



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 2016**



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

**UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENTS
FOR THE QUARTER AND YEAR-TO-DATE ENDED 30 JUNE 2016**

	Note	Individual Quarter		Cumulative Quarter	
		2016 Current quarter ended 30.06.2016 (RM'000)	2015 Corresponding quarter ended 30.06.2015 (RM'000)	2016 Current year to date ended 30.06.2016 (RM'000)	2015 Corresponding year to date ended 30.06.2015 (RM'000)
Revenue	4	13,461	12,222	24,682	24,848
Cost of sales		(11,584)	(11,078)	(22,150)	(24,057)
Gross profit		1,877	1,144	2,532	791
Other income		8,364	2,254	19,075	4,639
Administrative expenses		(6,654)	(6,889)	(13,939)	(13,943)
Selling and marketing expenses		(327)	(473)	(694)	(869)
Other expenses		(735)	(771)	(1,472)	(1,625)
Operating profit/(loss)		2,525	(4,735)	5,502	(11,007)
Finance costs		(1,964)	(2,256)	(3,939)	(4,613)
Share of profit of associates		-	-	-	-
Profit/(loss) before taxation	4, 5	561	(6,991)	1,563	(15,620)
Income tax expense	19	(244)	(63)	(441)	(211)
Profit/(loss) net of tax		317	(7,054)	1,122	(15,831)
Profit/(loss) attributable to: attributable to:					
Owners of the parent		354	(6,862)	1,395	(15,556)
Non-controlling interests		(37)	(192)	(273)	(275)
		317	(7,054)	1,122	(15,831)
Earnings/(loss) per share attributable to equity holders of the Company (sen per share)					
- Basic	27	0.11	(2.20)	0.45	(5.00)
- Diluted		N/A	N/A	N/A	N/A

These Unaudited Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 December 2015 and the accompanying explanatory notes attached to the interim financial statements.



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 2016**

	Individual Quarter		Cumulative Quarter	
	2016 Current quarter ended 30.06.2016 (RM'000)	2015 Corresponding quarter ended 30.06.2015 (RM'000)	2016 Current year to date ended 30.06.2016 (RM'000)	2015 Corresponding year to date ended 30.06.2015 (RM'000)
Profit/(loss) net of tax	317	(7,054)	1,122	(15,831)
Other comprehensive income/(expense):				
Foreign currency translation reserve	-	-	-	-
Total comprehensive income/(expense) for the year	317	(7,054)	1,122	(15,831)
Total comprehensive income/(expense) attributable to:				
Owners of the parent	354	(6,862)	1,395	(15,556)
Non-controlling interests	(37)	(192)	(273)	(275)
	317	(7,054)	1,122	(15,831)

These Unaudited Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 December 2015 and the accompanying explanatory notes attached to the interim financial statements.

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2016

	Note	As At 30.06.2016 RM'000 (Unaudited)	As At 31.12.2015 RM'000 (Audited)
Assets			
Non-current assets			
Property, plant and equipment	10	129,105	137,487
Investment properties		168,377	168,377
Land use rights		375	375
Finance lease receivables		13,698	14,010
Investment in associates		499	499
Other investments		8	8
Other receivables		36,446	36,446
Deferred tax assets		38,350	38,300
		<u>386,858</u>	<u>395,502</u>
Current assets			
Inventories		19,110	21,694
Trade and other receivables		32,356	15,725
Finance lease receivables		609	593
Other current assets		2,519	3,739
Cash and bank balances		9,443	15,653
		<u>64,037</u>	<u>57,404</u>
Total assets		<u>450,895</u>	<u>452,906</u>
Equity and liabilities			
Current liabilities			
Deferred income		3,258	5,536
Loans and borrowings	23	37,687	35,490
Trade and other payables		66,328	57,313
		<u>107,273</u>	<u>98,339</u>
Net current liabilities		<u>(43,236)</u>	<u>(40,935)</u>
Non-current liabilities			
Deferred income		19,222	19,712
Loans and borrowings	23	84,876	96,191
Deferred tax liabilities		2,295	2,557
		<u>106,393</u>	<u>118,460</u>
Total liabilities		<u>213,666</u>	<u>216,799</u>
Net assets		<u>237,229</u>	<u>236,107</u>
Equity attributable to equity holders of the Company			
Share capital		311,362	311,362
Other reserves		(188)	(188)
Accumulated losses		(77,350)	(78,745)
		<u>233,824</u>	<u>232,429</u>
Non-controlling interests		3,405	3,678
Total equity		<u>237,229</u>	<u>236,107</u>
Total equity and liabilities		<u>450,895</u>	<u>452,906</u>
Net assets per share (RM)		0.76	0.76

The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 December 2015 and the accompanying explanatory notes attached to the interim financial statements.

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE QUARTER AND YEAR-TO-DATE ENDED 30 JUNE 2016

Note	Equity, total RM'000	----- Attributable to owners of the parent -----				Non- controlling Interest RM'000
		Equity, attributable to the parent total RM'000	Share capital RM'000	Other Reserves RM'000	Accumulated losses RM'000	
At 1 January 2016	236,107	232,429	311,362	(188)	(78,745)	3,678
Total comprehensive income/(expense)	1,122	1,395	-	-	1,395	(273)
At 30 June 2016	237,229	233,824	311,362	(188)	(77,350)	3,405
At 1 January 2015	279,742	275,475	311,362	(136)	(35,751)	4,267
Total comprehensive income/(expense)	(15,831)	(15,556)	-	-	(15,556)	(275)
At 30 June 2015	263,911	259,919	311,362	(136)	(51,307)	3,992

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 December 2015 and the accompanying explanatory notes attached to the interim financial statements.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE QUARTER AND YEAR-TO-DATE ENDED 30 JUNE 2016**

	6 months ended	
	30.06.2016 RM'000	30.06.2015 RM'000
Cash flow from operating activities		
Profit/(loss) before taxation	1,563	(15,620)
Adjustment for:		
Interest income	(417)	(428)
Interest expense	3,939	4,614
Depreciation and amortisation	8,642	8,904
Amortisation of deferred income	(2,768)	(2,997)
Operating cash flows before changes in working capital	10,959	(5,527)
Changes in working capital		
Decrease in inventories	2,584	736
Increase in trade and other receivables	(14,935)	(1,870)
Increase in trade and other payables	9,080	13,162
Net movement in related companies	(557)	(3,287)
Total changes in working capital	(3,828)	8,741
Cash generated from operating activities	7,131	3,214
Taxation paid	(441)	(211)
Interest paid	(3,939)	(4,614)
Net cash generated from/(used in) operating activities	2,751	(1,611)
Cash flows from investing activities		
Purchase of property, plant and equipments	(260)	(427)
Interest received	417	428
Net cash generated from/(used in) investing activities	157	1
Cash flows from financing activities		
Decrease/(increase) of deposit with licensed banks and financial institution	4,801	7,376
Net repayment of loans and borrowings	(10,404)	(8,815)
Net changes in bankers acceptances, trust receipts and bill purchase	1,057	(80)
Net cash used in from financing activities	(4,546)	(1,519)
Net decrease in cash and cash equivalents	(1,638)	(3,129)
Cash and cash equivalent at beginning of year	(5,826)	(1,754)
Cash and cash equivalents at end of period	(7,464)	(4,883)
Cash and cash equivalents comprise the following:		
Cash and bank balances	9,443	4,286
Deposits with licensed banks and financial institution	(8,748)	(1,215)
Bank overdraft	(8,159)	(7,954)
	(7,464)	(4,883)

The Condensed Consolidated Statements of Cash Flow should be read in conjunction with the audited financial statements for the year ended 31 December 2015 and the accompanying explanatory notes attached to the interim financial statements.

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER AND YEAR-TO-DATE ENDED 30 JUNE 2016**

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 2015.

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 2015.

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 2015.

The adoption of the Amendments to MFRSs and Issues Committee (IC) that came into effect on 1 January 2016 did not have any material impact on the condensed consolidated interim financial statements upon their initial application.

3. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the financial year ended 31 December 2015 were unqualified with emphasis of matter.

4. Segment Information

3 months ended		6 months ended	
30.06.2016	30.06.2015	30.06.2016	30.06.2015
RM'000	RM'000	RM'000	RM'000

Segment Revenue

Revenue from continuing operations:

Energy Sector	2,169	1,082	3,117	958
F&B and Tourism Sector	5,744	6,249	12,471	12,706
Manufacturing Sector	5,548	4,452	9,095	10,744
Investment Sector	640	928	1,103	1,391
Total revenue including inter-segment sales	14,101	12,711	25,786	25,799
Elimination of inter-segment sales	(640)	(489)	(1,104)	(951)
Total	13,461	12,222	24,682	24,848

4. Segment Information (cont'd)

3 months ended		6 months ended	
30.06.2016	30.06.2015	30.06.2016	30.06.2015
RM'000	RM'000	RM'000	RM'000

Segment Results

Results from continuing operations:

Energy Sector	(4,939)	(6,865)	(12,463)	(15,089)
F&B and Tourism Sector	566	832	2,201	834
Manufacturing Sector	(55)	(453)	(654)	(607)
Investment Sector	4,989	(349)	12,471	(228)
Others	-	-	-	-
	561	(6,835)	1,555	(15,090)
Elimination	-	(156)	8	(530)
Total	561	(6,991)	1,563	(15,620)

5. Profit/(Loss) Before Tax

Included in the (loss)/profit before tax are the following items:

3 months ended		6 months ended	
30.06.2016	30.06.2015	30.06.2016	30.06.2015
RM'000	RM'000	RM'000	RM'000

Interest income	(197)	(198)	(417)	(428)
Interest expense	1,964	2,257	3,939	4,614
Depreciation and amortisation	4,309	4,334	8,642	8,904
Amortisation of deferred income	(1,384)	(1,498)	(2,768)	(2,996)

6. 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 2015.

7. Changes in Estimates

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

8. 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.

9. Dividends Paid

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

10. 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 2015.

11. 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.

12. Changes in Composition of the Group

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

13. 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 2016 and 31 December 2015 are as follows:

	As at 30.06.2016 RM'000	As at 31.12.2015 RM'000
Capital expenditure		
Approved but not contracted for:		
Property, plant and equipment	3,323	3,583

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

For the current quarter ended 30 June 2016 ("2Q 2016"), the Group recorded Profit Before Tax ("PBT") of RM0.56 million, as compared to the Loss Before Tax ("LBT") of RM6.99 million in the corresponding quarter ended 30 June 2015 ("2Q 2015"). The positive variance was primarily due to the recognition of write back on amount due from associate company, reversal of provision as well as higher revenue recorded by the Group.

Energy Sector: The power plant was recommissioned in the 2Q 2016 which resulted in a RM1.09 million revenue increase compared to 2Q 2015 to RM2.17 million. There was also a reversal on provision made which subsequently reduced the LBT.

Manufacturing Sector: The sector recorded revenue of RM5.55 million and LBT of RM0.06 million as compared to the corresponding quarter of RM4.45 million and RM0.45 million respectively. The higher sales generated was mainly due to the sales from LED lighting products and the local sales.

Food & Beverage and Tourism Sector: The sector recorded PBT of RM0.57 million, a decreased by RM0.27 million as compared to the 2Q 2015. Despite the better performance recorded by the tourism segment the sector recorded lower PBT due to lower revenue generated the by restaurant and catering segment.

16. Comment on Material Change in Loss Before Taxation

The Group recorded PBT of RM0.56 million for the current quarter under review, compared to the PBT of RM1.0 million for the preceding quarter ended 31 March 2016 (1Q 2016). The decrease of RM0.44M was due to lower non-operating income recognised in the current quarter. This was mitigated by higher revenue from Energy Sector and Manufacturing Sector as well as lower operating expenses incurred during the quarter.

17. Commentary on Prospects

Due to year-end festivities and holiday period, the F&B and Tourism Sector traditionally performs better in the second half of the year and therefore we expect the sector to continue to contribute positively to the performance of the Group.

Currently the management have pursued and secured numerous LED projects. As a result, the management will continue to develop the LED business.

The Energy Sector is expected to performed better with the re-commissioning of its two power plants.

Based on the above, the Group expects to perform better for the second half of the year.

18. Profit Forecast of 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	
	30.06.2016 RM'000	30.06.2015 RM'000	30.06.2016 RM'000	30.06.2015 RM'000
Current tax:				
Malaysian income tax	(94)	(63)	(141)	(211)
Deferred tax	(150)	-	(300)	-
Total income tax expense	<u>(244)</u>	<u>(63)</u>	<u>(441)</u>	<u>(211)</u>

The effective tax rate for the year was higher than the statutory tax rate of 25% 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. Sale of Unquoted Investments and Properties

There were no sales of unquoted investments and properties in the current quarter under review.

21. Quoted Securities

There were no purchase or disposal of quoted securities in the current quarter under review.

22. Corporate Proposals

There were no corporate proposals in the current quarter under review.

23. Loans and Borrowings

Group loans and borrowings as at 30 June 2016 and 31 December 2015 denominated in Ringgit Malaysia were:

	As at 30.06.2016 RM'000	As at 31.12.2015 RM'000
Current		
Secured	37,687	35,490
Non-current		
Secured	84,876	96,191
Total loans and borrowings	<u>122,563</u>	<u>131,681</u>

Included in the short term borrowings are bank overdrafts amounting to RM8.16 million (31 December 2015: RM7.93 million).

24. Off Balance Sheet Financial Instruments

There were no financial instruments with off balance sheet risks in the current quarter under review.

25. Changes in Material Litigation

There are no material litigation as at the reporting date.

26. Dividend Payable

No dividend has been declared for the quarter under review.

27. 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	
	30.06.2016 RM'000	30.06.2015 RM'000	30.06.2016 RM'000	30.06.2015 RM'000
Profit/(loss) attributable to to owners of the parent	354	(6,862)	1,395	(15,556)
Weighted average number of ordinary shares in issues	311,362	311,362	311,362	311,362
Basic earnings/(loss) per share (sen)	0.11	(2.20)	0.45	(5.00)

(b) Diluted

There is no dilution in loss per share.

28. Realised and Unrealised Profits/(Losses)

The breakdown of the retained earnings of the Group as at the reporting date, into realised and unrealised profits/(losses) is tabulated below:

	As at 30.06.2016 RM'000	As at 31.12.2015 RM'000
Total accumulated losses of the Company and subsidiaries		
Realised	(142,638)	(244,914)
Unrealised	124,404	123,905
	<u>(18,234)</u>	<u>(121,009)</u>
Total shares of retained earnings of associates		
Realised	(23)	(23)
Unrealised	(1)	(1)
	<u>(24)</u>	<u>(24)</u>
Consolidation adjustments	(59,092)	42,288
Total Group accumulated losses	<u>(77,350)</u>	<u>(78,745)</u>

The determination of realised and unrealised profits is based on the Guidance of Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Securities Listing Requirements, issued by the Malaysian Institute of Accountants on 20 December 2010.

The disclosure of realised and unrealised profits above is solely for the purposes of complying with the disclosure requirement stipulated in the directive of Bursa Securities and should not be applied for any other purposes.

39. 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 2016.

By order of the Board.

Date: 29 August 2016