



**EDEN INC. BERHAD**

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

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



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

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

	Note	Individual Quarter		Cumulative Quarter	
		2016 Current quarter ended 30.09.2016 (RM'000)	2015 Corresponding quarter ended 30.09.2015 (RM'000)	2016 Current year to date ended 30.09.2016 (RM'000)	2015 Corresponding year to date ended 30.09.2015 (RM'000)
<b>Revenue</b>	4	12,019	12,569	36,701	36,951
Cost of sales		(12,254)	(10,033)	(34,404)	(34,090)
<b>Gross profit</b>		<b>(235)</b>	<b>2,536</b>	<b>2,297</b>	<b>2,861</b>
Other income		6,951	14,056	26,026	19,160
Administrative expenses		(7,258)	(9,462)	(21,197)	(23,405)
Selling and marketing expenses		(363)	(421)	(1,057)	(1,290)
Other expenses		(682)	(665)	(2,155)	(2,291)
<b>Operating profit/(loss)</b>		<b>(1,587)</b>	<b>6,044</b>	<b>3,914</b>	<b>(4,965)</b>
Finance costs		(2,018)	(2,112)	(5,958)	(6,725)
Share of profit of associates		-	-	-	-
<b>Profit/(loss) before taxation</b>	4, 5	<b>(3,605)</b>	<b>3,932</b>	<b>(2,044)</b>	<b>(11,690)</b>
Income tax expense	19	(68)	(1,185)	(509)	(1,396)
<b>Profit/(loss) net of tax</b>		<b>(3,673)</b>	<b>2,747</b>	<b>(2,553)</b>	<b>(13,086)</b>
<b>Profit/(loss) attributable to:</b>					
<b>attributable to:</b>					
Owners of the parent		(4,719)	2,847	(3,327)	(12,711)
Non-controlling interests		1,046	(100)	774	(375)
		<b>(3,673)</b>	<b>2,747</b>	<b>(2,553)</b>	<b>(13,086)</b>
<b>Earnings/(loss) per share attributable to equity holders of the Company (sen per share)</b>					
- Basic	27	(1.52)	0.91	(1.07)	(4.08)
- 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 SEPTEMBER 2016**

	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	2016 Current quarter ended 30.09.2016 (RM'000)	2015 Corresponding quarter ended 30.09.2015 (RM'000)	2016 Current year to date ended 30.09.2016 (RM'000)	2015 Corresponding year to date ended 30.09.2015 (RM'000)
<b>Profit/(loss) net of tax</b>	(3,673)	2,747	(2,553)	(13,086)
<b>Other comprehensive income/(expense):</b>				
Foreign currency translation reserve	-	-	-	-
<b>Total comprehensive income/(expense) for the year</b>	<b>(3,673)</b>	<b>2,747</b>	<b>(2,553)</b>	<b>(13,086)</b>
<b>Total comprehensive income/(expense) attributable to:</b>				
Owners of the parent	(4,719)	2,847	(3,327)	(12,711)
Non-controlling interests	1,046	(100)	774	(375)
	<b>(3,673)</b>	<b>2,747</b>	<b>(2,553)</b>	<b>(13,086)</b>

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 SEPTEMBER 2016

	Note	As At 30.09.2016 RM'000 (Unaudited)	As At 31.12.2015 RM'000 (Audited)
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	10	120,420	137,487
Investment properties		168,377	168,377
Land use rights		375	375
Finance lease receivables		13,541	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>378,016</u>	<u>395,502</u>
<b>Current assets</b>			
Inventories		18,212	21,694
Trade and other receivables		29,206	15,725
Finance lease receivables		617	593
Other current assets		1,721	3,739
Cash and bank balances		11,900	15,653
		<u>61,656</u>	<u>57,404</u>
<b>Total assets</b>		<b><u>439,672</u></b>	<b><u>452,906</u></b>
<b>Equity and liabilities</b>			
<b>Current liabilities</b>			
Deferred income		2,119	5,536
Loans and borrowings	23	36,274	35,490
Trade and other payables		63,933	57,313
		<u>102,326</u>	<u>98,339</u>
<b>Net current liabilities</b>		<u>(40,670)</u>	<u>(40,935)</u>
<b>Non-current liabilities</b>			
Deferred income		18,977	19,712
Loans and borrowings	23	82,520	96,191
Deferred tax liabilities		2,295	2,557
		<u>103,792</u>	<u>118,460</u>
<b>Total liabilities</b>		<u>206,118</u>	<u>216,799</u>
<b>Net assets</b>		<u>233,554</u>	<u>236,107</u>
<b>Equity attributable to equity holders of the Company</b>			
Share capital		311,362	311,362
Other reserves		(188)	(188)
Accumulated losses		(82,072)	(78,745)
		<u>229,102</u>	<u>232,429</u>
<b>Non-controlling interests</b>		4,452	3,678
<b>Total equity</b>		<u>233,554</u>	<u>236,107</u>
<b>Total equity and liabilities</b>		<b><u>439,672</u></b>	<b><u>452,906</u></b>
Net assets per share (RM)		0.75	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 SEPTEMBER 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	
<b>At 1 January 2016</b>	236,107	232,429	311,362	(188)	(78,745)	3,678
Total comprehensive income/(expense)	(2,553)	(3,327)	-	-	(3,327)	774
<b>At 30 September 2016</b>	<b>233,554</b>	<b>229,102</b>	<b>311,362</b>	<b>(188)</b>	<b>(82,072)</b>	<b>4,452</b>
<b>At 1 January 2015</b>	279,742	275,475	311,362	(136)	(35,751)	4,267
Total comprehensive income/(expense)	(13,086)	(12,711)	-	-	(12,711)	(375)
<b>At 30 September 2015</b>	<b>266,656</b>	<b>262,764</b>	<b>311,362</b>	<b>(136)</b>	<b>(48,462)</b>	<b>3,892</b>

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 SEPTEMBER 2016**

	9 months ended	
	30.09.2016 RM'000	30.09.2015 RM'000
<b>Cash flow from operating activities</b>		
Profit/(loss) before taxation	(2,044)	(11,690)
Adjustment for:		
Interest income	(608)	(648)
Interest expense	5,958	6,725
Net fair value adjustment on investment properties	-	29,195
Depreciation and amortisation	12,916	13,058
Amortisation of deferred income	(4,152)	(7,103)
Gain on disposal of property, plant and equipment	(4,547)	-
Operating cash flows before changes in working capital	<u>7,523</u>	<u>29,537</u>
<u>Changes in working capital</u>		
(Increase)/Decrease in inventories	3,482	(276)
(Increase)/Decrease in trade and other receivables	(1,965)	212
Increase/(Decrease) in trade and other payables	6,874	11,622
Net movement in related companies	(618)	(3,814)
Total changes in working capital	<u>7,773</u>	<u>7,744</u>
Cash generated from operating activities	15,296	37,281
Taxation paid	(509)	(1,396)
Interest paid	(5,958)	(6,725)
<b>Net cash generated from/(used in) operating activities</b>	<u>8,829</u>	<u>29,160</u>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipments	(303)	(23,388)
Interest received	608	648
<b>Net cash generated from/(used in) investing activities</b>	<u>305</u>	<u>(22,740)</u>
<b>Cash flows from financing activities</b>		
Decrease/(increase) of deposit with licensed banks and financial institution	4,775	7,368
Net repayment of loans and borrowings	(13,842)	(16,774)
Net changes in bankers acceptances, trust receipts and bill purchase	730	(198)
<b>Net cash used in from financing activities</b>	<u>(8,337)</u>	<u>(9,604)</u>
Net decrease in cash and cash equivalents	797	(3,184)
Cash and cash equivalent at beginning of year	(5,826)	(1,754)
<b>Cash and cash equivalents at end of period</b>	<u>(5,029)</u>	<u>(4,938)</u>
<b>Cash and cash equivalents comprise the following:</b>		
Cash and bank balances	11,900	4,353
Deposits with licensed banks and financial institution	(8,774)	(1,223)
Bank overdraft	(8,155)	(8,068)
	<u>(5,029)</u>	<u>(4,938)</u>

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		9 months ended	
30.09.2016	30.09.2015	30.09.2016	30.09.2015
RM'000	RM'000	RM'000	RM'000

**Segment Revenue**

Revenue from continuing operations:

Energy Sector	1,529	922	4,646	1,879
F&B and Tourism Sector	6,107	6,243	18,578	18,949
Manufacturing Sector	4,383	5,380	13,478	16,124
Investment Sector	547	463	1,650	1,389
Total revenue including inter-segment sales	12,566	13,008	38,352	38,341
Elimination of inter-segment sales	(547)	(439)	(1,651)	(1,390)
Total	12,019	12,569	36,701	36,951

#### 4. Segment Information (cont'd)

	3 months ended		9 months ended	
	30.09.2016	30.09.2015	30.09.2016	30.09.2015
	RM'000	RM'000	RM'000	RM'000
<b>Segment Results</b>				
Results from continuing operations:				
Energy Sector	(8,242)	(4,628)	(20,705)	(19,716)
F&B and Tourism Sector	1,522	4,469	3,723	5,303
Manufacturing Sector	3,522	(162)	2,868	(770)
Investment Sector	(408)	4,232	12,063	4,005
	(3,606)	3,911	(2,051)	(11,178)
Elimination	1	21	7	(512)
<b>Total</b>	<b>(3,605)</b>	<b>3,932</b>	<b>(2,044)</b>	<b>(11,690)</b>

#### 5. Profit/(Loss) Before Tax

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

	3 months ended		9 months ended	
	30.09.2016	30.09.2015	30.09.2016	30.09.2015
	RM'000	RM'000	RM'000	RM'000
Interest income	(191)	(220)	(608)	(648)
Interest expense	2,018	2,112	5,958	6,725
Depreciation and amortisation	8,583	8,488	12,916	13,058
Amortisation of deferred income	(1,385)	(4,107)	(4,152)	(7,103)
Gain on land acquisition by JKR	(8,422)	(3,636)	(8,422)	(3,636)
Gain on disposal of property, plant and equipment	(4,547)	-	(4,547)	-
Net gain from fair value adjustment of investment properties	-	(2,508)	-	(2,508)

#### 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 September 2016 and 31 December 2015 are as follows:

	As at 30.09.2016 RM'000	As at 31.12.2015 RM'000
<b>Capital expenditure</b>		
Approved but not contracted for:		
Property, plant and equipment	3,280	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 September 2016 ("3Q 2016"), the Group recorded Loss Before Tax ("LBT") of RM3.6 million, as compared to the Profit Before Tax ("PBT") of RM3.93 million in the corresponding quarter ended 30 September 2015 ("3Q 2015"). The variance was primarily due to lower other income recognised during the quarter.

**Energy Sector:** Despite registering higher revenue, the LBT had been higher than the corresponding quarter due to lower realisation of deferred income (IC Int. 4) and higher repair and maintenance costs incurred in 3Q 2016.

**Food & Beverage and Tourism Sector:** The sector recorded PBT of RM1.52 million, a decrease by RM2.95 million as compared to the 3Q 2015. This was mainly due to the reversal of entertainment duty made by Tourism Sector in 3Q 2015.

**Manufacturing Sector:** The sector recorded revenue of RM4.38 million and PBT of RM3.52 million as compared to the corresponding quarter of RM5.38 million and LBT of RM0.16 million respectively. The higher profit recorded was mainly due to the recognition of gain on disposal of land and building.

### **16. Comment on Material Change in Loss Before Taxation**

The Group recorded an LBT of RM3.6 million for the current quarter under review, compared to the PBT of RM0.56 million for the preceding quarter ended 30 June 2016 (2Q 2016). The decrease in PBT of RM4.17 million was mainly due to lower other income recognised and lower revenue from Energy Sector and Manufacturing Sector recorded during the quarter.

### **17. Commentary on Prospects**

Due to year-end festivities and holiday period, the F&B and Tourism Sector expects to perform better for the year and will contribute positively to the performance of the Group.

The management will continue to develop the LED Street Light business and have secured numerous LED projects which are in progress for implementation.

The Energy Sector is expected to reduce its deficit with the additional engines being in operations.

Based on the above, the Group will reduce its deficit for the year compared to the previous years' performance.

#### 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		9 months ended	
	30.09.2016 RM'000	30.09.2015 RM'000	30.09.2016 RM'000	30.09.2015 RM'000
Current tax:				
Malaysian income tax	82	6	(59)	(205)
Deferred tax	(150)	(1,191)	(450)	(1,191)
Total income tax expense	(68)	(1,185)	(509)	(1,396)

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 September 2016 and 31 December 2015 denominated in Ringgit Malaysia were:

	As at 30.09.2016 RM'000	As at 31.12.2015 RM'000
<b>Current</b>		
Secured	36,274	35,490
<b>Non-current</b>		
Secured	82,520	96,191
<b>Total loans and borrowings</b>	<b>118,794</b>	<b>131,681</b>

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		9 months ended	
	30.09.2016 RM'000	30.09.2015 RM'000	30.09.2016 RM'000	30.09.2015 RM'000
Profit/(loss) attributable to to owners of the parent	(4,719)	2,847	(3,327)	(12,711)
Weighted average number of ordinary shares in issues	311,362	311,362	311,362	311,362
Basic earnings/(loss) per share (sen)	(1.52)	0.91	(1.07)	(4.08)

**(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 30.09.2016 RM'000	As at 31.12.2015 RM'000
Total accumulated losses of the Company and subsidiaries		
Realised	(147,360)	(244,914)
Unrealised	124,404	123,905
	(22,956)	(121,009)
Total shares of retained earnings of associates		
Realised	(23)	(23)
Unrealised	(1)	(1)
	(24)	(24)
Consolidation adjustments	(59,092)	42,288
Total Group accumulated losses	(82,072)	(78,745)

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 25 November 2016.

By order of the Board.

Date: 25 November 2016