



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 2017**

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

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

	Note	3 months ended			12 months ended		
		31.12.2017 (RM'000)	31.12.2016 (RM'000)	Changes %	31.12.2017 (RM'000)	31.12.2016 (RM'000)	Changes %
Revenue	10	16,135	12,461	29	51,931	51,278	1
Cost of sales		(16,040)	(10,647)	51	(45,891)	(45,051)	2
Gross profit		95	1,814	(95)	6,040	6,227	(3)
Other income	8	9,961	9,651	3	16,180	33,562	(52)
Administrative expenses		(4,814)	(8,402)	(43)	(23,165)	(29,603)	(22)
Selling and marketing expenses		(697)	(623)	12	(1,517)	(1,680)	(10)
Other expenses	9	(1,085)	(14,970)	(93)	(3,084)	(17,125)	(82)
Operating profit/(loss)		3,460	(12,530)	(128)	(5,546)	(8,619)	(36)
Finance costs		(1,720)	(1,835)	(6)	(7,042)	(7,793)	(10)
Share of profit of associates		-	2	-	-	2	-
Profit/(loss) before taxation		1,740	(14,363)	(112)	(12,588)	(16,410)	(23)
Income tax expense	19	(6,861)	(6,042)	14	(4,675)	(6,550)	(29)
Profit/(loss) net of tax		(5,121)	(20,405)	(75)	(17,263)	(22,960)	(25)
Profit/(loss) attributable to:							
attributable to:							
Owners of the parent		(4,802)	(19,732)	(76)	(16,500)	(23,061)	(28)
Non-controlling interests		(319)	(673)	(53)	(763)	101	(855)
		(5,121)	(20,405)	(75)	(17,263)	(22,960)	(25)
Earnings/(loss) per share attributable to equity holders of the							
Company (sen per share)							
- Basic	25	(1.54)	(6.34)		(5.30)	(7.41)	
- 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 2016 and the accompanying explanatory notes attached to these 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 DECEMBER 2017**

	3 months ended			12 months ended		
	31.12.2017 (RM'000)	31.12.2016 (RM'000)	Changes %	31.12.2017 (RM'000)	31.12.2016 (RM'000)	Changes %
Profit/(loss) net of tax	(5,121)	(20,405)	(75)	(17,263)	(22,960)	(25)
Other comprehensive income/(expense):						
Foreign currency translation reserve	-	-	-	-	-	-
Total comprehensive income/(expense) for the year	<u>(5,121)</u>	<u>(20,405)</u>	<u>(75)</u>	<u>(17,263)</u>	<u>(22,960)</u>	<u>(25)</u>
Total comprehensive income/(expense) attributable to:						
Owners of the parent	(4,802)	(19,732)	(76)	(16,500)	(23,061)	(28)
Non-controlling interests	(319)	(673)	(53)	(763)	101	(855)
	<u>(5,121)</u>	<u>(20,405)</u>	<u>(75)</u>	<u>(17,263)</u>	<u>(22,960)</u>	<u>(25)</u>

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 2016 and the accompanying explanatory notes attached to these interim financial statements.

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2017

	Note	As At 31.12.2017 RM'000 (Unaudited)	As At 31.12.2016 RM'000 (Audited)
Assets			
Non-current assets			
Property, plant and equipment	11	77,936	95,328
Investment properties		193,104	193,296
Land use rights		292	333
Finance lease receivables		12,538	13,264
Investment in associates		40	52
Other investments		8	8
Deferred tax assets		31,207	35,920
		<u>315,125</u>	<u>338,201</u>
Current assets			
Inventories		17,395	18,059
Trade and other receivables		78,415	94,410
Finance lease receivables		725	688
Other current assets		1,582	1,482
Cash and bank balances		6,164	8,242
		<u>104,281</u>	<u>122,881</u>
Total assets		<u>419,406</u>	<u>461,082</u>
Equity and liabilities			
Current liabilities			
Trade and other payables		54,642	54,475
Loans and borrowings	22	29,758	36,194
Deferred income		3,254	4,400
Tax payable		6,284	7,695
		<u>93,938</u>	<u>102,764</u>
Net current assets/(liabilities)		<u>10,343</u>	<u>20,117</u>
Non-current liabilities			
Deferred income		6,363	11,906
Loans and borrowings	22	61,634	71,614
Deferred tax liabilities		11,668	11,732
		<u>79,665</u>	<u>95,252</u>
Total liabilities		<u>173,603</u>	<u>198,016</u>
Net assets		<u>245,803</u>	<u>263,066</u>
Equity attributable to equity holders of the Company			
Share capital		311,362	311,362
Other reserves		46	46
Accumulated losses		(68,621)	(52,121)
		<u>242,787</u>	<u>259,287</u>
Non-controlling interests		<u>3,016</u>	<u>3,779</u>
Total equity		<u>245,803</u>	<u>263,066</u>
Total equity and liabilities		<u>419,406</u>	<u>461,082</u>
Net assets per share (RM)		0.79	0.84

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 2016 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 2017

Note	Equity, total RM'000	----- Attributable to owners of the parent -----		Share capital RM'000	Other Reserves RM'000	Accumulated losses RM'000	Non- controlling Interest RM'000
		Equity, attributable to the parent total RM'000	----- Non-distributable -----				
At 1 January 2017	263,066	259,287		311,362	46	(52,121)	3,779
Total comprehensive income/(expense)	(17,263)	(16,500)		-	-	(16,500)	(763)
At 31 December 2017	245,803	242,787		311,362	46	(68,621)	3,016
At 1 January 2016	285,793	282,115		311,362	(188)	(29,059)	3,678
Total comprehensive income/(expense)	(22,727)	(22,828)		-	234	(23,062)	101
At 31 December 2016	263,066	259,287		311,362	46	(52,121)	3,779

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 2016 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 2017**

	12 months ended	
	31.12.2017 RM'000	31.12.2016 RM'000
Cash flow from operating activities		
Profit/(loss) before taxation	(12,588)	(16,410)
Adjustment for:		
Interest income	(6,275)	(6,447)
Interest expense	7,042	7,793
Net fair value adjustment on investment properties	192	(179)
Depreciation and amortisation	16,307	16,636
Impairment loss on property, plant and equipment	800	13,795
Amortisation of deferred income	(6,689)	(7,961)
Amortisation of land use rights	42	42
Property, plant and equipment written off	-	60
Gain on disposal of property, plant and equipment	-	(4,615)
Recovery of the receivables previously written off	(1,150)	(4,076)
Loss on disposal of a subsidiary	-	450
Share of profit of associates	12	(2)
Operating cash flows before changes in working capital	<u>(2,307)</u>	<u>(914)</u>
<u>Changes in working capital</u>		
Decrease/(increase) in inventories	664	3,634
Decrease/(increase) in trade and other receivables	4,740	(1,788)
Increase/(decrease) in trade and other payables	(621)	7,729
Net movement in related companies	15,866	2,730
Cash generated from operating activities	<u>18,342</u>	<u>11,391</u>
Taxation paid	(4,674)	(1,247)
Interest paid	<u>(7,041)</u>	<u>(11,013)</u>
Net cash generated from/(used in) operating activities	<u>6,627</u>	<u>(869)</u>
Cash flows from investing activities		
Purchase of property, plant and equipments	284	(338)
Proceeds from disposal of property, plant and equipments	-	9,059
Recovery of other receivables previously written off	1,150	4,076
Repayment of amount due from holding company	-	2,850
Interest received	6,275	1,685
Net cash generated from/(used in) investing activities	<u>7,709</u>	<u>17,332</u>
Cash flows from financing activities		
Increase/(decrease) of deposit with licensed banks and financial institution	6,750	6,373
Net repayment of loans and borrowings	(11,035)	(19,872)
Net changes in bankers acceptances, trust receipts and bill purchase	(5,410)	939
Net cash used in from financing activities	<u>(9,695)</u>	<u>(12,560)</u>
Net decrease in cash and cash equivalents	4,641	3,903
Cash and cash equivalent at beginning of year	(1,923)	(5,826)
Cash and cash equivalents at end of period	<u>2,718</u>	<u>(1,923)</u>
Cash and cash equivalents comprise the following:		
Cash and bank balances	6,164	8,243
Deposits with licensed banks and financial institution	(426)	(7,176)
Bank overdraft	(3,020)	(2,990)
	<u>2,718</u>	<u>(1,923)</u>

The above 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 these interim financial statements.

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

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

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		12 months ended	
	31.12.2017 RM'000	31.12.2016 RM'000	31.12.2017 RM'000	31.12.2016 RM'000
Interest income:				
Holding company	5,484	5,414	5,484	5,414
Fixed deposits	10	174	24	230
Finance lease interest	192	255	767	803
	<u>5,686</u>	<u>5,843</u>	<u>6,275</u>	<u>6,447</u>
Other income:				
Net gain from fair value adjustments of investment properties	-	179	-	179
Rental income	242	361	967	1,067
Amortisation of deferred income	3,140	4,545	5,704	7,961
Gain on land acquisition by JKR	-	-	-	8,422
Gain on disposal of property, plant and equipment	-	-	-	4,615
Recovery of other receivables previously written off	-	-	1,150	4,076
Miscellaneous income	893	(1,277)	2,084	795
	<u>4,275</u>	<u>3,808</u>	<u>9,905</u>	<u>27,115</u>
	<u>9,961</u>	<u>9,651</u>	<u>16,180</u>	<u>33,562</u>

9. OTHER EXPENSES

	3 months ended		12 months ended	
	31.12.2017 RM'000	31.12.2016 RM'000	31.12.2017 RM'000	31.12.2016 RM'000
Depreciation	24	195	1,882	2,257
Impairment loss on property, plant and equipment	800	13,795	800	13,795
Miscellaneous expenses	261	980	402	1,073
	<u>1,085</u>	<u>14,970</u>	<u>3,084</u>	<u>17,125</u>

10. SEGMENTAL INFORMATION

Segmental results by business activities:

RESULTS FOR THE QUARTER

	Energy			F&B and Tourism			Manufacturing			Investment			Eliminations		Total		
	31.12.2017 RM'000	31.12.2016 RM'000	Changes %	31.12.2017 RM'000	31.12.2016 RM'000	Changes %	31.12.2017 RM'000	31.12.2016 RM'000	Changes %	31.12.2017 RM'000	31.12.2016 RM'000	Changes %	31.12.2017 RM'000	31.12.2016 RM'000	31.12.2017 RM'000	31.12.2016 RM'000	Changes %
Revenue																	
Sales to external customers	5,224	263	1,886	6,775	7,495	(10)	4,136	4,702	(12)	-	-	-	-	-	16,135	12,460	29
Inter-segment sales	450	450	-	-	-	-	-	-	-	385	556	(31)	(835)	(1,005)	-	1	-
Total segment revenue	5,674	713	696	6,775	7,495	(10)	4,136	4,702	(12)	385	556	(31)	(835)	(1,005)	16,135	12,461	29
Results																	
Other income	8,817	10,222	(14)	501	1,784	(72)	(33)	190	(117)	2,391	1,931	24	(1,715)	(4,476)	9,961	9,651	3
Segment profit/(loss)	(1,745)	(12,792)	(86)	4,300	3,991	8	(1,239)	(1,771)	(30)	(48,684)	(26,895)	81	49,108	23,104	1,740	(14,363)	(112)

RESULTS FOR YEAR-TO-DATE

	Energy			F&B and Tourism			Manufacturing			Investment			Eliminations		Total		
	31.12.2017 RM'000	31.12.2016 RM'000	Changes %	31.12.2017 RM'000	31.12.2016 RM'000	Changes %	31.12.2017 RM'000	31.12.2016 RM'000	Changes %	31.12.2017 RM'000	31.12.2016 RM'000	Changes %	31.12.2017 RM'000	31.12.2016 RM'000	31.12.2017 RM'000	31.12.2016 RM'000	Changes %
Revenue																	
Sales to external customers	9,371	4,909	91	24,493	28,188	(13)	18,066	18,179	(1)	-	-	-	-	-	51,930	51,276	1
Inter-segment sales	1,800	1,800	-	-	-	-	-	-	-	1,990	2,206	(10)	(3,789)	(4,004)	1	2	-
Total segment revenue	11,171	6,709	67	24,493	28,188	(13)	18,066	18,179	(1)	1,990	2,206	(10)	(3,789)	(4,004)	51,931	51,278	1
Results																	
Other income	11,966	15,242	(21)	1,987	2,022	(2)	(41)	4,797	(101)	9,288	21,029	(56)	(7,020)	(9,528)	16,180	33,562	(52)
Segment profit/(loss)	(21,135)	(33,497)	(37)	8,361	7,697	9	(2,266)	1,097	(307)	(46,940)	(14,832)	216	49,392	23,125	(12,588)	(16,410)	(23)
Segment assets	252,969	239,315	6	100,602	61,081	65	19,940	35,869	(44)	374,268	347,393	8	(328,374)	(243,987)	419,406	439,672	(5)
Segment liabilities	240,587	231,066	4	44,364	28,442	56	7,569	20,400	(63)	159,804	138,918	15	(278,721)	(212,708)	173,603	206,118	(16)

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 2016.

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 2017 and 31 December 2016 are as follows:

	As at 31.12.2017 RM'000	As at 31.12.2016 RM'000
Capital expenditure		
Approved but not contracted for:		
Property, plant and equipment	2,237	2,549

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 2017 vs. 4Q 2016

There was a significant improvement in the performance of the group for the current quarter ended 31 December 2017 ("4Q2017") where the group recorded Profit Before Tax ("PBT") of RM1.74 million as compared to the Loss Before Tax ("LBT") of RM14.36 million in the corresponding quarter ended 31 December 2016 ("4Q2016"). The significant positive improvement was not only as a result of lower impairment made for the quarter but also due to the improvement in generation of both power plants which had re-commenced their operations in the second half of the year.

Energy Sector: The sector markedly recorded a positive variance year on year as the sector recorded revenue and LBT of RM5.22 million and RM1.74 million respectively in 4Q2017 as compared to RM0.26 million and RM12.79 million respectively in 4Q2016. The positive increase in revenue was contributed by the increase in generation for both power plants which had re-commenced their operations since 16 June 2017 and 16 July 2017 for hydro power plant and diesel power plant respectively. The significant decline in LBT was not only due to the improvement in revenue but also due to the absence of impairment loss on property, plant and equipment which was recorded in 4Q2016.

Food & Beverage and Tourism Sector: The sector recorded revenue and PBT of RM6.77 million and RM4.3 million respectively as compared to the corresponding quarter of RM7.49 million and RM3.99 million respectively. Despite a lower revenue recorded in 4Q2017 arising from the cessation of the non-profitable outlets, PBT had improved by RM0.31 million due to savings in operating expenses in 4Q2017.

Manufacturing Sector: The sector recorded revenue of RM4.14 million and LBT of RM1.2 million respectively as compared to the corresponding quarter of RM4.7 million and RM1.77 million respectively. Lower operating expenses and financial expenses incurred during the quarter mitigated the lower revenue achieved in 4Q2017. The lower revenue primarily resulted in the lower local sales recorded primarily due to the lower demand in the construction sector.

(b) YTD 2017 vs. YTD 2016

For the year to date ended 31 December 2017 ("YTD2017"), the Group recorded LBT of RM12.59 million against the LBT of RM16.41 million in the corresponding period in 2016 ("YTD 2016"). The positive variance was mainly due to the lower operating expenses which had mitigate the absence of one off other income recognised in YTD2016.

Energy Sector: The sector recorded revenue and LBT of RM9.37 million and RM21.13 million respectively in YTD2017 as compared to revenue and LBT of RM4.91 million and RM33.49 million respectively in YTD2016. The significant improvement in revenue was contributed by both power plants which had 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 RM12.36 million was not only due to the improvement in revenue but also due to the absence of impairment loss on property, plant and equipment which was recorded in YTD2016.

Food & Beverage and Tourism Sector: The sector recorded revenue and PBT of RM24.49 million and RM8.36 million respectively in YTD2017 as compared to YTD2016 of RM28.19 million and RM7.69 million respectively. Despite a lower revenue recorded in YTD2017 arising from the cessation of the non-profitable outlets, PBT had improved by RM0.66 million due to savings in operating expenses in YTD2017.

15. PERFORMANCE REVIEW (CONT'D.)

(b) YTD 2017 vs. YTD 2016

Manufacturing Sector: The sector recorded revenue of RM18.07 million and LBT of RM2.27 million respectively as compared to the corresponding YTD 2016 of RM18.18 million and PBT of RM1.1 million respectively. The shortfall in profitability was mainly due to the recognition of gain on disposal of land and building in YTD 2016.

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

	Quarter Ended		
	31.12.2017 RM'000	30.09.2017 RM'000	Changes %
Revenue	16,135	15,072	7
Cost of sales	(16,040)	(11,624)	38
Gross profit	95	3,448	(97)
Other income	9,961	1,885	428
Administrative expenses	(4,814)	(5,836)	(18)
Selling and marketing expenses	(697)	(280)	149
Other expenses	(1,085)	(713)	52
Operating profit/(loss)	3,460	(1,496)	(331)
Finance costs	(1,720)	(1,730)	(1)
Profit/(loss) before taxation	1,740	(3,226)	(154)

The Group performed significantly better in 4Q 2017 compared to 3Q 2017 by recording a PBT of RM1.74 million compared to a LBT of RM3.23 million. The significant improvement of the Group for 4Q 2017 compared to the preceding quarter, mainly arose from the higher other income recognised primarily from the interest income and realisation of deferred income by the Energy Sector. This is supported by the lower administrative expenses recognised in 4Q 2017.

17. COMMENTARY ON PROSPECTS

Despite the challenging economic landscape and impending general election, the Group expects its performance to be driven by the improvement in performance by the Energy Sector.

With the two power plants to be fully operational by 2018, the Group expects significant improvements in its performance. Maintenance and rectification works are ongoing to ensure that both power plants will be fully recommissioned to enable the Energy Sector to contribute significantly and positively to the Group.

Tourism business in the F&B and Tourism Sector will continue to contribute positively to the performance of the Group.

In the Manufacturing Sector the LED business is the main area of focus for future growth where this business will increase its contribution in the sector. The sector will continue to pursue and secure opportunities in the LED market in 2018.

Based on the above, the Group expects to show a marked improvement in its performance in 2018 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	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
	RM'000	RM'000	RM'000	RM'000
Current tax:				
Malaysian income tax	(2,210)	(1,465)	(25)	(1,523)
Deferred tax	(4,651)	(4,577)	(4,650)	(5,027)
Total income tax expense	<u>(6,861)</u>	<u>(6,042)</u>	<u>(4,675)</u>	<u>(6,550)</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

On 1 November 2017, the Board of Directors of Eden announce that the Company proposes to undertake the followings:

- (i) proposed issuance of up to 155,681,135 Free Warrants Issue in Eden to the existing shareholders of Eden on the basis of one (1) Free Warrant for every two (2) existing ordinary shares in Eden held on an entitlement date to be determined and announce later; and
- (ii) proposed issuance of redeemable convertible commercial papers and/or redeemable convertible medium notes with an aggregate principal amount of up to RM60 million under a redeemable convertible notes programme, which will mature on the date falling 36 months from the closing date of the 1st sub-tranche of the Tranche 1 Notes.

In accordance with paragraph 9.33(i)(a) of the Main Market Listing Requirements of Bursa Securities, Eden is required to submit the draft circular in relation to the Proposals ("Draft Circular") to Bursa Securities within two (2) months from the date of the Announcement.

On 15 December 2017, the application has been submitted to Bursa Securities to seek an extension of time for the submission of Draft Circular to Bursa Securities.

On 9 January 2018, Bursa Securities had granted the Company an Extension of Time until 31 March 2018 to submit the Draft Circular in relation to the Proposals.

21. TRADE RECEIVABLES

	As at 31.12.2017 RM'000	As at 31.12.2016 RM'000
Trade receivables	25,041	19,110
Less: Allowance for impairment	(11,432)	(11,432)
	<u>13,609</u>	<u>7,678</u>

The ageing analysis of the Group's trade receivables as at 31 December 2017 is as follows:

Neither past due nor impaired	6,046	5,776
1 to 30 days past due not impaired	3,337	733
31 to 60 days past due not impaired	779	196
61 to 90 days past due not impaired	1,096	192
More than 91 days past due not impaired	2,351	781
	7,563	1,902
Impaired	11,432	11,432
	<u>25,041</u>	<u>19,110</u>

22. LOANS AND BORROWINGS

Group loans and borrowings as at 31 December 2017 and 31 December 2016 denominated in Ringgit Malaysia were:

	As at 31.12.2017 RM'000	As at 31.12.2016 RM'000
Current		
Secured:		
Bank overdraft	3,020	2,990
Bankers acceptances	-	744
Trust receipts	-	4,666
Bank-Guaranteed Sukuk Musharakah	10,000	10,000
Bank loans	16,500	17,467
Obligation under finance lease	238	327
	<u>29,758</u>	<u>36,194</u>
Non-current		
Secured:		
Bank-Guaranteed Sukuk Musharakah	40,000	50,000
Bank loans	20,851	20,563
Obligation under finance lease	783	1,051
	<u>61,634</u>	<u>71,614</u>
Total loans and borrowings		
Bank overdraft	3,020	2,990
Bankers acceptances	-	744
Trust receipts	-	4,666
Bank-Guaranteed Sukuk Musharakah	50,000	60,000
Bank loans	37,351	38,030
Obligation under finance lease	1,021	1,378
	<u>91,392</u>	<u>107,808</u>

23. CHANGES IN MATERIAL LITIGATION

The Company, had on 13 February 2018 received a winding-up petition ("the Petition") dated 6 February 2018 initiated by the Government of Malaysia ("GoM") for an amount owing to the Inland Revenue Board of Malaysia ("IRB").

The claim under the Petition, is for an amount of RM3,193,142.81 allegedly owing by the Company to the GoM, comprising Income Tax debt due to the Government for Year of Assessments 2013 and 2014 relating to:-

- i) The Notices of Assessment dated 15 August 2014 and 28 August 2015, respectively; and
- ii) Increase pursuant to section 142(1) of the Income Tax Act 1967 for non-payment of item (i).

The filing of the Petition was unexpected as the Company has been actively negotiating the payment terms with IRB, and have been making progressive payment to settle the alleged Income Tax debt and has made RM1,154,833.00 payment to date.

The Company believes that the alleged tax liabilities and/or the amount claimed by the GoM can be resolved before the next mention date, 8th May 2018. We have identified the sources for repayment and expect to receive a positive reply from IRB on the amicable settlement.

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	
	31.12.2017 RM'000	31.12.2016 RM'000	31.12.2017 RM'000	31.12.2016 RM'000
Profit/(loss) attributable to to owners of the parent	(4,802)	(19,732)	(16,500)	(23,061)
Weighted average number of ordinary shares in issues	311,362	311,362	311,362	311,362
Basic earnings/(loss) per share (sen)	(1.54)	(6.34)	(5.30)	(7.41)

(b) Diluted

There is no dilution in loss per share.

26. RETAINED EARNINGS/(ACCUMULATED LOSSES)

	As at 31.12.2017 RM'000	As at 31.12.2016 RM'000
Total accumulated losses of the Company and subsidiaries		
Realised	(210,004)	(234,618)
Unrealised	117,706	122,356
	(92,298)	(112,262)
Total shares of retained earnings of associates		
Realised	(246)	(246)
Unrealised	(1)	(1)
	(247)	(247)
Consolidation adjustments	23,924	60,388
Total Group accumulated losses	(68,621)	(52,121)

27. 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 factor 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 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."

- b) The Group has started the process of addressing the key audit matters that relate to the material uncertainty related to going concern, as follows:
- (i) Currently, both the power plants are partially operational and rectification works are ongoing to be able to fully recommission the power plants by first and third quarter of 2018 for hydro power plant and diesel power plant respectively; and
 - (ii) ZESB has made a payment of RM20.61 million in December 2017 which has reduced the amount owing from ZESB to the Group. ZESB will continue to reduce the amount owing by monetizing its assets in its investment properties.

28. 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 2018.

By order of the Board.

Date: 27 February 2018