



**EDEN INC. BERHAD**

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

**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE QUARTER AND YEAR-TO-DATE ENDED 31 MARCH 2017**



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

**UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENTS  
FOR THE QUARTER AND YEAR-TO-DATE ENDED 31 MARCH 2017**

	Note	Individual Quarter		Cumulative Quarter	
		2017 Current quarter ended 31.03.2017 (RM'000)	2016 Corresponding quarter ended 31.03.2016 (RM'000)	2017 Current year to date ended 31.03.2017 (RM'000)	2016 Corresponding year to date ended 31.03.2016 (RM'000)
<b>Revenue</b>	4	9,910	11,875	9,910	11,875
Cost of sales		(8,588)	(10,566)	(8,588)	(10,566)
<b>Gross profit</b>		<b>1,322</b>	<b>1,309</b>	<b>1,322</b>	<b>1,309</b>
Other income		1,502	10,058	1,502	10,058
Administrative expenses		(6,107)	(7,285)	(6,107)	(7,285)
Selling and marketing expenses		(273)	(367)	(273)	(367)
Other expenses		(630)	(738)	(630)	(738)
<b>Operating profit/(loss)</b>		(4,186)	2,977	(4,186)	2,977
Finance costs		(1,904)	(1,976)	(1,904)	(1,976)
Share of profit of associates		-	-	-	-
<b>Profit/(loss) before taxation</b>	4, 5	<b>(6,090)</b>	<b>1,001</b>	<b>(6,090)</b>	<b>1,001</b>
Income tax expense	19	(22)	(198)	(22)	(198)
<b>Profit/(loss) net of tax</b>		<b>(6,112)</b>	<b>803</b>	<b>(6,112)</b>	<b>803</b>
<b>Profit/(loss) attributable to: attributable to:</b>					
Owners of the parent		(6,199)	1,038	(6,199)	1,038
Non-controlling interests		87	(235)	87	(235)
		<b>(6,112)</b>	<b>803</b>	<b>(6,112)</b>	<b>803</b>
<b>Earnings/(loss) per share attributable to equity holders of the Company (sen per share)</b>					
- Basic	27	(1.99)	0.33	(1.99)	0.33
- 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 2016 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 31 MARCH 2017**

	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	2017 Current quarter ended 31.03.2017 (RM'000)	2016 Corresponding quarter ended 31.03.2016 (RM'000)	2017 Current year to date ended 31.03.2017 (RM'000)	2016 Corresponding year to date ended 31.03.2016 (RM'000)
<b>Profit/(loss) net of tax</b>	(6,112)	803	(6,112)	803
<b>Other comprehensive income/(expense):</b>				
Foreign currency translation reserve	-	-	-	-
<b>Total comprehensive income/(expense) for the year</b>	<b>(6,112)</b>	<b>803</b>	<b>(6,112)</b>	<b>803</b>
<b>Total comprehensive income/(expense) attributable to:</b>				
Owners of the parent	(6,199)	1,038	(6,199)	1,038
Non-controlling interests	87	(235)	87	(235)
	<b>(6,112)</b>	<b>803</b>	<b>(6,112)</b>	<b>803</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 2016 and the accompanying explanatory notes attached to the interim financial statements.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
AS AT 31 MARCH 2017**

	Note	As At 31.03.2017 RM'000 (Unaudited)	As At 31.12.2016 RM'000 (Audited)
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	10	92,304	95,328
Investment properties		193,296	193,296
Land use rights		333	333
Finance lease receivables		13,229	13,264
Investment in associates		52	52
Other investments		8	8
Deferred tax assets		36,248	35,920
		<u>335,470</u>	<u>338,201</u>
<b>Current assets</b>			
Inventories		18,001	18,059
Trade and other receivables		90,768	94,410
Finance lease receivables		625	688
Other current assets		1,138	1,482
Cash and bank balances		3,058	8,242
		<u>113,590</u>	<u>122,881</u>
<b>Total assets</b>		<b><u>449,060</u></b>	<b><u>461,082</u></b>
<b>Equity and liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables		54,512	54,475
Loans and borrowings	23	39,764	36,194
Deferred income		4,396	4,400
Tax payable		8,344	7,695
		<u>107,016</u>	<u>102,764</u>
<b>Net current assets</b>		<u>6,574</u>	<u>20,117</u>
<b>Non-current liabilities</b>			
Deferred income		10,806	11,906
Loans and borrowings	23	63,207	71,614
Deferred tax liabilities		11,077	11,732
		<u>85,090</u>	<u>95,252</u>
<b>Total liabilities</b>		<u>192,106</u>	<u>198,016</u>
<b>Net assets</b>		<u>256,954</u>	<u>263,066</u>
<b>Equity attributable to equity holders of the Company</b>			
Share capital		311,362	311,362
Other reserves		46	46
Accumulated losses		(58,320)	(52,121)
		<u>253,088</u>	<u>259,287</u>
<b>Non-controlling interests</b>		<u>3,866</u>	<u>3,779</u>
<b>Total equity</b>		<u>256,954</u>	<u>263,066</u>
<b>Total equity and liabilities</b>		<b><u>449,060</u></b>	<b><u>461,082</u></b>
Net assets per share (RM)		0.83	0.84

The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 December 2016 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 31 MARCH 2017

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 2017</b>	263,066	259,287	311,362	46	(52,121)	3,779
Total comprehensive income/(expense)	(6,112)	(6,199)	-	-	(6,199)	87
<b>At 31 March 2017</b>	<b>256,954</b>	<b>253,088</b>	<b>311,362</b>	<b>46</b>	<b>(58,320)</b>	<b>3,866</b>
<b>At 1 January 2016</b>	279,742	275,475	311,362	(136)	(35,751)	4,267
Total comprehensive income/(expense)	803	1,038	-	-	1,038	(235)
<b>At 31 March 2016</b>	<b>280,545</b>	<b>276,513</b>	<b>311,362</b>	<b>(136)</b>	<b>(34,713)</b>	<b>4,032</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 2016 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 31 MARCH 2017**

	3 months ended	
	31.03.2017 RM'000	31.03.2016 RM'000
<b>Cash flow from operating activities</b>		
Profit/(loss) before taxation	(6,090)	1,001
Adjustment for:		
Interest income	(195)	(220)
Interest expense	1,904	1,976
Depreciation and amortisation	3,027	4,333
Amortisation of deferred income	(1,104)	(1,187)
Operating cash flows before changes in working capital	<u>(2,458)</u>	<u>5,903</u>
<b>Changes in working capital</b>		
Decrease/(increase) in inventories	58	2,200
Decrease/(increase) in trade and other receivables	3,655	(8,973)
Increase/(decrease) in trade and other payables	125	6,057
Net movement in related companies	4	(452)
Cash generated from operating activities	<u>1,384</u>	<u>4,735</u>
Taxation paid	(22)	(198)
Interest paid	(1,904)	(1,976)
<b>Net cash generated from/(used in) operating activities</b>	<u>(542)</u>	<u>2,561</u>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipments	(3)	(143)
Interest received	195	220
<b>Net cash generated from/(used in) investing activities</b>	<u>192</u>	<u>77</u>
<b>Cash flows from financing activities</b>		
Increase/(Decrease) of deposit with licensed banks and financial institution	(149)	4,793
Net repayment of loans and borrowings	(12,811)	(8,947)
Net changes in bankers acceptances, trust receipts and bill purchase	(5,024)	190
<b>Net cash used in from financing activities</b>	<u>(17,984)</u>	<u>(3,964)</u>
Net decrease in cash and cash equivalents	(18,334)	(1,326)
Cash and cash equivalent at beginning of year	(1,923)	(5,826)
<b>Cash and cash equivalents at end of period</b>	<b><u>(20,257)</u></b>	<b><u>(7,152)</u></b>
<b>Cash and cash equivalents comprise the following:</b>		
Cash and bank balances	3,058	9,278
Deposits with licensed banks and financial institution	(7,325)	(8,756)
Bank overdraft	(15,990)	(7,674)
	<b><u>(20,257)</u></b>	<b><u>(7,152)</u></b>

The Condensed Consolidated Statements of Cash Flow should be read in conjunction with the audited financial statements for the year ended 31 December 2016 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 31 MARCH 2017**

**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 2016.

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 2016.

**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 2016.

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 have expressed unqualified opinion of the financial statements for the year ended 31 December 2016 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. The Group and the Company reported loss after tax of approximately RM22.96 million and RM18.46 million respectively for the financial year ended 31 December 2016. In addition, the Group reported negative operating cashflow of RM870,326.

These factors indicate the existence of material uncertainties which may cast significant of doubt on the Group's and the Company's ability to continue as a going concern. Therefore, the Group and the Company may not be able to realise its assets and discharge its liabilities in the normal course of business. The ability of the Group and of the Company to continue as a going concern is dependent on the timely and successful re-commissioning of the two power plants, the recovery of the amount due from holding company, Zil Enterprise Sdn Bhd ("ZESB") and the timely completion of the planned disposal of lands of the Company."

### 3. Auditors' Report on Preceding Annual Financial Statements (cont'd.)

- b) The Group has already started the process of addressing the key audit matters that relates to the material uncertainty related to going concern, as follows:
- (i) The power plants will recommence its operations after the completion of the minor rectification works and also approval for the recommencement of the operations from the relevant parties, which is expected to be completed by end of June 2017; and
  - (ii) Barring any unforeseen circumstances, the recoverability of amount due from ZESB is targeted to materialise by end of the year. This exercise is dependent on the completion of the planned disposal of lands and subsidiary of ZESB, whereby ZESB had assigned its rights to the net proceeds from the said disposal as settlement of the amount owing to the Group.

### 4. Segment Information

3 months ended		3 months ended	
31.03.2017	31.03.2016	31.03.2017	31.03.2016
RM'000	RM'000	RM'000	RM'000

#### Segment Revenue

Revenue from continuing operations:

Energy Sector	(331)	948	(331)	948
F&B and Tourism Sector	6,277	7,380	6,277	7,380
Manufacturing Sector	3,964	3,547	3,964	3,547
Investment Sector	535	463	535	463
Total revenue including inter-segment sales	10,445	12,338	10,445	12,338
Elimination of inter-segment sales	(535)	(463)	(535)	(463)
Total	9,910	11,875	9,910	11,875

#### Segment Results

Results from continuing operations:

Energy Sector	(7,178)	(7,524)	(7,178)	(7,524)
F&B and Tourism Sector	1,378	1,636	1,378	1,636
Manufacturing Sector	(586)	(599)	(586)	(599)
Investment Sector	64	7,482	64	7,482
	(6,322)	995	(6,322)	995
Elimination	232	6	232	6
Total	(6,090)	1,001	(6,090)	1,001

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

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

3 months ended		3 months ended	
31.03.2017	31.03.2016	31.03.2017	31.03.2016
RM'000	RM'000	RM'000	RM'000

Interest income	(195)	(220)	(195)	(220)
Interest expense	1,904	1,976	1,904	1,976
Depreciation and amortisation	3,027	4,333	3,027	4,333
Amortisation of deferred income	(1,591)	(2,121)	(1,591)	(2,121)
Gain on land acquisition by JKR	-	(8,422)	-	(8,422)



**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 March 2017.

**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 2016.

**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 31 March 2017 and 31 December 2016 are as follows:

	As at 31.03.2017 RM'000	As at 31.12.2016 RM'000
<b>Capital expenditure</b>		
Approved but not contracted for:		
Property, plant and equipment	2,237	2,549

**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 31 March 2017 ("1Q 2017"), the Group recorded Loss Before Tax ("LBT") of RM6.1 million, as compared to the Profit Before Tax ("PBT") of RM1.0 million in the corresponding quarter ended 31 March 2016 ("1Q 2016"). The variance was primarily due to the one off other income recognised on 1Q 2016.

**Energy Sector:** Despite the lower revenue recorded in 1Q 2017, the LBT recorded was lower than that recorded in 1Q 2016. This is due to the lower depreciation arising from the impairment of property, plant and equipment in 2016.

**Food & Beverage and Tourism Sector:** The sector recorded revenue and PBT of RM6.28 million and RM1.38 million as compared to the corresponding quarter of RM7.38 million and RM1.64 million, a reduction in PBT by RM0.26 million due to the lower revenue generated by catering segment in 1Q 2017.

**Manufacturing Sector:** The sector recorded revenue of RM3.96 million and LBT of RM0.58 million as compared to the corresponding quarter of RM3.55 million and LBT of RM0.6 million respectively. The lower LBT was mainly contributed by higher export sales generated and lower financial expenses incurred in 1Q 2017.

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

The Group recorded a LBT of RM6.09 million for the current quarter under review, compared to the LBT of RM18.24 million for the preceding quarter ending 31 December 2016 ("4Q 2016"). This was due to impairment made on property, plant and equipment in 4Q 2016 as we took the fair view of recognising the impairment based on the original term of the concession.

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

The F&B and Tourism Sector is expected to continue to contribute positively primarily from the continuous good performance of the Tourism Sector. The Catering Segment is also expected to positively contribute in view of the coming school and festival holidays.

The LED segment is the main area of focus for future growth by the Manufacturing Sector. The sales for the LED segment had improved year on year and the sector remains committed in ensuring that the targeted projects materialises in 2017.

The Energy Sector is expected to substantially reduce its losses with the re-commissioning of both its power plants targeted by the second quarter 2017.

Despite the ongoing challenging environment, the Group expects to perform satisfactorily for 2017 driven by the recommissioning of the power plants for 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		3 months ended	
	31.03.2017 RM'000	31.03.2016 RM'000	31.03.2017 RM'000	31.03.2016 RM'000
Current tax:				
Malaysian income tax	(22)	(48)	(22)	(48)
Deferred tax	-	(150)	-	(150)
Total income tax expense	<u>(22)</u>	<u>(198)</u>	<u>(22)</u>	<u>(198)</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 31 March 2017 and 31 December 2016 denominated in Ringgit Malaysia were:

	As at 31.03.2017 RM'000	As at 31.12.2016 RM'000
<b>Current</b>		
Secured	39,764	36,194
<b>Non-current</b>		
Secured	63,207	71,614
<b>Total loans and borrowings</b>	<u>102,971</u>	<u>107,808</u>

Included in the short term borrowings are bank overdrafts amounting to RM15.99 million (31 December 2015: RM2.99 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		3 months ended	
	31.03.2017 RM'000	31.03.2016 RM'000	31.03.2017 RM'000	31.03.2016 RM'000
Profit/(loss) attributable to to owners of the parent	(6,199)	1,038	(6,199)	1,038
Weighted average number of ordinary shares in issues	311,362	311,362	311,362	311,362
Basic earnings/(loss) per share (sen)	(1.99)	0.33	(1.99)	0.33

**(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 31.03.2017 RM'000	As at 31.12.2016 RM'000
Total accumulated losses of the Company and subsidiaries		
Realised	(205,335)	(234,618)
Unrealised	123,338	122,356
	<u>(81,997)</u>	<u>(112,262)</u>
Total shares of retained earnings of associates		
Realised	(246)	(246)
Unrealised	(1)	(1)
	<u>(247)</u>	<u>(247)</u>
Consolidation adjustments	23,924	60,388
Total Group accumulated losses	<u>(58,320)</u>	<u>(52,121)</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 30 May 2017.

By order of the Board.

Date: 30 May 2017