(57,508)
Acquired shares in a subsidiary from the non-controlling interest	-	-	-	6,347	6,347	(6,347)	-
Balance as of 30 June 2020	<u>80,245</u>	<u>21,783</u>	<u>30,331</u>	<u>(91,644)</u>	<u>40,715</u>	<u>-</u>	<u>40,715</u>
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 expense 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
(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 STATEMENTS OF CASH FLOWS FOR THE PERIOD-TO-DATE ENDED
30 JUNE 2020**

RM'000	18 months ended 30.06.20 (Unaudited)	18 months ended 31.12.18 (Audited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(Loss) before taxation	(55,796)	(11,981)
Adjustments for:		
Bad debts written off	-	3
Amortisation of intangible assets	1,283	1,504
Amortisation of leasehold land	610	-
Depreciation of property, plant and equipment	1,995	2,581
Impairment loss on property, plant and equipment	-	4,634
Interest expense	5,775	-
Loss on disposal of a subsidiary company	-	1,402
Property, plant and equipment written off	-	23
Impairment of goodwill	48,939	-
Loss/(gain) on disposal of property, plant and equipment	-	862
Interest income	(56)	(20)
Unrealised (gain)/loss on foreign currency exchange	(103)	88
Operating profit/(loss) before working capital changes	2,647	(904)
Increase in property development cost	(21,309)	-
Decrease in inventories	45	250
Increase in contract assets	(3,220)	-
Decrease/(Increase) in receivables	22,459	(68)
Increase in amount due from related companies	5,378	-
Decrease in payables	(3,665)	1,040
Cash generated from operations	8,721	318
Interest received	440	20
Interest paid	(5,775)	-
Income tax paid	(1,397)	(582)
Net cash from operating activities	1,989	(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
Proceed from issuance of shares	-	-
Net cash inflow from disposal of subsidiary companies	-	488
Investment in an associate	(1,020)	-
Real property gains tax paid	-	(58)
Net cash (used in)/from investing activities	(55,018)	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
- (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 STATEMENTS OF CASH FLOWS FOR THE PERIOD-TO-DATE ENDED
30 JUNE 2020 (CONT'D)**

RM'000	18 months ended 30.06.20 (Unaudited)	18 months ended 31.12.18 (Audited)
CASH FLOWS FROM FINANCING ACTIVITIES		
Capital contribution by shareholder	21,783	-
Repayment of borrowings	(1,184)	-
Proceeds from borrowings	23,000	-
Placement of fixed deposits	(47)	-
Dividend paid to non-controlling interest	-	(563)
Net repayment to third parties	-	(1,338)
Repayment from directors	-	(239)
Net cash used in financing activities	43,552	(2,139)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(9,477)	(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	(9,352)	125
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD COMPRISE:		
Cash and bank balances	77	125
Fixed deposit pledged to licensed banks	652	-
	729	125
Less : Fixed deposit pledged to licensed banks	(652)	-
Less : Bank overdraft	(9,428)	-
	(9,352)	125

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
30 JUNE 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	30,423
 Liabilities	
Payables and other 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.

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

(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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**NOTES TO THE QUARTERLY REPORT ON CONSOLIDATED RESULT FOR THE QUARTER AND 18 MONTHS ENDED
30 JUNE 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 not 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 30 June 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 30 June 2020.

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

During the quarter, the Company converted 70,000,000 units of ICPS into ordinary shares amounting to RM3.5 million and there were 61,000,000 units of new shares issued amounting RM4.5 million during private placement exercise. There were no 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 June 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 30 June 2020 is as follows:

<u>Segment Revenue and Results</u> <i>RM '000</i>	3 months ended		18 months ended	
	30.06.20	30.06.19	30.06.20	30.06.19
Revenue from continuing operations				
- Hotel investment	15	N/A	9,762	N/A
- Hotel management	1,139	N/A	7,142	N/A
- Property sales	2,389	N/A	26,408	N/A
	<u>3,543</u>	<u>N/A</u>	<u>43,312</u>	<u>N/A</u>
Net profit/(loss) after tax				
- Hotel investment	(2,855)	N/A	(6,527)	N/A
- Hotel management	(514)	N/A	407	N/A
- Property sales	(98)	N/A	3,796	N/A
- Other unallocated expenses	(54,526)	N/A	(55,440)	N/A
	<u>(57,993)</u>	<u>N/A</u>	<u>(57,764)</u>	<u>N/A</u>

During the quarter under review, the property sales segment contributed RM2.389 million in revenue that was generated from Impiana Cherating Sdn Bhd ("ICSB") accounting for 67% of group quarter revenue, followed by hotel management segment by Impiana Hotels & Resort Management Sdn Bhd ("IHRM") contributed RM1.139 million in revenue accounting for 32% of group revenue, while minimal contribution from the hotel investment segment under hotel operation of Impiana Hotel Ipoh ("hotel"). However, the overall group quarter revenue during the quarter was RM3.543 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 acquisitions were completed on 11 April 2019 by way of issuance of 4,800,000,000 new ordinary shares and 3,200,000,000

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A10. FAIR VALUE OF NET IDENTIFIABLE ASSETS (CONT'D)

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.

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)
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 revaluation of property, plant and equipment during the quarter and period-to-date ended 30 June 2020.

A12. EVENTS AFTER THE REPORTING PERIOD

There were no significant events after the quarter and period-to-date ended 30 June 2020.

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A13. CHANGES IN THE COMPOSITION OF THE GROUP

The composition of the Group during the quarter and period-to-date ended 30 June 2020 is illustrated as follows:

Name of Company	Proportion of Ownership interest	
	30.06.2020	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.

A14. RELATED PARTY TRANSACTION

Significant transaction between the Group with the related parties during the quarter and period-to-date ended 30 June 2020.

RM '000	3 months ended		18 months ended	
	30.06.20	30.06.19	30.06.20	30.06.19
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	-	N/A	979	N/A
- Impiana Resort Villas Kata Noi	-	N/A	371	N/A
- Impiana Resort Chaweng Noi	-	N/A	542	N/A
- Impiana Private Villas Seminyak	6	N/A	830	N/A
- Impiana Private Villas Cemagi	3	N/A	35	N/A

^ These were 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 CUMULATIVE QUARTER

RM'000	3 months ended		18 months ended	
	30.06.20	30.06.19	30.06.20	30.06.19
Revenue	3,543	N/A	43,312	N/A
Operating profit/(loss) before tax	(6,825)	N/A	(5,504)	N/A
Loss on impairment of goodwill and intangible assets	(50,291)	N/A	(50,291)	N/A
Profit/(loss) before tax	(57,116)	N/A	(55,796)	N/A
Taxation	(877)	N/A	(1,968)	N/A
Net profit/(loss) after tax	(57,993)	N/A	(57,764)	N/A
Profit/(Loss) attributable to Owners of the Company	(57,993)	N/A	(57,508)	N/A

During the sixth quarter, the Group registered a loss of RM57.993 million and an operating loss before tax of RM6.825 million. The loss during the quarter is mainly due to impairment of goodwill and intangible asset amounting RM48.933 million and RM1.358 million respectively.

Net loss after tax from continuing operations to owners of the Company during the quarter under review was RM57.993 million and cumulatively for the 18 month period ended 30 June 2020, the Group achieve a revenue and loss before tax of RM43.312 million and RM55.796 million respectively during the financial period under review.

No comparative figures are available for the corresponding period 30 June 2019, as the Group has change the financial year end from 31 December 2019 to 30 June 2020.

B2. FINANCIAL REVIEW FOR CURRENT QUARTER AND IMMEDIATE PRECEDING QUARTER

RM'000	Current	Immediate
	Quarter 30.06.20	Preceding Quarter 31.03.20
Revenue	3,543	2,893
Profit/(Loss) before tax	(57,116)	(2,214)
Profit/(Loss) after tax	(57,993)	(2,205)
Profit/(Loss) attributable to owners of the Company	(57,993)	(2,205)

The Group's revenue in the sixth quarter ended 30 June 2020 was RM3.543 million in comparison to RM2.893 million recorded in the immediate preceding quarter. The increase in revenue was due to a revision on stage of completion for Cherating project.

The main contributor to the Group's revenue during the quarter were the revenue from property sales segment of RM2.389 million coupled with revenue contribution from the hotel management segment of RM1.139 million.

Although the group recorded an increase in revenue in current quarter, the Group recorded a loss after tax of RM57.993 million during the current quarter compared with a RM2.205 million loss after tax incurred during the immediate preceding quarter. This is mainly due to impairment of goodwill and intangible assets amounting RM48.933 million and RM1.357 million respectively.

B3. CURRENT PROSPECTS

The global hospitality and tourism industries are facing stiff challenges as a result of Covid 19 restrictions imposed by governments. While there are plans by various governments to create "travel bubbles" with "green zone" countries, the timing of implementation remains uncertain. Therefore the resumption of international business and leisure travel is still an open question.

However, the resumption of domestic tourism in Malaysia and other countries in which the Group operates provides a welcome breather and is bearing fruit in certain hotels that are suitable for domestic leisure, corporate and government guests. This, along with cost cutting and efficiency measures implemented and domestic-focussed marketing, should provide stability until the widespread resumption of international travel.

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Separately, the Group is also in advanced discussions with several hotel owners for management contracts not just under the Impiana brand but also a soon to be launched second brand. This is part and parcel of the Group's strategy to increase its asset-light, fee-based business. The Group also sees increased interest in the Impiana Cherating development property sales brought about by the re-ignition of domestic tourism interest. The Group intends to capitalize on this increased interest with enhanced marketing efforts domestically.

B4. PROFIT FORECAST

No profit forecast was required for the period under review.

B5. PROFIT/(LOSS) BEFORE TAXATION

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

RM '000	3 months ended		18 months ended	
	30.06.20	30.06.19	30.06.20	30.06.19
Amortisation of intangible assets	214	N/A	1,283	N/A
Amortisation of leasehold land	311	N/A	610	N/A
Depreciation of property, plant and equipment	155	N/A	1,995	N/A
Impairment loss on property, plant and equipment	-	N/A	-	N/A
Impairment loss on goodwill	48,934	N/A	48,934	N/A
Impairment loss on intangible asset	1,358	N/A	1,358	N/A
Interest expense	1,638	N/A	5,775	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/(loss) from an associate	891	N/A	(248)	N/A
Interest income	(33)	N/A	(56)	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		18 months ended	
	30.06.20	30.06.19	30.06.20	30.06.19
Income Tax				
- current period expense	877	N/A	1,968	N/A
	877	N/A	1,968	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

One of the Proposed Corporate Exercises 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 21 July 2020 until 20 January 2021 to complete the exercise vide its letter dated 4 August 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. Based on the Initial Placement Price of RM0.0738 per share and an issue size of up to 61,000,000 Placement Shares, the Proposed Private Placement raised gross proceeds of RM4,501,800 which was utilized for the following:

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The status of utilisation of proceeds raised from private placement which was completed on 16 June 2020 are as follows:-

Purposes	Proposed	Actual	Balance
	Utilisation	Utilisation	Unutilized
	RM'000	RM'000	RM'000
Repayment of bank borrowings	39,700	98	39,602
Repayment of advances from shareholders	33,723	3,707	30,016
Future expansion of hospitality assets/working capital	18,577	673	17,904
Estimated expenses for the Proposals	8,000	24	7,976
	100,000	4,502	95,498

B8. GROUP BORROWINGS

Group 's total borrowing as at 30 June 2020 as follows:

RM '000	30.06.20			30.06.19		
	Short term	Long term	Total	Short term	Long term	Total
Secured						
- Term loan	2,859	56,750	59,609	N/A	N/A	N/A
- Hire purchase	-	-	-	N/A	N/A	N/A
- Bank overdraft	9,428	-	9,428	N/A	N/A	N/A
	12,287	56,750	69,037	N/A	N/A	N/A

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
	30.06.20	30.06.19
Neither past due nor impaired	307	N/A
1 to 90 days past due but not impaired	99	N/A
91 to 180 days past due but not impaired	8,094	N/A
181 to 365 days past due but not impaired	185	N/A
> 365 days past due but not impaired *	2,028	N/A
	10,406	N/A
	10,713	N/A

* 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.

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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		18 months ended	
	30.06.20	30.06.19	30.06.20	30.06.19
Net profit/(loss) attributable to Owners of the Company (RM '000)	(57,993)	N/A	(57,508)	N/A
Basic:				
Weighted average number of ordinary shares in issue ('000)	536,425	N/A	536,425	N/A
Basic EPS/(LPS) (sen)	(10.811)	N/A	(10.721)	N/A
Diluted:				
Weighted average number of ordinary shares in issue ('000)	540,640	N/A	540,640	N/A
Diluted EPS/(LPS) (sen)	(10.727)	N/A	(10.637)	N/A

B15. AUTHORISED FOR ISSUE

The 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 28 August 2020.