



EDEN INC. BERHAD

(Co. No. 36216-V)
(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER AND YEAR-TO-DATE ENDED 30 JUNE 2018**

EDEN INC. BERHAD (36216-V)
(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE QUARTER AND YEAR-TO-DATE ENDED 30 JUNE 2018**

	Note	3 months ended			6 months ended		
		30.06.2018 (RM'000)	30.06.2017 (RM'000)	Changes %	30.06.2018 (RM'000)	30.06.2017 (RM'000)	Changes %
Revenue	10	14,413	10,814	33	36,221	20,723	75
Cost of sales		(10,826)	(9,639)	12	(28,754)	(18,226)	58
Gross profit		3,587	1,175	205	7,467	2,497	199
Other income	8	2,365	2,832	(16)	3,979	4,334	(8)
Administrative expenses		(6,153)	(6,423)	(4)	(11,995)	(12,530)	(4)
Selling and marketing expenses		(318)	(267)	19	(618)	(540)	14
Other expenses	9	(315)	(651)	(52)	(728)	(1,283)	(43)
Operating gain/(loss)		(834)	(3,334)	(75)	(1,895)	(7,522)	(75)
Finance costs		(1,969)	(1,687)	17	(3,964)	(3,591)	10
Share of profit of associates		-	-	-	-	-	-
Profit/(loss) before taxation		(2,803)	(5,021)	(44)	(5,859)	(11,113)	(47)
Income tax (expense)/credit	19	(54)	(236)	(77)	(74)	(259)	(71)
Profit/(loss) for the year representing total comprehensive gain/(loss) for the year		(2,857)	(5,257)	(46)	(5,933)	(11,372)	(48)
Total comprehensive gain/(loss) attributable to:							
Equity holders of the Company		(2,487)	(4,793)	(48)	(5,305)	(10,995)	(52)
Non-controlling interests		(370)	(464)	(20)	(628)	(377)	67
		(2,857)	(5,257)	(46)	(5,933)	(11,372)	(48)
Earnings/(loss) per share attributable to equity holders of the Company (sen)							
- Basic	25	(0.80)	(1.54)		(1.70)	(3.53)	
- Diluted		N/A	N/A		N/A	N/A	

The above Unaudited Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 December 2017 and the accompanying explanatory notes attached to these interim financial statements.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2018**

	Note	As At 30.06.2018 RM'000 (Unaudited)	As At 31.12.2017 RM'000 (Audited)
Assets			
Non-current assets			
Property, plant and equipment	11	70,476	78,196
Investment properties		193,103	193,103
Land use rights		250	292
Finance lease receivables		12,538	12,538
Investment in associates		40	40
Other investments		8	8
Trade and other receivables		50,072	50,072
Other asset		1,277	1,277
Deferred tax assets		32,090	32,039
		<u>359,889</u>	<u>367,565</u>
Current assets			
Inventories		17,098	16,548
Trade and other receivables		20,483	28,126
Finance lease receivables		363	725
Other current assets		842	1,251
Cash and bank balances		5,496	6,175
		<u>44,282</u>	<u>52,825</u>
Total assets		<u>404,171</u>	<u>420,390</u>
Equity and liabilities			
Equity attributable to equity holders of the Company			
Share capital		311,362	311,362
Accumulated losses		(72,641)	(67,336)
		<u>238,721</u>	<u>244,026</u>
Non-controlling interests		<u>2,354</u>	<u>2,982</u>
Total equity		<u>241,075</u>	<u>247,008</u>
Non-current liabilities			
Deferred income		5,873	6,363
Loans and borrowings	22	30,636	40,680
Deferred tax liabilities		10,754	10,754
		<u>47,263</u>	<u>57,797</u>
Current liabilities			
Trade and other payables		52,500	53,871
Deferred income		2,115	3,258
Loans and borrowings	22	57,750	52,050
Tax payable		3,468	6,406
		<u>115,833</u>	<u>115,585</u>
Total liabilities		<u>163,096</u>	<u>173,382</u>
Total equity and liabilities		<u>404,171</u>	<u>420,390</u>
Net assets per share (RM)		0.77	0.79

The above Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 December 2017 and the accompanying explanatory notes attached to these interim financial statements.

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE QUARTER AND YEAR-TO-DATE ENDED 30 JUNE 2018

Note	----- Attributable to owners of the parent -----					
	Equity, total RM'000	Equity, attributable to the parent total RM'000	Share capital RM'000	Other Reserves RM'000	Accumulated losses RM'000	Non- controlling Interest RM'000
At 1 January 2018	247,008	244,026	311,362	-	(67,336)	2,982
Total comprehensive income/(expense)	(5,933)	(5,305)	-	-	(5,305)	(628)
At 30 June 2018	241,075	238,721	311,362	-	(72,641)	2,354
At 1 January 2017	265,617	261,838	311,362	46	(49,570)	3,779
Total comprehensive income/(expense)	(11,372)	(10,995)	-	-	(10,995)	(377)
At 30 June 2017	254,245	250,843	311,362	46	(60,565)	3,402

The above Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 December 2017 and the accompanying explanatory notes attached to these interim financial statements.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE QUARTER AND YEAR-TO-DATE ENDED 30 JUNE 2018**

	6 months ended	
	30.06.2018 RM'000	30.06.2017 RM'000
Cash flow from operating activities		
Profit/(loss) before taxation	(5,859)	(11,113)
Adjustment for:		
Interest income	(1,852)	(387)
Interest expense	3,964	3,591
Depreciation and amortisation	7,803	6,052
Amortisation of deferred income	(1,633)	(2,204)
Share of profit of associates	-	-
Operating cash flows before changes in working capital	2,423	(4,061)
<u>Changes in working capital</u>		
Decrease/(increase) in inventories	(550)	822
Decrease/(increase) in trade and other receivables	8,089	5,377
Increase/(decrease) in trade and other payables	(3,944)	1,727
Net movement in related companies	(92)	4
Cash generated from operating activities	5,926	3,869
Taxation paid	(74)	(258)
Interest paid	(3,964)	(3,591)
Net cash generated from/(used in) operating activities	1,888	20
Cash flows from investing activities		
Purchase of property, plant and equipments	(76)	27
Interest received	1,852	387
Net cash generated from/(used in) investing activities	1,776	414
Cash flows from financing activities		
Increase/(decrease) of deposit with licensed banks and financial institution	761	6,750
Net repayment of loans and borrowings	(14,427)	(13,523)
Net changes in bankers acceptances, trust receipts and bill purchase	-	(5,273)
Net cash used in from financing activities	(13,666)	(12,046)
Net decrease in cash and cash equivalents	(10,002)	(11,612)
Cash and cash equivalent at beginning of year	1,968	(1,923)
Cash and cash equivalents at end of period	(8,034)	(13,535)
Cash and cash equivalents comprise the following:		
Cash and bank balances	5,496	2,953
Deposits with licensed banks and financial institution	(426)	(426)
Bank overdraft	(13,104)	(16,062)
	(8,034)	(13,535)

The above Condensed Consolidated Statements of Cash Flow should be read in conjunction with the audited financial statements for the year ended 31 December 2017 and the accompanying explanatory notes attached to these interim financial statements.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER AND YEAR-TO-DATE ENDED 30 JUNE 2018

PART A - EXPLANATORY NOTES PURSUANT TO MFRS 134

1. BASIS OF PREPARATION

The condensed consolidated interim financial statements have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS") 134 *Interim Financial Reporting* and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad. These condensed consolidated interim financial statements also comply with IAS 34 Interim Financial Reporting issued by the International Accounting Standards Board.

The condensed consolidated interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2017.

The explanatory notes attached to the condensed consolidated interim financial statements 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 year ended 31 December 2017.

2. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in preparing these condensed consolidated interim financial statements are consistent with those of the audited financial statements for the year ended 31 December 2017.

The adoption of the Amendments to MFRSs and Issues Committee (IC) that came into effect on 1 January 2018 did not have any material impact on the condensed consolidated interim financial statements upon their initial application.

3. COMMENTS ABOUT SEASONAL OR CYCLICAL FACTORS

There were no seasonal or cyclical effects for the Energy and Manufacturing Sector. However, the performance of Food & Beverages and Tourism Sector is affected positively by the major festivals and school holidays.

4. UNUSUAL ITEMS DUE TO THEIR NATURE, SIZE OR INCIDENCE

There were no unusual items affecting assets, liabilities, equity, net income, or cash flows during the financial period ended 30 June 2018.

5. SIGNIFICANT ESTIMATES AND CHANGES IN ESTIMATES

There were no changes in estimates that have had a material effect in the current quarter results.

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6. DEBT AND EQUITY SECURITIES

There were no issuance and repayment of debt and equity securities, share buy-backs, share cancellation, shares held as treasury shares and resale of treasury in the current quarter.

7. DIVIDENDS PAID

There was no dividend paid to the shareholders for the current financial period to date.

8. OTHER INCOME

	3 months ended		6 months ended	
	30.06.2018 RM'000	30.06.2017 RM'000	30.06.2018 RM'000	30.06.2017 RM'000
Interest income:				
Holding company	1,480	-	1,480	-
Fixed deposits	3	(17)	7	3
Finance lease interest	182	209	365	384
	<u>1,665</u>	<u>192</u>	<u>1,852</u>	<u>387</u>
Other income:				
Rental income	245	242	485	484
Amortisation of deferred income	569	855	1,139	1,710
Miscellaneous income	(114)	1,543	503	1,753
	<u>700</u>	<u>2,640</u>	<u>2,127</u>	<u>3,947</u>
	<u>2,365</u>	<u>2,832</u>	<u>3,979</u>	<u>4,334</u>

9. OTHER EXPENSES

	3 months ended		6 months ended	
	30.06.2018 RM'000	30.06.2017 RM'000	30.06.2018 RM'000	30.06.2017 RM'000
Depreciation	260	597	617	1,204
Miscellaneous expenses	55	54	111	79
	<u>315</u>	<u>651</u>	<u>728</u>	<u>1,283</u>

10. SEGMENTAL INFORMATION

Segmental results by business activities:

RESULTS FOR THE QUARTER

	Energy			F&B and Tourism			Manufacturing			Investment			Eliminations		Total		
	30.06.2018 RM'000	31.03.2017 RM'000	Changes %	30.06.2018 RM'000	31.03.2017 RM'000	Changes %	30.06.2018 RM'000	31.03.2017 RM'000	Changes %	30.06.2018 RM'000	31.03.2017 RM'000	Changes %	30.06.2018 RM'000	31.03.2017 RM'000	30.06.2018 RM'000	31.03.2017 RM'000	Changes %
Revenue																	
Sales to external customers	6,260	404	1,450	5,429	5,691	(5)	2,724	4,719	(42)	-	-	-	-	-	14,413	10,814	33
Inter-segment sales	450	450	-	-	-	-	-	-	-	535	535	-	(985)	(985)	-	-	-
Total segment revenue	6,710	854	686	5,429	5,691	(5)	2,724	4,719	(42)	535	535	-	(985)	(985)	14,413	10,814	33
Results																	
Other income	2,232	1,064	110	(66)	400	(117)	(18)	4	(550)	1,735	3,132	(45)	(1,518)	(1,768)	2,365	2,832	(16)
Segment profit/(loss)	(2,491)	(7,016)	(64)	1,462	1,247	17	(976)	(357)	173	(796)	1,104	(172)	(2)	1	(2,803)	(5,021)	(44)

RESULTS FOR YEAR-TO-DATE

	Energy			F&B and Tourism			Manufacturing			Investment			Eliminations		Total		
	30.06.2018 RM'000	31.03.2017 RM'000	Changes %	30.06.2018 RM'000	31.03.2017 RM'000	Changes %	30.06.2018 RM'000	31.03.2017 RM'000	Changes %	30.06.2018 RM'000	31.03.2017 RM'000	Changes %	30.06.2018 RM'000	31.03.2017 RM'000	30.06.2018 RM'000	31.03.2017 RM'000	Changes %
Revenue																	
Sales to external customers	19,154	73	26,138	11,142	11,967	(7)	5,925	8,683	(32)	-	-	-	-	-	36,221	20,723	75
Inter-segment sales	900	900	-	-	-	-	-	-	-	1,070	1,070	-	(1,970)	(1,970)	-	-	-
Total segment revenue	20,054	973	1,961	11,142	11,967	(7)	5,925	8,683	(32)	1,070	1,070	-	(1,970)	(1,970)	36,221	20,723	75
Results																	
Other income	2,990	2,094	43	621	650	(4)	(61)	13	(569)	3,402	5,069	(33)	(2,973)	(3,492)	3,979	4,334	(8)
Segment profit/(loss)	(6,424)	(14,194)	(55)	3,561	2,624	36	(1,644)	(942)	75	(1,366)	1,168	(217)	14	231	(5,859)	(11,113)	(47)
Segment assets	221,599	256,499	(14)	126,183	102,017	24	16,422	20,426	(20)	367,283	371,244	(1)	(327,316)	(307,019)	404,171	443,167	(9)
Segment liabilities	205,622	238,921	(14)	65,062	47,225	38	7,485	7,984	(6)	153,089	159,641	(4)	(268,162)	(262,298)	163,096	191,473	(15)

11. CARRYING AMOUNT OF REVALUED ASSETS

The carrying amount of property, plant and equipment is recorded at cost and has been brought forward without amendment from the financial statements for the year ended 31 December 2017.

12. CAPITAL COMMITMENTS

The amount of commitments for the purchase of property, plant and equipment not provided for in the interim financial statements as at 30 June 2018 and 31 December 2017 are as follows:

	As at 30.06.2018 RM'000	As at 31.12.2017 RM'000
Capital expenditure		
Approved but not contracted for:		
Property, plant and equipment	2,786	2,862

13. CHANGES IN COMPOSITION OF THE GROUP

There were no changes in the composition of the Group during the current quarter under review.

14. MATERIAL EVENTS SUBSEQUENT TO THE REPORTING PERIOD

There were no material events subsequent to the end of the interim period reported which have not been reflected in the financial statements.

PART B - EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

15. PERFORMANCE REVIEW

(a) 2Q 2018 vs. 2Q 2017

There was an improvement in the performance of the group for the current quarter ended 30 June 2018 ("2Q2018") where the group recorded Loss Before Tax ("LBT") of RM2.8 million as compared to the LBT of RM5.02 in million in the corresponding quarter ended 30 June 2017 ("2Q2017"). The positive improvement was mainly due to the improvement in generation of both power plants which had partially re-commenced their operations since second half of 2017 and lower operating expenses in 2Q 2018.

Energy Sector: The sector recorded a significantly lower losses by 65% quarter-on-quarter as the sector recorded revenue and LBT of RM6.26 million and RM2.49 million respectively in 2Q 2018 as compared to RM0.4 million and RM7.02 million respectively in 2Q 2017. The increase in revenue and significant decrease in LBT was contributed by the increase in generation for both power plants which had partially re-commenced their operations since 16 June 2017 and 16 July 2017 for hydro power plant and diesel power plant respectively.

Food & Beverage and Tourism Sector: The sector recorded revenue and PBT of RM5.43 million and RM1.46 million respectively in 2Q 2018 as compared to the corresponding quarter 2Q 2017 of RM5.69 million and RM1.25 million respectively. Despite a lower revenue recorded in 2Q 2018 due to the closure of the non-profitable outlets in 1Q 2017, PBT had improved by RM0.22 million arising from savings in operating expenses in 2Q 2018.

Manufacturing Sector: The sector recorded revenue of RM2.72 million and LBT of RM0.98 million respectively as compared to the corresponding quarter of RM4.72 million and RM0.36 million respectively. Lower financial expenses incurred during the quarter mitigated the lower revenue achieved in 2Q 2018. The lower revenue resulted from lower domestic and export sales.

(b) YTD 2018 vs. YTD 2017

For the year to date ended 30 June 2018 ("YTD2018"), the Group recorded LBT of RM5.86 million against the LBT of RM11.11 million in the corresponding period in 2017 ("YTD 2017"). The positive variance was mainly due to the higher revenue and lower operating expenses incurred in YTD 2018.

Energy Sector: The sector recorded revenue and LBT of RM19.15 million and RM6.42 million respectively in YTD2018 as compared to revenue and LBT of RM0.07 million and RM14.19 million respectively in YTD2017. The significant improvement in revenue was contributed by both power plants which had partially recommenced their operations since 16 June 2017 and 16 July 2017 for hydro power plant and diesel power plant respectively. The significant decline in LBT by RM7.77 million was not only due to the improvement in revenue but also due to lower operating expenses and financial expenses.

Food & Beverage and Tourism Sector: The sector recorded revenue and PBT of RM11.14 million and RM3.56 million respectively in YTD2018 as compared to YTD2017 of RM11.96 million and RM2.62 million respectively. Despite a lower revenue recorded in YTD2018 arising from the closure of the non-profitable outlets, PBT had improved by RM0.94 million due to savings in operating expenses in YTD2018.

Manufacturing Sector: The sector recorded revenue of RM5.93 million and LBT of RM1.64 million respectively as compared to the corresponding YTD 2017 of RM8.68 million and RM0.94 million respectively. The higher LBT recorded by the sector was due to lower revenue resulted from lower domestic and export sales.

16. COMMENT ON MATERIAL CHANGE IN LOSS BEFORE TAXATION OF CURRENT QUARTER COMPARED WITH IMMEDIATE PRECEDING QUARTER

	Quarter Ended		
	30.06.2018 RM'000	31.03.2018 RM'000	Changes %
Revenue	14,413	21,808	(34)
Cost of sales	(10,826)	(17,928)	(40)
Gross profit	3,587	3,880	(8)
Other income	2,365	1,613	47
Administrative expenses	(6,153)	(5,842)	5
Selling and marketing expenses	(318)	(300)	6
Other expenses	(315)	(413)	(24)
Operating profit/(loss)	(834)	(1,062)	(21)
Finance costs	(1,969)	(1,995)	(1)
Profit/(loss) before taxation	(2,803)	(3,057)	(8)

As compared to the preceding quarter ended 31 March 2018 (1Q 2018), despite lower revenue recorded by the Group, the LBT had improved primarily due to the higher other income recognised on the interest from amount due from holding company.

17. COMMENTARY ON PROSPECTS

The Group expects an improvement in its financial and business performance upon the full re-commissioning of the power plants by end of the year. As at the date of reporting, all four (4) turbines at the Sungai Kenerong are operating. For the Libaran Plant, two (2) out of the four (4) engines have been re-commissioned and the full re-commissioning is expected by the end of the year.

In view of the targeted growth in the overall tourism sector, the Group is expecting to benefit from the increased number of tourist to UWL. The F&B segment will continue to strengthen its catering segment due to the high demand in catering for functions at banquet halls as well as convention centres.

The Manufacturing Sector will continuously look for opportunities in the LED market despite the competitive environment.

Based on the above, the Group expects to show improvement in its performance primarily driven by the energy sector upon full re-commissioning of the Libaran Plant before the year end.

18. PROFIT FORECAST OR PROFIT GUARANTEE

The Group did not issue any profit forecast or profit guarantee in the current quarter under review.

19. INCOME TAX EXPENSE

	3 months ended		6 months ended	
	30.06.2018 RM'000	30.06.2017 RM'000	30.06.2018 RM'000	30.06.2017 RM'000
Current tax:				
Malaysian income tax	(54)	(86)	(74)	(108)
Deferred tax	-	(150)	-	(151)
Total income tax expense	<u>(54)</u>	<u>(236)</u>	<u>(74)</u>	<u>(259)</u>

The effective tax rate for the year was higher than the statutory tax rate of 24% principally due to the losses of certain subsidiaries which cannot be set off against taxable profits made by other subsidiaries, and certain expenses which are not deductible for tax purposes.

20. CORPORATE PROPOSALS

New Issue Of Securities (Chapter 6 Of Listing Requirements) - Combination Of New Issue Of Securities

Since the last quarter report ended 31 March 2018, the following are the changes:

On 12 June 2018, The Bursa Securities had approved the following:

- (i) the admission of 155,681,135 Free Warrants to the Official List of Bursa Securities; and
- (ii) the listing of and quotation for:
 - (a) 155,681,135 Free Warrants to be issued pursuant to the Proposed Free Warrants Issue;
 - (b) up to 155,681,135 new Eden Shares to be issued pursuant to the exercise of the Free Warrants; and
 - (c) up to 500,000,000 new Eden Shares to be issued upon conversion of the Notes pursuant to the Proposed Notes Issues on the Main Market of Bursa Securities.

The approval granted by Bursa Securities for the Proposals is subject to the following conditions:

- (i) Eden and Kenanga IB must fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation of the Proposed Free Warrants Issue and Proposed Notes Issue;
- (ii) Eden and Kenanga IB to inform Bursa Securities upon the completion of the Proposed Free Warrants Issue and Proposed Notes Issue;
- (iii) Eden to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Proposed Free Warrants Issue and Proposed Notes Issue are completed; and
- (iv) Eden to furnish Bursa Securities on a quarterly basis a summary of total number of shares listed pursuant to the exercise of the Free Warrants and conversion of the Notes respectively as at the end of each quarter together with detailed computation of listing fees payable.

20. CORPORATE PROPOSALS (cont'd.)

During the Extraordinary General Meeting on 26 July 2018, the shareholders had approved the above corporate proposal.

The Company had on 26 July 2018 executed the Deed Poll for the Free Warrants to be issued pursuant to the Free Warrants Issue.

In addition, the Company has resolved to fix the exercise price of the Free Warrants at RM0.30 each, representing a premium of RM0.0102 or 3.5% to the 45-day Volume Weighted Average Price (VWAP) up to and including 25 July 2018 of RM0.2898.

Redeemable Convertible Notes ("RCN")

On 13 August 2018, 12 equal sub-tranches of Tranche 1 Notes amounting to RM3.0 million have been drawdown following the fulfilment of all conditions precedent of the Subscription Agreement. Subsequently, on 24 August 2018 and 27 August 2018, RM3.0 million were converted into 8,980,690 ordinary shares and 4,490,345 ordinary shares respectively.

On 23 August 2018, further 8 equal sub-tranches of Tranche 1 Notes amounting to RM2.0 million have been drawdown.

As at the date of this report, the status of the utilisation of the proceeds which summarised under three (3) broad purposes from the RCN is as follows:

Purpose		Proposed Utilisation RM'000	Actual Utilisation RM'000	Intended Timeframe for Utilisation
1)	Repayment of the Group's borrowings	24,000	-	Within three (3) years
2)	Finance the working capital requirements and/or capital expenditure requirements of the Group	30,100	3,656	Within two (2) and three (3) years
3)	Defray fees and expenses in connection to the issuance of the Notes	5,900	1,344	Within three (3) years
TOTAL		60,000	5,000	

As at 27 August 2018, the issued and paid-up capital of Eden stood at 324,833,306 shares after conversion of RCN amounting to RM3.0 million.

21. TRADE RECEIVABLES

	As at 30.06.2018 RM'000	As at 31.12.2017 RM'000
Trade receivables	19,955	25,097
Less: Allowance for impairment	(11,432)	(12,042)
	<u>8,523</u>	<u>13,055</u>

The ageing analysis of the Group's trade receivables as at 31 March 2018 is as follows:

	4,078	8,958
Neither past due nor impaired		
1 to 30 days past due not impaired	1,555	2,315
31 to 60 days past due not impaired	838	1,006
61 to 90 days past due not impaired	857	433
More than 91 days past due not impaired	1,195	343
	4,445	4,097
Impaired	11,432	12,042
	<u>19,955</u>	<u>25,097</u>

22. LOANS AND BORROWINGS

Group loans and borrowings as at 30 June 2018 and 31 December 2017 denominated in Ringgit Malaysia were:

	As at 30.06.2018 RM'000	As at 31.12.2017 RM'000
Current		
Secured:		
Bank overdraft	13,104	3,020
Bank-Guaranteed Sukuk Musharakah	10,000	10,000
Bridging loan	6,170	6,170
Bank loans	28,277	32,474
Obligation under finance lease	199	386
	<u>57,750</u>	<u>52,050</u>
Non-current		
Secured:		
Bank-Guaranteed Sukuk Musharakah	30,000	40,000
Bank loans	32	32
Obligation under finance lease	604	648
	<u>30,636</u>	<u>40,680</u>
Total loans and borrowings		
Bank overdraft	13,104	3,020
Bank-Guaranteed Sukuk Musharakah	40,000	50,000
Bridging loan	6,170	6,170
Bank loans	28,309	32,506
Obligation under finance lease	803	1,034
	<u>88,386</u>	<u>92,730</u>

23. CHANGES IN MATERIAL LITIGATION

There was no material litigation against the Group as at the reporting date.

24. DIVIDEND PAYABLE

No dividend has been declared for the quarter under review.

25. EARNINGS/(LOSS) PER SHARE

(a) Basic

The basic earnings/(loss) per share of the Group was calculated by dividing the net profit for the period attributable to the owners of the parent by the weighted average number of ordinary shares in issue to the public as follows:

	3 months ended		6 months ended	
	30.06.2018 RM'000	30.06.2017 RM'000	30.06.2018 RM'000	30.06.2017 RM'000
Profit/(loss) attributable to to owners of the parent	(2,487)	(4,793)	(5,305)	(10,995)
Weighted average number of ordinary shares in issues	311,362	311,362	311,362	311,362
Basic earnings/(loss) per share (sen)	(0.80)	(1.54)	(1.70)	(3.53)

(b) Diluted

There is no dilution in loss per share.

26. AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

The auditors has expressed unqualified opinion of the financial statements for the year ended 31 December 2017 and that their opinion is not modified in respect of the material uncertainty related to going concern.

a) The material uncertainty disclosed in the preceding Annual Financial Statements are as follows:

"We draw attention to Note 2.1 to the financial statements, which indicates that the Group reported loss after tax of approximately RM18.56 million for the financial year ended 31 December 2017 and, as of that date, the current liabilities of the Group and the Company exceeded the current assets by RM62.76 million and RM97.19 million respectively. In addition, the Group and the Company reported operating cash outflows of RM10.99 million and RM78,213 respectively.

26. AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS (CONT'D.)

These factor indicate the existence of material uncertainties that may cast significant of doubt on the Group's and the Company's ability to continue as going concern. Nevertheless, the financial statements of the Group and of the Company have been prepared on a going concern basis. The ability of the Group and of the Company to continue as going concern are dependent on the continued support of its lenders and creditors, the timely and successful re-commissioning of the remaining components of two power plants as well as the sustainability and profitability of the entire power plants in the future, the timely collection of the amount due from its holding company, Zil Enterprise Sdn. Bhd. ("ZESB") as disclosed in Note 22, the timely completion of the Proposed issuance of Redeemable Convertible Notes ("RCN") as disclosed in Note 38, and the timely completion of the planned disposal of lands of the Company."

b) The Group has taken the necessary steps to address the Key Audit Matters that related to the material uncertainty related to going concern which depends on the following:

(i) Re-commissioning of the Group's power plants

As at the date of reporting, all four (4) turbines at the Sungai Kenerong are operating. For the Libaran Plant, two (2) out of the four (4) engines have been re-commissioned and the full recommissioning is expected by the end of the year.

(ii) Recovery of amount due from ZESB

As at 30 June 2018, the total amount owing from ZESB is recorded at RM62.19 million, after the repayment of approximately RM1.40 million made by ZESB during April 2018. ZESB will continue to reduce the amount owing by monetising its assets.

(iii) Proposed issuance of Free Warrants and RCN

On 13 August 2018, RM3.0 million of Tranche 1 Notes have been issued following the fulfilment of all conditions precedent of the Subscription Agreement. The utilisation of the proceeds are reflected in Note 20.

(iv) Planned disposal of lands of the Company

On 5 April 2018, the JKPTG published gazette under section 8 of the Land Acquisition Act 1960 for Phase 1A mainly for the construction of the rail link line affecting only Lot 8911 with estimated area of 15.79 acres. As at the reporting date, there was no further development to the Proposed Land Acquisition.

The Group had been advised by JKPTG, that the above Proposed Land Acquisition is mainly for the rail link line. However the acquisition of the remaining lands for the Phase 2 (two) development, which is mainly for building the depot and maintenance centre has yet to be announced and gazetted at this juncture.

The land hearing was on 15 May 2018, however no decision has been made and we await for an official notice from JKPTG with regards to the status of the ECRL project.

(v) Continued support of the Group's lenders and creditors

As at 31 December 2017, the Company has recorded total loans and borrowings; and trade and other payables of RM 92.73 million and RM53.87 million, respectively.

With the expected fully recommissioning of the power plants, recovery of amount due from ZESB, proposed issuance of RCN and planned disposal of lands, the Company will be able to continually repay its outstanding borrowings/loans and creditors. This will reduce the current liabilities of the Company. The Group's cash flow position and liquidity is expected to improve and the going concern issue of the Group will be addressed.

EDEN INC. BERHAD (36216-V)
(Incorporated in Malaysia)

27. AUTHORISATION FOR ISSUE

The condensed consolidated interim financial statements were authorised for issue by the Board of Directors in accordance with resolution of the Directors on 29 August 2018.

By order of the Board.

Date: 29 August 2018