



**EDEN INC. BERHAD**

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

**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE QUARTER AND YEAR-TO-DATE ENDED 31 DECEMBER 2018**

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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME  
FOR THE QUARTER AND YEAR-TO-DATE ENDED 31 DECEMBER 2018**

	Note	3 months ended			12 months ended		
		31.12.2018 (RM'000)	31.12.2017 (RM'000)	Changes %	31.12.2018 (RM'000)	31.12.2017 (RM'000)	Changes %
<b>Revenue</b>	10	14,158	16,594	(15)	62,787	53,202	18
Cost of sales		(7,932)	(16,080)	(51)	(44,017)	(45,930)	(4)
<b>Gross profit</b>		<b>6,226</b>	<b>514</b>	<b>1,111</b>	<b>18,770</b>	<b>7,272</b>	<b>158</b>
Other income	8	1,836	10,365	(82)	7,704	15,771	(51)
Administrative expenses		(5,417)	(5,172)	5	(24,845)	(23,538)	6
Selling and marketing expenses		(341)	(582)	(41)	(1,247)	(1,402)	(11)
Other expenses	9	(2,012)	(1,298)	55	(3,130)	(3,294)	(5)
<b>Operating gain/(loss)</b>		<b>292</b>	<b>3,827</b>	<b>(92)</b>	<b>(2,748)</b>	<b>(5,191)</b>	<b>(47)</b>
Finance costs		(1,863)	(2,403)	(22)	(7,602)	(7,725)	(2)
Share of profit of associates		-	-	-	-	-	-
<b>Profit/(loss) before taxation</b>		<b>(1,571)</b>	<b>1,424</b>	<b>(210)</b>	<b>(10,350)</b>	<b>(12,916)</b>	<b>(20)</b>
Income tax (expense)/credit	19	1,291	(7,833)	(116)	1,221	(5,647)	(122)
<b>Profit/(loss) for the year representing total comprehensive gain/(loss) for the year</b>		<b>(280)</b>	<b>(6,409)</b>	<b>(96)</b>	<b>(9,129)</b>	<b>(18,563)</b>	<b>(51)</b>
<b>Total comprehensive gain/(loss) attributable to:</b>							
Equity holders of the Company		(10)	(6,056)	(100)	(8,024)	(17,766)	(55)
Non-controlling interests		(270)	(353)	(24)	(1,105)	(797)	39
		<b>(280)</b>	<b>(6,409)</b>	<b>(96)</b>	<b>(9,129)</b>	<b>(18,563)</b>	<b>(51)</b>
<b>Earnings/(loss) per share attributable to equity holders of the Company (sen)</b>							
- Basic	25	(0.00)	(1.95)		(2.46)	(5.71)	
- 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 31 DECEMBER 2018**

	Note	As At 31.12.2018 RM'000 (Unaudited)	As At 31.12.2017 RM'000 (Audited)
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	11	67,545	78,196
Investment properties		192,293	193,103
Land use rights		250	292
Finance lease receivables		11,773	12,538
Intangible assets		35	-
Investment in associates		40	40
Other investments		8	8
Trade and other receivables		51,686	50,072
Other asset		1,006	1,277
Deferred tax assets		28,759	32,039
		<u>353,395</u>	<u>367,565</u>
<b>Current assets</b>			
Inventories		14,690	16,548
Trade and other receivables		22,267	28,126
Finance lease receivables		765	725
Other current assets		844	1,251
Cash and bank balances		11,301	6,175
		<u>49,867</u>	<u>52,825</u>
<b>Total assets</b>		<b><u>403,262</u></b>	<b><u>420,390</u></b>
<b>Equity and liabilities</b>			
<b>Equity attributable to equity holders of the Company</b>			
Share capital		321,762	311,362
Accumulated losses		(75,360)	(67,336)
		<u>246,402</u>	<u>244,026</u>
<b>Non-controlling interests</b>		<u>1,877</u>	<u>2,982</u>
<b>Total equity</b>		<b><u>248,279</u></b>	<b><u>247,008</u></b>
<b>Non-current liabilities</b>			
Deferred income		3,105	6,363
Loans and borrowings	22	30,494	40,680
Deferred tax liabilities		3,863	10,754
		<u>37,462</u>	<u>57,797</u>
<b>Current liabilities</b>			
Trade and other payables		58,433	53,871
Deferred income		3,274	3,258
Loans and borrowings	22	51,145	52,050
Tax payable		4,669	6,406
		<u>117,521</u>	<u>115,585</u>
<b>Total liabilities</b>		<b><u>154,983</u></b>	<b><u>173,382</u></b>
<b>Total equity and liabilities</b>		<b><u>403,262</u></b>	<b><u>420,390</u></b>
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 31 DECEMBER 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
<b>At 1 January 2018</b>	247,008	244,026	311,362	-	(67,336)	2,982
Issuance of shares:						
- On Conversion of Redeemable of Convertible Notes	10,400	10,400	10,400	-	-	-
Total comprehensive income/(expense)	(9,129)	(8,024)	-	-	(8,024)	(1,105)
<b>At 31 December 2018</b>	<b>248,279</b>	<b>246,402</b>	<b>321,762</b>	<b>-</b>	<b>(75,360)</b>	<b>1,877</b>
<b>At 1 January 2017</b>	265,617	261,838	311,362	46	(49,570)	3,779
Total comprehensive income/(expense)	(18,609)	(17,812)	-	(46)	(17,766)	(797)
<b>At 31 December 2017</b>	<b>247,008</b>	<b>244,026</b>	<b>311,362</b>	<b>-</b>	<b>(67,336)</b>	<b>2,982</b>

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 31 DECEMBER 2018**

	12 months ended	
	31.12.2018 RM'000	31.12.2017 RM'000
<b>Cash flow from operating activities</b>		
Profit/(loss) before taxation	(10,350)	(12,916)
Adjustment for:		
Interest income	(3,794)	(6,274)
Interest expense	7,602	7,725
Impairment loss on financial assets	-	618
Impairment loss on investment in associate	-	12
Net fair value adjustment on investment properties	810	193
Depreciation and amortisation	11,479	16,231
Impairment loss on property, plant and equipment	24	824
Amortisation of deferred income	(3,242)	(5,704)
Reversal of allowance for impairment loss on financial assets	-	(8)
Net gain on disposal of property, plant and equipment	-	(17)
Property, plant and equipment written off	-	97
Inventories written down	463	250
Unrealised loss on foreign exchange	-	35
Recovery of other receivables previously written off	-	(1,152)
Operating cash flows before changes in working capital	2,992	(86)
<u>Changes in working capital</u>		
Changes in inventories	1,395	1,262
Changes in trade and other receivables	(3,385)	(1,830)
Changes in trade and other payables	(3,337)	(2,959)
Changes in related parties movement	11,583	8
Cash generated from operating activities	9,248	(3,605)
Net income tax paid	1,221	(998)
Interest paid	(7,602)	(6,391)
<b>Net cash generated from/(used in) operating activities</b>	2,867	(10,994)
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipments	(845)	(51)
Proceeds from disposal of property, plant and equipments	-	89
Recovery of other receivables previously written off	-	1,152
Net repayment of amount due from holding company	-	21,338
Interest received	3,794	1,477
<b>Net cash generated from/(used in) investing activities</b>	2,949	24,005
<b>Cash flows from financing activities</b>		
Increase/(decrease) of deposit with licensed banks and financial institution	(3,444)	5,989
Proceeds from issuance of RCN	14,650	-
Drawdown of bridging loan	-	6,170
Net repayment of loans and borrowings	(25,434)	(15,869)
Net changes in bankers acceptances and trust receipts	-	(5,410)
<b>Net cash used in from financing activities</b>	(14,228)	(9,120)
Net decrease in cash and cash equivalents	(8,412)	3,891
Cash and cash equivalent at beginning of year	1,968	(1,923)
<b>Cash and cash equivalents at end of period</b>	<b>(6,444)</b>	<b>1,968</b>
<b>Cash and cash equivalents comprise the following:</b>		
Cash and bank balances	11,301	6,175
Deposits with licensed banks and financial institution	(4,631)	(1,187)
Bank overdraft	(13,114)	(3,020)
	<b>(6,444)</b>	<b>1,968</b>

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 31 DECEMBER 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 31 December 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.

## 6. DEBT AND EQUITY SECURITIES

- 1) During the financial year the Company issued 66,165,778 new ordinary shares due to the conversion of Redeemable Convertible Notes ("RCN").
- 2) Other than above, there are no cancellation, repurchase, resale and repayment of debt and equity securities during the financial year-to-date.

## 7. DIVIDENDS PAID

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

## 8. OTHER INCOME

	3 months ended		12 months ended	
	31.12.2018 RM'000	31.12.2017 RM'000	31.12.2018 RM'000	31.12.2017 RM'000
Interest income:				
Holding company	773	5,485	3,013	5,485
Fixed deposits	25	7	51	22
Finance lease interest	182	192	730	767
	<u>980</u>	<u>5,684</u>	<u>3,794</u>	<u>6,274</u>
Other income:				
Rental income	254	242	993	967
Amortisation of deferred income	569	3,140	2,278	5,704
Recovery of other receivables previously written off	-	-	2	1,152
Miscellaneous income	33	1,299	637	1,674
	<u>856</u>	<u>4,681</u>	<u>3,910</u>	<u>9,497</u>
	<u>1,836</u>	<u>10,365</u>	<u>7,704</u>	<u>15,771</u>

## 9. OTHER EXPENSES

	3 months ended		12 months ended	
	31.12.2018 RM'000	31.12.2017 RM'000	31.12.2018 RM'000	31.12.2017 RM'000
Depreciation	302	16	1,250	1,874
Fair value adjustment on investment properties	810	193	810	193
Impairment loss on property, plant and equipment	24	824	24	824
Inventories written down	510	250	510	250
Miscellaneous expenses	366	15	536	153
	<u>2,012</u>	<u>1,298</u>	<u>3,130</u>	<u>3,294</u>

## 10. SEGMENTAL INFORMATION

Segmental results by business activities:

### RESULTS FOR THE QUARTER

	Energy			F&B and Tourism			Manufacturing			Investment			Eliminations		Total		
	31.12.2018 RM'000	31.12.2017 RM'000	Changes %	31.12.2018 RM'000	31.12.2017 RM'000	Changes %	31.12.2018 RM'000	31.12.2017 RM'000	Changes %	31.12.2018 RM'000	31.12.2017 RM'000	Changes %	31.12.2018 RM'000	31.12.2017 RM'000	31.12.2018 RM'000	31.12.2017 RM'000	Changes %
<b>Revenue</b>																	
Sales to external customers	3,946	5,224	(24)	7,261	7,076	3	2,952	4,295	(31)	-	-	-	-	-	14,159	16,595	(15)
Inter-segment sales	450	450	-	-	-	-	-	-	-	535	385	39	(985)	(835)	-	-	-
Total segment revenue	4,396	5,674	(23)	7,261	7,076	3	2,952	4,295	(31)	535	385	39	(985)	(835)	14,159	16,595	(15)
<b>Results</b>																	
Other income	1,560	9,910	(84)	45	1,046	(96)	4	27	(85)	1,773	2,269	(22)	(1,546)	(2,887)	1,836	10,365	(82)
Segment profit/(loss)	(2,954)	(773)	282	1,871	4,016	(53)	(714)	(1,890)	(62)	(33,808)	574	(5,990)	34,035	(503)	(1,570)	1,424	(210)

### RESULTS FOR YEAR-TO-DATE

	Energy			F&B and Tourism			Manufacturing			Investment			Eliminations		Total		
	31.12.2018 RM'000	31.12.2017 RM'000	Changes %	31.12.2018 RM'000	31.12.2017 RM'000	Changes %	31.12.2018 RM'000	31.12.2017 RM'000	Changes %	31.12.2018 RM'000	31.12.2017 RM'000	Changes %	31.12.2018 RM'000	31.12.2017 RM'000	31.12.2018 RM'000	31.12.2017 RM'000	Changes %
<b>Revenue</b>																	
Sales to external customers	26,138	9,371	179	24,585	25,607	(4)	12,064	18,224	(34)	-	-	-	-	-	62,787	53,202	18
Inter-segment sales	1,800	1,800	-	-	-	-	-	-	-	2,140	1,990	8	(3,940)	(3,790)	-	-	-
Total segment revenue	27,938	11,171	150	24,585	25,607	(4)	12,064	18,224	(34)	2,140	1,990	8	(3,940)	(3,790)	62,787	53,202	18
<b>Results</b>																	
Other income	6,069	13,059	(54)	817	1,517	(46)	(65)	20	(425)	6,907	9,368	(26)	(6,024)	(8,193)	7,704	15,771	(51)
Segment profit/(loss)	(12,382)	(20,163)	(39)	7,703	8,063	(4)	(2,879)	(2,917)	(1)	(36,847)	2,318	(1,690)	34,055	(217)	(10,350)	(12,916)	(20)
Segment assets	-	232,196	(100)	-	113,055	(100)	-	16,866	(100)	-	362,883	(100)	403,262	(304,610)	403,262	420,390	(4)
Segment liabilities	-	224,584	(100)	-	87,980	(100)	13	6,593	(100)	3,691	114,671	(97)	151,279	(260,446)	154,983	173,382	(11)



#### **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 31 December 2018 and 31 December 2017 are as follows:

	<b>As at 31.12.2018 RM'000</b>	<b>As at 31.12.2017 RM'000</b>
<b>Capital expenditure</b>		
Approved but not contracted for:		
Property, plant and equipment	2,017	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) 4Q 2018 vs. 4Q 2017**

The Group recorded Loss Before Tax ("LBT") of RM1.57 million for the current quarter ended 31 December 2018 ("4Q 2018") as compared to Profit Before Tax ("PBT") of RM1.42 million in the corresponding quarter ended 31 December 2017 ("4Q 2017"). This was mainly due to lower revenue generated by Energy Sector and Manufacturing Sector, lower other income and higher operating expenses.

**Energy Sector:** The sector recorded revenue and LBT of RM3.95 million and RM2.95 million respectively in 4Q 2018 as compared to 4Q 2017 of RM5.22 million and RM0.77 million. The higher losses was due to the lower other income as well as impairment loss made on the inventories during the quarter.

**Food & Beverage and Tourism Sector:** The sector recorded PBT of RM1.87 million in 4Q 2018 as compared to RM4.02 million in 4Q 2017. The PBT decline by 53% or RM1.24M mainly due to lower sales from catering segment and lower other income.

**Manufacturing Sector:** The sector recorded LBT of RM0.71 million in 4Q 2018 as compared to RM1.89 million in 4Q 2017 mainly due to the absence of impairment loss on property, plant and equipment and impairment on other receivables.

**(b) YTD 2018 vs. YTD 2017**

For the year to date ended 31 December 2018 ("YTD 2018"), the Group recorded LBT of RM10.35 million against the LBT of RM12.92 million recorded in the corresponding period in 2017 ("YTD 2017"). The lower LBT was mainly due to the higher revenue generated from Energy Sector which had mitigate the lower other income and higher operating expenses.

**Energy Sector:** The sector recorded revenue and LBT of RM26.14 million and RM12.38 million respectively in YTD 2018 as compared to revenue and LBT of RM9.37 million and RM20.16 million respectively in YTD 2017. The significant improvement in revenue was attributed to full year operations of hydro power plant.

**Food & Beverage and Tourism Sector:** The sector recorded revenue and PBT of RM24.58 million and RM7.7 million respectively in YTD 2018 as compared to YTD 2017 of RM25.61 million and RM8.06 million respectively. Despite recorded lower revenue in YTD 2018, PBT had improved by RM0.54 million due to the absence of impairment loss on property, plant and equipment which was incurred in 2017.

**Manufacturing Sector:** The sector recorded revenue and LBT of RM12.06 million and RM2.88 million respectively in YTD 2018 as compared to YTD 2017 of RM18.22 million and RM2.92 million respectively in YTD 2017. The lower LBT by the sector was due to savings in operating expenses which partly from the absence of impairment on assets.

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

	Quarter Ended		
	31.12.2018 RM'000	30.09.2018 RM'000	Changes %
<b>Revenue</b>	14,158	11,619	22
Cost of sales	(7,932)	(7,331)	8
<b>Gross profit</b>	6,226	4,288	45
Other income	1,836	2,678	(31)
Administrative expenses	(5,417)	(7,433)	(27)
Selling and marketing expenses	(341)	(288)	18
Other expenses	(2,012)	(390)	416
<b>Operating profit/(loss)</b>	292	(1,145)	(126)
Finance costs	(1,863)	(1,775)	5
<b>Profit/(loss) before taxation</b>	(1,571)	(2,920)	(46)

The Group LBT significantly lower than 3Q 2018 by RM1.35 million mainly attributed to higher revenue generated by Energy Sector as well as lower operating expenses incurred in 4Q 2018.

**17. COMMENTARY ON PROSPECTS**

Year 2019 is expected to be a better year for Kenerong Hydro plant with generations from 4 turbines as compared to only from 2 turbines for most part of 2018.

In relation to Libaran Plant operations, the recommencement of operations by end of the first quarter should allow the company to contribute to the revenue of the group and an improved performance for the year. This is made possible with the finalisation of the new fuel supply arrangement during this quarter.

Tourism business in the F&B and Tourism Sector will continue to contribute positively to the performance of the Group especially with the introduction of the online ticketing system.

The Manufacturing Sector is in process to scale down the switchgear business and to focus more on the LED business.

Based on the above, the Group expects to show an improvement in its 2019 performance primarily driven by the improved and continuous generation of both the power plants.

## 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		12 months ended	
	31.12.2018 RM'000	31.12.2017 RM'000	31.12.2018 RM'000	31.12.2017 RM'000
Current tax:				
Malaysian income tax	(2,269)	(5,099)	(2,339)	(2,913)
Deferred tax	3,560	(2,734)	3,560	(2,734)
Total income tax expense	1,291	(7,833)	1,221	(5,647)

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 30 September 2018, the following are the changes:

#### Redeemable Convertible Notes ("RCN")

As at the date of reporting, the Company has issued forty-four (44) Sub-Tranches under Tranche 1 of the RCN amounting to RM11.0 million of which RM5.0 million was issued in August 2018; RM4.0 million was issued in September 2018 and RM2.0 million was issued in November 2018. Following the aforesaid issuance, RCNs of RM10.4 million were converted into a total of 66,165,778 new ordinary shares of the Company.

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	Actual Utilisation	Intended Timeframe for Utilisation
		RM'000	RM'000	
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	9,263	Within two (2) and three (3) years
3)	Defray fees and expenses in connection to the issuance of the Notes	5,900	1,737	Within three (3) years
<b>TOTAL</b>		<b>60,000</b>	<b>11,000</b>	

## 21. TRADE RECEIVABLES

	As at 31.12.2018 RM'000	As at 31.12.2017 RM'000
Trade receivables	18,365	25,097
Less: Allowance for impairment	(11,432)	(12,042)
	<u>6,933</u>	<u>13,055</u>

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

Neither past due nor impaired	2,850	8,958
1 to 30 days past due not impaired	1,844	2,315
31 to 60 days past due not impaired	811	1,006
61 to 90 days past due not impaired	900	433
More than 91 days past due not impaired	528	343
	4,083	4,097
Impaired	11,432	12,042
	<u>18,365</u>	<u>25,097</u>

## 22. LOANS AND BORROWINGS

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

	As at 31.12.2018 RM'000	As at 31.12.2017 RM'000
<b>Current</b>		
Secured:		
Bank overdraft	13,114	3,020
Bank-Guaranteed Sukuk Musharakah	10,000	10,000
Bridging loan	719	6,170
Bank loans	26,452	32,474
Redeemable Convertible Notes	600	-
Obligation under finance lease	260	386
	<u>51,145</u>	<u>52,050</u>
<b>Non-current</b>		
Secured:		
Bank-Guaranteed Sukuk Musharakah	30,000	40,000
Bank loans	-	32
Obligation under finance lease	494	648
	<u>30,494</u>	<u>40,680</u>
<b>Total loans and borrowings</b>		
Bank overdraft	13,114	3,020
Bank-Guaranteed Sukuk Musharakah	40,000	50,000
Bridging loan	719	6,170
Bank loans	26,452	32,506
Redeemable Convertible Notes	600	-
Obligation under finance lease	754	1,034
	<u>81,639</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		12 months ended	
	31.12.2018 RM'000	31.12.2017 RM'000	31.12.2018 RM'000	31.12.2017 RM'000
Profit/(loss) attributable to to owners of the parent	(10)	(6,056)	(8,024)	(17,766)
Weighted average number of ordinary shares in issues	321,762	311,362	321,762	311,362
Basic earnings/(loss) per share (sen)	(0.00)	(1.95)	(2.49)	(5.71)

**(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

Year 2019 is expected to be a better year for Kenerong Hydro plant with generations from 4 turbines as compared to only from 2 turbines for most part of 2018.

In relation to Libaran Plant operations, the recommencement of operations is expected by end of the first quarter 2019. This is made possible with the finalisation of the new fuel supply arrangement during this quarter.

(ii) Recovery of amount due from ZESB

As at 31 December 2018, the total amount owing from ZESB is recorded at RM63.8 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.

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

- 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: (cont'd.)

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

As at 31 December 2018, the Company has recorded total loans and borrowings; and trade and other payables of RM81.64 million (2017: RM92.73 million) and RM58.43 million (2017: 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.

**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 27 February 2019.

By order of the Board.

Date: 27 February 2019